

DCT Industrial Trust Inc.
Form 10-Q
August 03, 2012
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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 June 30, 2012

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 001-33201

DCT INDUSTRIAL TRUST INC.

(Exact name of registrant as specified in its charter)

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Maryland
(State or other jurisdiction of
incorporation or organization)

518 Seventeenth Street, Suite 800

Denver, Colorado
(Address of principal executive offices)

82-0538520
(I.R.S. Employer
Identification No.)

80202
(Zip Code)

(303) 597-2400
(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 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 (§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 the 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 (Do not check if a smaller reporting company) 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 July 27, 2012, 249,924,606 shares of common stock of DCT Industrial Trust Inc., par value \$0.01 per share, were outstanding.

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DCT INDUSTRIAL TRUST INC. AND SUBSIDIARIES

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	June 30, 2012	December 31, 2011
	(unaudited)	
ASSETS		
Land	\$ 661,270	\$ 647,552
Buildings and improvements	2,365,590	2,393,346
Intangible lease assets	78,434	84,779
Construction in progress	40,258	35,386
Total investment in properties	3,145,552	3,161,063
Less accumulated depreciation and amortization	(595,015)	(589,314)
Net investment in properties	2,550,537	2,571,749
Investments in and advances to unconsolidated joint ventures	136,795	139,278
Net investment in real estate	2,687,332	2,711,027
Cash and cash equivalents	3,407	12,834
Notes receivable	359	1,053
Deferred loan costs, net	7,592	8,567
Straight-line rent and other receivables, net of allowance for doubtful accounts of \$1,317 and \$1,256, respectively	44,102	42,349
Other assets, net	16,495	17,468
Assets held for sale	35,031	
Total assets	\$ 2,794,318	\$ 2,793,298
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and accrued expenses	\$ 35,726	\$ 45,785
Distributions payable	19,130	19,057
Tenant prepaids and security deposits	20,945	22,864
Other liabilities	34,410	29,797
Intangible lease liability, net	17,978	18,897
Line of credit	105,000	
Senior unsecured notes	935,000	935,000
Mortgage notes	287,867	317,783
Liabilities related to assets held for sale	1,073	
Total liabilities	1,457,129	1,389,183
Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, none outstanding		
Shares-in-trust, \$0.01 par value, 100,000,000 shares authorized, none outstanding		
Common stock, \$0.01 par value, 350,000,000 shares authorized 249,280,068 and 245,943,100 shares issued and outstanding as of June 30, 2012 and December 31, 2011, respectively	2,493	2,459
Additional paid-in capital	2,044,062	2,018,075
Distributions in excess of earnings	(839,860)	(783,229)
Accumulated other comprehensive loss	(32,539)	(29,336)

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Total stockholders equity	1,174,156	1,207,969
Noncontrolling interests	163,033	196,146
Total equity	1,337,189	1,404,115
Total liabilities and equity	\$ 2,794,318	\$ 2,793,298

The accompanying notes are an integral part of these Consolidated Financial Statements.

Table of Contents**DCT INDUSTRIAL TRUST INC. AND SUBSIDIARIES****Consolidated Statements of Operations**

(unaudited, in thousands, except per share information)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
REVENUES:				
Rental revenues	\$ 63,784	\$ 58,772	\$ 127,768	\$ 116,812
Institutional capital management and other fees	1,151	1,129	2,206	2,148
Total revenues	64,935	59,901	129,974	118,960
OPERATING EXPENSES:				
Rental expenses	7,811	8,246	15,628	16,345
Real estate taxes	9,337	8,450	19,304	17,318
Real estate related depreciation and amortization	30,747	29,615	61,596	58,103
General and administrative	6,513	7,063	12,299	14,119
Casualty gains	(57)		(212)	
Total operating expenses	54,351	53,374	108,615	105,885
Operating income	10,584	6,527	21,359	13,075
OTHER INCOME AND EXPENSE:				
Equity in earnings (loss) of unconsolidated joint ventures, net	430	(1,126)	(424)	(2,483)
Impairment losses on investments in unconsolidated joint ventures		(1,934)		(1,934)
Interest expense	(17,540)	(13,955)	(34,470)	(29,367)
Interest and other income (expense)	(37)	13	160	99
Income tax expense and other taxes	(287)	(121)	(555)	(161)
Loss from continuing operations	(6,850)	(10,596)	(13,930)	(20,771)
Income (loss) from discontinued operations	(10,691)	1,061	(10,442)	1,391
Consolidated net loss of DCT Industrial Trust Inc.	(17,541)	(9,535)	(24,372)	(19,380)
Net loss attributable to noncontrolling interests	1,756	1,060	2,583	2,369
Net loss attributable to common stockholders	(15,785)	(8,475)	(21,789)	(17,011)
Distributed and undistributed earnings allocated to participating securities	(137)	(127)	(266)	(244)
Adjusted net loss attributable to common stockholders	\$ (15,922)	\$ (8,602)	\$ (22,055)	\$ (17,255)
EARNINGS PER COMMON SHARE BASIC AND DILUTED:				
Loss from continuing operations	\$ (0.02)	\$ (0.04)	\$ (0.05)	\$ (0.08)
Income (loss) from discontinued operations	(0.04)	0.00	(0.04)	0.01
Net loss attributable to common stockholders	\$ (0.06)	\$ (0.04)	\$ (0.09)	\$ (0.07)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic and diluted	248,107	245,413	247,227	239,261

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Distributions declared per common share

\$ 0.07 \$