

KIMCO REALTY CORP
Form 10-Q
November 04, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 September 30, 2011

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: 1-10899

Kimco Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

13-2744380
(I.R.S. Employer Identification No.)

3333 New Hyde Park Road, New Hyde Park, NY 11042

(Address of principal executive offices) (Zip Code)

(516) 869-9000

(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 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 (sec. 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 12-b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

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

As of October 26, 2011, the registrant had 406,941,893 shares of common stock outstanding.

PART I FINANCIAL INFORMATION

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KIMCO REALTY CORPORATION AND SUBSIDIARIES**CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)****(in thousands, except share information)**

	September 30,	December 31,
	2011	2010
Assets:		
Operating real estate, net of accumulated depreciation of \$1,660,635 and \$1,549,380, respectively	\$ 6,808,693	\$ 6,708,373
Investments and advances in real estate joint ventures	1,366,789	1,382,749
Real estate under development	201,059	335,007
Other real estate investments	365,716	418,564
Mortgages and other financing receivables	93,449	108,493
Cash and cash equivalents	180,198	125,154
Marketable securities	39,650	223,991
Accounts and notes receivable	135,717	130,536
Other assets	389,280	401,008
Total assets	\$ 9,580,551	\$ 9,833,875
Liabilities:		
Notes payable	\$ 2,883,920	\$ 2,982,421
Mortgages payable	1,059,385	1,046,313
Construction loans payable	41,958	30,253
Dividends payable	88,090	89,037
Other liabilities	465,302	429,505
Total liabilities	4,538,655	4,577,529
Redeemable noncontrolling interests	95,059	95,060
Stockholders' equity:		
Preferred Stock, \$1.00 par value, authorized 3,092,000 shares		
Class F Preferred Stock, \$1.00 par value, authorized 700,000 shares issued and outstanding 700,000 shares aggregate liquidation preference \$175,000	700	700
Class G Preferred Stock, \$1.00 par value, authorized 184,000 shares issued and outstanding 184,000 shares aggregate liquidation preference \$460,000	184	184
Class H Preferred Stock, \$1.00 par value, authorized 70,000 shares issued and outstanding 70,000 shares aggregate liquidation preference \$175,000	70	70
Common Stock, \$.01 par value, authorized 750,000,000 shares issued and outstanding 406,939,830 and 406,423,514 shares, respectively	4,069	4,064
Paid-in capital	5,488,755	5,469,841
Cumulative distributions in excess of net income	(657,237)	(515,164)
	4,836,541	4,959,695

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Accumulated other comprehensive income	(86,080)	(23,853)
Total stockholders' equity	4,750,461	4,935,842
Noncontrolling interests	196,376	225,444
Total equity	4,946,837	5,161,286
Total liabilities and equity	\$ 9,580,551	\$ 9,833,875

The accompanying notes are an integral part of these condensed consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Revenues from rental property	\$ 216,078	\$ 207,231	\$ 655,477	\$ 625,177
Rental property expenses:				
Rent	(3,461)	(3,418)	(10,565)	(10,528)
Real estate taxes	(29,672)	(29,721)	(89,145)	(88,297)
Operating and maintenance	(29,317)	(27,221)	(91,195)	(86,021)
Impairment of property carrying values	(1,428)	-	(2,025)	(1,900)
Mortgage and other financing income	1,959	2,486	5,728	7,526
Management and other fee income	8,728	9,082	26,828	30,343
Depreciation and amortization	(60,372)	(59,815)	(187,011)	(173,007)
General and administrative expenses	(30,860)	(28,452)	(90,245)	(82,997)
Interest, dividends and other investment income	375	4,550	14,173	15,814
Other expense, net	(2,751)	(741)	(2,311)	(2,362)
Interest expense	(56,474)	(57,706)	(167,756)	(171,314)
Early extinguishment of debt charges	-	(10,811)	-	(10,811)
Income from other real estate investments	2,449	1,231	3,062	2,703
Gain on sale of development properties	-	336	-	2,130
Impairments:				
Investments in other real estate investments	(609)	-	(609)	(5,994)
Marketable securities and other investments	-	(657)	-	(1,163)
Investments in real estate joint ventures	(2,000)	-	(5,123)	-
Income from continuing operations before income taxes, equity in income of joint ventures and equity in income from other real estate investments	12,645	6,374	59,283	49,299
Provision for income taxes, net	(4,417)	(2,708)	(14,199)	(3,722)
Equity in income of joint ventures, net	19,641	13,098	49,810	27,717
Equity in income of other real estate investments, net	24,788	15,052	35,123	36,878
Income from continuing operations	52,657	31,816	130,017	110,172
Discontinued operations:				
Income/(loss) from discontinued operating properties, net of tax	1,690	(194)	2,111	4,162
Impairment/loss on operating properties held for sale/sold, net of tax	(289)	(337)	(8,919)	(3,440)
Gain on disposition of operating properties	4,535	1,704	8,722	1,704
Income from discontinued operations	5,936	1,173	1,914	2,426
Loss on transfer of operating properties, net	-	-	-	(57)

