

VENTAS INC
Form 10-Q
November 04, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2009
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO
Commission file number: 1-10989

Ventas, Inc.

(Exact Name of Registrant as Specified in Its Charter)

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Delaware
(State or Other Jurisdiction of Incorporation or Organization)

61-1055020
(I.R.S. Employer Identification No.)

111 S. Wacker Drive, Suite 4800

Chicago, Illinois

(Address of Principal Executive Offices)

60606

(Zip Code)

(877) 483-6827

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock:
Common Stock, \$0.25 par value

Outstanding at October 30, 2009:
156,605,778

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VENTAS, INC.

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****VENTAS, INC.****CONSOLIDATED BALANCE SHEETS****(In thousands, except per share amounts)**

	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Assets		
Real estate investments:		
Land	\$ 557,123	\$ 555,015
Buildings and improvements	5,641,309	5,593,024
Construction in progress	8,611	12,591
	6,207,043	6,160,630
Accumulated depreciation	(1,126,516)	(987,691)
Net real estate property	5,080,527	5,172,939
Loans receivable, net	125,410	123,289
Net real estate investments	5,205,937	5,296,228
Cash and cash equivalents	70,889	176,812
Escrow deposits and restricted cash	96,477	55,866
Deferred financing costs, net	27,804	22,032
Other	186,203	220,480
Total assets	\$ 5,587,310	\$ 5,771,418
Liabilities and equity		
Liabilities:		
Senior notes payable and other debt	\$ 2,615,142	\$ 3,136,998
Deferred revenue	4,628	7,057
Accrued interest	35,481	21,931
Accounts payable and other accrued liabilities	175,125	168,198
Deferred income taxes	254,622	257,499
Total liabilities	3,084,998	3,591,683
Commitments and contingencies		
Equity:		
Ventas stockholders' equity:		
Preferred stock, \$1.00 par value; 10,000 shares authorized, unissued		
Common stock, \$0.25 par value; 300,000 shares authorized; 156,605 and 143,302 shares issued at September 30, 2009 and December 31, 2008, respectively	39,155	35,825
Capital in excess of par value	2,570,146	2,264,125
Accumulated other comprehensive income (loss)	15,080	(21,089)
Retained earnings (deficit)	(139,478)	(117,806)
Treasury stock, 0 and 15 shares at September 30, 2009 and December 31, 2008, respectively		(457)

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Total Ventas stockholders' equity	2,484,903	2,160,598
Noncontrolling interest	17,409	19,137
Total equity	2,502,312	2,179,735
Total liabilities and equity	\$ 5,587,310	\$ 5,771,418

See accompanying notes.

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VENTAS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenues:				
Rental income	\$ 126,002	\$ 121,172	\$ 374,084	\$ 358,893
Resident fees and services	106,515	108,610	312,853	323,648
Income from loans and investments	3,214	3,426	9,828	5,373
Interest and other income	99	1,913	493	3,529
Total revenues	235,830	235,121	697,258	691,443
Expenses:				
Interest	43,660	50,745	133,942	153,927
Depreciation and amortization	50,349	49,997	148,897	176,960
Property-level operating expenses	76,338	81,698	224,370	230,497
General, administrative and professional fees (including non-cash stock-based compensation expense of \$3,078 and \$3,326 for the three months ended 2009 and 2008, respectively, and \$9,215 and \$7,816 for the nine months ended 2009 and 2008, respectively)	9,657	11,626	30,610	29,493
Foreign currency loss (gain)	32	(45)	31	(151)
Loss on extinguishment of debt		344	6,080	460
Merger-related expenses and deal costs	5,894	1,248	11,450	3,128
Total expenses	185,930	195,613	555,380	594,314
Income before reversal of contingent liability, income taxes, discontinued operations and noncontrolling interest	49,900	39,508	141,878	97,129
Reversal of contingent liability		23,328		23,328
Income tax benefit	410	415	1,352	14,165
Income from continuing operations	50,310	63,251	143,230	134,622
Discontinued operations	120	1,555	71,352	32,514
Net income	50,430	64,806	214,582	167,136
Net income attributable to noncontrolling interest, net of tax	625	1,040	2,168	2,063
Net income attributable to common stockholders	\$ 49,805	\$ 63,766	\$ 212,414	\$ 165,073
Earnings per common share:				
Basic:				
Income from continuing operations attributable to common stockholders	\$ 0.32	\$ 0.44	\$ 0.93	\$ 0.96
Discontinued operations	0.00	0.01	0.47	0.23
Net income attributable to common stockholders	\$ 0.32	\$ 0.45	\$ 1.40	\$ 1.19
Diluted:				

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Income from continuing operations attributable to common stockholders	\$ 0.32	\$ 0.44	\$ 0.93	\$ 0.96
Discontinued operations	0.00	0.01	0.47	0.23
Net income attributable to common stockholders	\$ 0.32	\$ 0.45	\$ 1.40	\$ 1.19
Weighted average shares used in computing earnings per common share:				
Basic	156,250	140,759	151,309	138,433
Diluted	156,516	141,141	151,439	138,859
Dividends declared per common share	\$ 0.5125	\$ 0.5125	\$ 1.5375	\$ 1.5375

See accompanying notes.

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VENTAS, INC.

CONSOLIDATED STATEMENTS OF EQUITY

For the Nine Months Ended September 30, 2009 and the Year Ended December 31, 2008

(In thousands, except per share amounts)

of securities and these favorable or unfavorable differences could be material. Among the factors considered in determining the fair va

Rand Capital Corporation and Subsidiary
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2010 and 2009
(Unaudited)

and small business investment company was continued by the newly formed corporation under the name of Rand Capital SBIC, Inc. ("Ra

ny and for the SBIC limited partnership. Nevertheless, the staff of the Division of Investment Management of the SEC maintained the v

n effect with respect to the Corporation.

2009, the Corporation approved and accrued \$133,013 under the profit sharing plan which was paid during the three months ended Mar

lying portfolio company has appreciated in value and, therefore, its equity security has also appreciated in value. These estimated fair v

**Other Significant
Unobservable
Inputs
(Level 3)**

\$

\$

**Other Significant
Unobservable
Inputs
(Level 3)**

\$

Total

\$

\$

\$

\$

the Corporation's plans, strategies, objectives, expectations and intentions and are intended to be made pursuant to the safe harbor p

% Decrease

**% Increase
(Decrease)**

**% Increase
(Decrease)**

21

% Increase

22

Estimated value of the Corporation's portfolio may differ significantly from the values that would be placed on the portfolio if a ready market existed.

PART II.
OTHER INFORMATION

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Signatures