

CBL & ASSOCIATES PROPERTIES INC
Form 10-Q
August 10, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JUNE 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 NO. 1-12494

CBL & ASSOCIATES PROPERTIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE **62-1545718**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)
2030 Hamilton Place Blvd., Suite 500, Chattanooga, TN 37421-6000
(Address of principal executive office, including zip code)
423.855.0001
(Registrant's telephone number, including area code)

N/A
(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 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.

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Large accelerated filer
Non-accelerated filer (Do not check if smaller reporting company)

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

As of August 5, 2009, there were 137,859,925 shares of common stock, par value \$0.01 per share, outstanding.

CBL & Associates Properties, Inc.

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PART I – FINANCIAL INFORMATION**ITEM 1. Financial Statements**

CBL & Associates Properties, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share data)
(Unaudited)

| | June 30, 2009 | December 31, 2008 |
|---|---------------------|----------------------|
| ASSETS | | |
| Real estate assets: | | |
| Land | \$ 926,588 | \$ 902,504 |
| Buildings and improvements | 7,567,502 | 7,503,334 |
| | 8,494,090 | 8,405,838 |
| Accumulated depreciation | (1,433,863) | (1,310,173) |
| | 7,060,227 | 7,095,665 |
| Developments in progress | 217,207 | 225,815 |
| Net investment in real estate assets | 7,277,434 | 7,321,480 |
| Cash and cash equivalents | 50,789 | 51,227 |
| Cash held in escrow | — | 2,700 |
| Receivables: | | |
| Tenant, net of allowance for doubtful accounts of \$2,133 in 2009 and \$1,910 in 2008 | 69,386 | 74,402 |
| Other | 12,725 | 12,145 |
| Mortgage and other notes receivable | 51,380 | 58,961 |
| Investments in unconsolidated affiliates | 196,106 | 207,618 |
| Intangible lease assets and other assets | 285,712 | 305,802 |
| | \$ 7,943,532 | \$ 8,034,335 |
| LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY | | |
| Mortgage and other notes payable | \$ 5,688,602 | \$ 6,095,676 |
| Accounts payable and accrued liabilities | 291,152 | 329,991 |
| Total liabilities | 5,979,754 | 6,425,667 |
| Commitments and contingencies (Notes 3, 5 and 11) | | |
| Redeemable noncontrolling interests: | | |
| Redeemable noncontrolling partnership interests | 91,792 | 18,393 |
| Redeemable noncontrolling preferred joint venture interest | 421,457 | 421,279 |
| Total redeemable noncontrolling interests | 513,249 | 439,672 |

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Shareholders' equity:

| | | |
|--|--------------|--------------|
| Preferred stock, \$.01 par value, 15,000,000 shares authorized: | | |
| 7.75% Series C cumulative redeemable preferred stock, 460,000 shares outstanding in 2009 and 2008 | 5 | 5 |
| 7.375% Series D cumulative redeemable preferred stock, 700,000 shares outstanding in 2009 and 2008 | 7 | 7 |
| Common Stock, \$.01 par value, 180,000,000 shares authorized, 137,855,513 and 66,394,844 issued and outstanding in 2009 and 2008, respectively | 1,378 | 664 |
| Additional paid-in capital | 1,420,214 | 993,941 |
| Accumulated other comprehensive loss | (6,968) | (12,786) |
| Accumulated deficit | (223,202) | (193,307) |
| | | |
| Total shareholders' equity | 1,191,434 | 788,524 |
| Noncontrolling interests | 259,095 | 380,472 |
| | | |
| Total equity | 1,450,529 | 1,168,996 |
| | | |
| | \$ 7,943,532 | \$ 8,034,335 |

The accompanying notes are an integral part of these balance sheets.

CBL & Associates Properties, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| REVENUES: | | | | |
| Minimum rents | \$ 170,491 | \$ 177,943 | \$ 342,428 | \$ 352,474 |
| Percentage rents | 1,604 | 1,610 | 6,408 | 6,606 |
| Other rents | 4,142 | 4,204 | 8,422 | 9,218 |
| Tenant reimbursements | 81,695 | 79,952 | 163,179 | 166,375 |
| Management, development and leasing fees | 1,615 | 2,484 | 4,080 | 5,422 |
| Other | 6,977 | 6,290 | 13,067 | 13,067 |