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Gain on sale of operating properties, net	-	-	-	2,434
Total net gain on transfer or sale of operating properties	-	-	-	2,377
Net income	58,593	32,989	131,931	114,975
Net income attributable to noncontrolling interests	(3,612)	(2,656)	(9,277)	(9,196)
Net income attributable to the Company	54,981	30,333	122,654	105,779
Preferred stock dividends	(14,841)	(12,862)	(44,522)	(36,505)
Net income available to the Company's common shareholders	\$ 40,140	\$ 17,471	\$ 78,132	\$ 69,274
Per common share:				
Income from continuing operations:				
-Basic	\$ 0.08	\$ 0.04	\$ 0.19	\$ 0.16
-Diluted	\$ 0.08	\$ 0.04	\$ 0.19	\$ 0.16
Net income:				
-Basic	\$ 0.10	\$ 0.04	\$ 0.19	\$ 0.17
-Diluted	\$ 0.10	\$ 0.04	\$ 0.19	\$ 0.17
Weighted average shares:				
-Basic	406,564	405,854	406,521	405,709
-Diluted	407,292	406,253	407,386	406,076
Amounts available to the Company's common shareholders:				
Income from continuing operations, net of tax	\$ 34,119	\$ 16,287	\$ 76,191	\$ 66,945
Income from discontinued operations	6,021	1,184	1,941	2,329
Net income	\$ 40,140	\$ 17,471	\$ 78,132	\$ 69,274

The accompanying notes are an integral part of these condensed consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2011	2010	September 30, 2011	2010
Net income	\$ 58,593	\$ 32,989	\$ 131,931	\$ 114,975
Other comprehensive income:				
Change in unrealized (loss)/gain on marketable securities	(5,240)	19,647	(7,369)	21,487
Change in unrealized gain/(loss) on interest rate swaps	103	(285)	362	(792)
Change in foreign currency translation adjustment, net	(113,855)	(14,974)	(55,823)	31,823
Other comprehensive income	(118,992)	4,388	(62,830)	52,518
Comprehensive income	(60,399)	37,377	69,101	167,493
Comprehensive income attributable to noncontrolling interests	1,310	(1,431)	(8,674)	(24,685)
Comprehensive (income)/loss attributable to the Company	\$ (59,089)	\$ 35,946	\$ 60,427	\$ 142,808

The accompanying notes are an integral part of these condensed consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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For the Nine Months Ended September 30, 2011 and 2010

(Unaudited)

(in thousands)

	Cumulative distributions in excess of net income	Accumulated Other Comprehensive Income	Preferred Stock		Common Stock		Paid-in Capital	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	Co
			Issued	Amount	Issued	Amount					
0\$	(338,738)\$	(96,432)	884\$	884	405,533\$	4,055	\$5,283,204\$	4,852,973\$	265,005	\$5,117,978	
g	-	-	-	-	-	-	-	-	2,380	2,380	
ve	105,779	-	-	-	-	-	-	105,779	9,196	114,975\$	
e	-	21,487	-	-	-	-	-	21,487	-	21,487	
e	-	(792)	-	-	-	-	-	(792)	-	(792)	
ve	-	16,334	-	-	-	-	-	16,334	15,489	31,823	\$
g	(231,297)	-	-	-	-	-	-	-	(4,873)	(4,873)	
e;		-	-	-	-	-	-	(231,297)	-	(231,297)	

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-	-	-	-	-	-	-	-	(58,313)	(58,313)
-	-	-	-	353	4	5,265	5,269		5,269
-	-	-	-	(78)	(1)	(833)	(834)	-	(834)
-	-	70	70			169,114	169,184	-	169,184
-	-	-	-	133	1	1,749	1,750	-	1,750
-	-	-	-	-	-	(6,996)	(6,996)	(5,594)	(12,590)
-	-	-	-	-	-	9,471	9,471	-	9,471
\$ (464,256)	\$ (59,403)	954 \$	954 \$	405,941 \$	4,059 \$	5,460,974 \$	4,942,328 \$	223,290 \$	5,165,618
1 \$ (515,164)	1 \$ (23,853)	954 \$	954 \$	406,424 \$	4,064 \$	5,469,841 \$	4,935,842 \$	225,444 \$	5,161,286
-	-	-	-	-	-	-	-	1,011	1,011
122,654	-	-	-	-	-	-	122,654	9,277	131,931 \$
-	(7,369)	-	-	-	-	-	(7,369)	-	(7,369)
-	362	-	-	-	-	-	362	-	362

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	-	(55,220)	-	-	-	-	-	(55,220)	(603)	(55,823)	\$
	-	-	-	-	-	-	-	-	(4,758)	(4,758)	
	(264,727)	-	-	-	-	-	-	(264,727)	-	(264,727)	
	-	-	-	-	-	-	-	-	(11,539)	(11,539)	
	-	-	-	-	438	5	4,936	4,941	-	4,941	
	-	-	-	-	(34)	(1)	(579)	(580)	-	(580)	
	-	-	-	-	(214)	(2)	(3,979)	(3,981)	-	(3,981)	
	-	-	-	-	326	3	4,897	4,900	-	4,900	
	-	-	-	-	-	-	2,970	2,970	(22,456)	(19,486)	
	-	-	-	-	-	-	10,669	10,669	-	10,669	
\$	(657,237)	(86,080)	954	954	406,940	4,069	\$5,488,755	4,750,461	196,376	\$4,946,837	

The accompanying notes are an integral part of these condensed consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)****(in thousands)**

	Nine Months Ended September	
	30,	
	2011	2010
Cash flow from operating activities:		
Net income	\$ 131,931	\$ 114,975
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	188,812	185,034
Loss on operating/development properties held for sale/sold/transferred	-	65
Impairment charges	16,676	12,781
Gain on sale of development properties	-	(2,130)
Gain on sale of operating properties	(8,722)	(4,145)
Equity in loss/income of joint ventures, net	(49,810)	(27,717)
Equity in income from other real estate investments, net	(35,123)	(36,802)
Distributions from joint ventures and other real estate investments		