

NATIONWIDE HEALTH PROPERTIES INC

Form 10-Q

May 04, 2006

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2006.

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 1-9028

NATIONWIDE HEALTH PROPERTIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation

or Organization)

95-3997619
(I.R.S. Employer

Identification Number)

610 Newport Center Drive, Suite 1150

Newport Beach, California 92660

(Address of Principal Executive Offices)

(949) 718-4400

(Registrant's Telephone Number, Including Area Code)

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

Shares of registrant's common stock, \$0.10 par value, outstanding at April 30, 2006: 74,739,376

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FORM 10-Q

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	March 31, 2006	December 31, 2005
	(Unaudited)	
	(Dollars in thousands)	
ASSETS		
Investments in real estate		
Real estate properties:		
Land	\$ 231,439	\$ 207,563
Buildings and improvements	1,998,752	1,835,183
	<u>2,230,191</u>	<u>2,042,746</u>
Less accumulated depreciation	(354,861)	(344,224)
	<u>1,875,330</u>	<u>1,698,522</u>
Mortgage loans receivable, net	83,729	87,553
	<u>1,959,059</u>	<u>1,786,075</u>
Cash and cash equivalents	12,399	10,005
Receivables	6,440	5,741
Assets held for sale	1,482	9,198
Other assets	84,333	56,201
	<u>\$ 2,063,713</u>	<u>\$ 1,867,220</u>
LIABILITIES AND STOCKHOLDERS EQUITY		
Borrowings under unsecured credit facility	\$ 335,000	\$ 224,000
Senior notes due 2006-2038	570,225	570,225
Notes and bonds payable	293,762	236,278
Accounts payable and accrued liabilities	61,338	55,685
	<u>1,260,325</u>	<u>1,086,188</u>
Minority interest	1,825	
Commitments and contingencies		
Stockholders' equity:		
Preferred stock \$1.00 par value; 5,000,000 shares authorized;		
Series A, 900,485 shares issued and outstanding at March 31, 2006 and December 31, 2005, stated at liquidation preference of \$100 per share	90,049	90,049
Series B, 1,064,500 shares issued and outstanding at March 31, 2006 and December 31, 2005, stated at liquidation preference of \$100 per share	106,450	106,450

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Common stock \$0.10 par value; 100,000,000 shares authorized; 68,889,376 and 67,811,117 issued and outstanding at March 31, 2006 and December 31, 2005, respectively	6,889	6,781
Capital in excess of par value	911,429	889,008
Cumulative net income	906,789	878,716
Cumulative dividends	(1,220,043)	(1,189,972)
	<u>801,563</u>	<u>781,032</u>
Total stockholders' equity	<u>\$ 2,063,713</u>	<u>\$ 1,867,220</u>

See accompanying notes.

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NATIONWIDE HEALTH PROPERTIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended March 31,	
	2006	2005
(In thousands, except per share amounts)		
Revenues:		
Rental income		
Triple net lease rent	\$ 55,646	\$ 46,852
Medical office building rent	1,917	
	<u>57,563</u>	<u>46,852</u>
Interest and other income	2,994	2,495
	<u>60,557</u>	<u>49,347</u>
Expenses:		
Interest and amortization of deferred financing costs	19,228	14,586
Depreciation and amortization	16,208	12,603
General and administrative	3,797	3,901
Medical office building operating expenses	999	
Impairment of assets		310
	<u>40,232</u>	<u>31,400</u>
Income before unconsolidated entity and minority interest	20,325	17,947
Income from unconsolidated joint venture		847
Minority interest in losses	(48)	
	<u>20,373</u>	<u>18,794</u>
Discontinued operations:		
Gain on sale of facilities, net	7,210	33
Income (loss) from discontinued operations	490	(5,466)
	<u>7,700</u>	<u>(5,433)</u>
Net income	28,073	13,361
Preferred stock dividends	(3,791)	(3,982)
	<u>\$ 24,282</u>	<u>\$ 9,379</u>
Basic/diluted per share amounts:		
Income from continuing operations available to common stockholders	\$ 0.24	\$ 0.22

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Discontinued operations	\$ 0.11	\$ (0.08)
Income available to common stockholders	\$ 0.35	\$ 0.14
Dividends paid per share	\$ 0.38	\$ 0.37
Diluted weighted average shares outstanding	68,449	67,053

See accompanying notes.

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NATIONWIDE HEALTH PROPERTIES, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

(Unaudited)

(In thousands)

	Preferred stock		Common stock		Capital in excess of par value	Cumulative net income	Cumulative dividends	Total stockholders equity
	Shares	Amount	Shares	Amount				
Balances at December 31, 2005	1,965	\$ 196,499	67,811	\$ 6,781	\$ 889,008	\$ 878,716	\$ (1,189,972)	\$ 781,032
Issuance of common stock			1,078	108	22,381			22,489
Stock option amortization					40			40
Net income						28,073		28,073
Preferred dividends							(3,791)	(3,791)
Common dividends							(26,280)	(26,280)
Balances at March 31, 2006	1,965	\$ 196,499	68,889	\$ 6,889	\$ 911,429	\$ 906,789	\$ (1,220,043)	\$ 801,563

See accompanying notes.

Table of Contents**NATIONWIDE HEALTH PROPERTIES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	Three Months Ended	
	March 31,	
	2006	2005
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 28,073	\$ 13,361
Non-cash adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	16,208	12,603
Depreciation and amortization in discontinued operations	36	743
Gain on sale of facilities	(7,210)	(33)
Impairment of assets		7,169
Amortization of deferred financing costs	554	447
Equity in earnings from unconsolidated joint venture		(754)
Cash distribution from unconsolidated joint venture		550
Changes in operating assets and liabilities:		
Receivables	(699)	995
Other assets	(4,150)	1,605
Accounts payable and accrued liabilities	6,573	2,536
Net cash provided by operating activities	39,385	39,222
Cash flows from investing activities:		
Investment in real estate facilities	(146,278)	(56,545)
Deposit for real estate acquisitions	(8,000)	
Proceeds from sale of real estate facilities	19,194	2,126
Return of investment from unconsolidated joint venture		875
Investment in mortgage loans receivable	(692)	
Principal payments on mortgage loans receivable	5,147	421