

INLAND WESTERN RETAIL REAL ESTATE TRUST INC

Form 10-Q

May 10, 2011

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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, 2011

or

- o** **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: 000-51199

Inland Western Retail Real Estate Trust, Inc.

(Exact name of registrant as specified in its charter)

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Maryland

(State or other jurisdiction of incorporation or organization)

42-1579325

(I.R.S. Employer Identification No.)

2901 Butterfield Road, Oak Brook, Illinois

(Address of principal executive offices)

60523

(Zip Code)

630-218-8000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:

None

Name of each exchange on which registered:

None

Securities registered pursuant to Section 12(g) of the Act:

Title of class:

Common stock, \$.001 par value per share

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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

As of May 9, 2011, there were 480,461,909 shares of common stock outstanding.

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Item 1. Condensed Consolidated Financial Statements

INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.**Condensed Consolidated Balance Sheets**

March 31, 2011 and December 31, 2010

(Unaudited)

(in thousands, except per share amounts)

	March 31, 2011	December 31, 2010
<u>Assets</u>		
Investment properties:		
Land	\$ 1,366,092	\$ 1,375,155
Building and other improvements	5,206,116	5,258,992
Developments in progress	87,956	87,095
	6,660,164	6,721,242
Less accumulated depreciation	(1,067,864)	(1,034,769)
Net investment properties	5,592,300	5,686,473
Cash and cash equivalents	97,024	130,213
Investment in marketable securities	36,793	34,230
Investment in unconsolidated joint ventures	31,498	33,465
Accounts and notes receivable (net of allowances of \$9,978 and \$9,138, respectively)	100,144	112,915
Acquired lease intangibles, net	216,393	230,046
Other assets, net	174,897	159,494
Total assets	\$ 6,249,049	\$ 6,386,836
<u>Liabilities and Equity</u>		
Liabilities:		
Mortgages and notes payable	\$ 3,325,077	\$ 3,602,890
Secured credit facility	370,000	154,347
Accounts payable and accrued expenses	65,788	84,570
Distributions payable	28,433	26,851
Acquired below market lease intangibles, net	89,972	92,099
Other financings	8,477	8,477
Co-venture obligation	51,556	51,264
Other liabilities	67,492	69,746
Total liabilities	4,006,795	4,090,244
Redeemable noncontrolling interests	527	527
Commitments and contingencies		
Equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized, none issued or outstanding		

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Common stock, \$0.001 par value, 640,000 shares authorized, 478,868 and 477,345 issued and outstanding at March 31, 2011 and December 31, 2010, respectively	479	477
Additional paid-in capital	4,393,726	4,383,281
Accumulated distributions in excess of earnings	(2,179,596)	(2,111,138)
Accumulated other comprehensive income	25,882	22,282
Total shareholders' equity	2,240,491	2,294,902
Noncontrolling interests	1,236	1,163
Total equity	2,241,727	2,296,065
Total liabilities and equity	\$ 6,249,049	\$ 6,386,836

See accompanying notes to condensed consolidated financial statements

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INLAND WESTERN RETAIL REAL ESTATE TRUST, INC.

Condensed Consolidated Statements of Operations and Other Comprehensive Loss

For the Three Months Ended March 31, 2011 and 2010

(Unaudited)

(in thousands, except per share amounts)

	Three Months Ended	
	2011	2010
	March 31,	
Revenues:		
Rental income	\$ 124,011	\$ 128,033
Tenant recovery income	28,482	32,026
Other property income	2,825	3,983
Insurance captive income		713
Total revenues	155,318	164,755
Expenses:		
Property operating expenses	28,764	29,242
Real estate taxes	19,274	22,978
Depreciation and amortization	60,149	61,549
Provision for impairment of investment properties	30,373	
Loss on lease terminations	3,338	2,982
Insurance captive expenses		1,225
General and administrative expenses	6,328	4,826
Total expenses	148,236	162,802