

VENTAS INC
Form 10-Q
April 30, 2010
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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 MARCH 31, 2010

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: 1-10989

Ventas, Inc.

(Exact Name of Registrant as Specified in Its Charter)

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Delaware
(State or Other Jurisdiction of Incorporation or Organization)

61-1055020
(I.R.S. Employer Identification No.)

111 S. Wacker Drive, Suite 4800

Chicago, Illinois

(Address of Principal Executive Offices)

60606

(Zip Code)

(877) 483-6827

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(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 (§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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock:
Common Stock, \$0.25 par value

Outstanding at April 27, 2010:
156,853,254

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****VENTAS, INC.****CONSOLIDATED BALANCE SHEETS****(In thousands, except per share amounts)**

	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Assets		
Real estate investments:		
Land	\$ 557,370	\$ 557,276
Buildings and improvements	5,735,896	5,722,837
Construction in progress	4,370	12,508
	6,297,636	6,292,621
Accumulated depreciation	(1,226,252)	(1,177,911)
Net real estate property	5,071,384	5,114,710
Loans receivable, net	147,725	131,887
Net real estate investments	5,219,109	5,246,597
Cash and cash equivalents	132,729	107,397
Escrow deposits and restricted cash	41,023	39,832
Deferred financing costs, net	27,964	29,252
Other	213,000	193,167
Total assets	\$ 5,633,825	\$ 5,616,245
Liabilities and equity		
Liabilities:		
Senior notes payable and other debt	\$ 2,698,171	\$ 2,670,101
Accrued interest	35,773	17,974
Accounts payable and other liabilities	183,574	190,445
Deferred income taxes	252,687	253,665
Total liabilities	3,170,205	3,132,185
Commitments and contingencies		
Equity:		
Ventas stockholders' equity:		
Preferred stock, \$1.00 par value; 10,000 shares authorized, unissued		
Common stock, \$0.25 par value; 300,000 shares authorized; 156,862 and 156,627 shares issued at March 31, 2010 and December 31, 2009, respectively	39,341	39,160
Capital in excess of par value	2,578,577	2,573,039
Accumulated other comprehensive income	25,154	19,669
Retained earnings (deficit)	(196,972)	(165,710)
Treasury stock, 10 and 15 shares at March 31, 2010 and December 31, 2009, respectively	(467)	(647)

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Total Ventas stockholders' equity	2,445,633	2,465,511
Noncontrolling interest	17,987	18,549
Total equity	2,463,620	2,484,060
Total liabilities and equity	\$ 5,633,825	\$ 5,616,245

See accompanying notes.

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VENTAS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2010	2009
Revenues:		
Rental income	\$ 129,179	\$ 122,398
Resident fees and services	108,486	102,939
Income from loans and investments	3,617	3,281
Interest and other income	263	286
Total revenues	241,545	228,904
Expenses:		
Interest	44,300	45,930
Depreciation and amortization	52,476	49,498
Property-level operating expenses	78,879	75,468
General, administrative and professional fees (including non-cash stock-based compensation expense of \$3,032 and \$3,059 for the three months ended March 31, 2010 and 2009, respectively)	10,683	10,598
Foreign currency gain	(106)	(6)
Loss on extinguishment of debt		105
Merger-related expenses and deal costs	2,319	2,054
Total expenses	188,551	183,647
Income before income taxes, discontinued operations and noncontrolling interest	52,994	45,257
Income tax (expense) benefit	(286)	547
Income from continuing operations	52,708	45,804
Discontinued operations	460	29,165
Net income	53,168	74,969
Net income attributable to noncontrolling interest (net of tax of \$419 and \$390 for the three months ended March 31, 2010 and 2009, respectively)	549	741
Net income attributable to common stockholders	\$ 52,619	\$ 74,228
Earnings per common share:		
Basic:		
Income from continuing operations attributable to common stockholders	\$ 0.34	\$ 0.32
Discontinued operations	0.00	0.20
Net income attributable to common stockholders	\$ 0.34	\$ 0.52
Diluted:		
Income from continuing operations attributable to common stockholders	\$ 0.34	\$ 0.32
Discontinued operations	0.00	0.20

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Net income attributable to common stockholders	\$ 0.34	\$ 0.52
Weighted average shares used in computing earnings per common share:		
Basic	156,453	143,091
Diluted	156,967	143,145
Dividends declared per common share	\$ 0.535	\$ 0.5125

See accompanying notes.

Table of Contents**VENTAS, INC.****CONSOLIDATED STATEMENTS OF EQUITY****For the Three Months Ended March 31, 2010 and the Year Ended December 31, 2009****(In thousands, except per share amounts)**

	Common Stock Par Value	Capital in Excess of Par Value	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Treasury Stock	Total Ventas Stockholders Equity	Noncontrolling Interest	Total Equity
Balance at January 1, 2009	\$ 35,825	\$ 2,264,125	\$ (21,089)	\$ (117,806)	\$ (457)	\$ 2,160,598	\$ 19,137	\$ 2,179,735
Comprehensive Income:								
Net income				266,495		266,495	2,865	269,360
Foreign currency translation			23,552			23,552		23,552
Unrealized gain on marketable debt securities			17,327			17,327		17,327
Other			(121)			(121)		(121)
Comprehensive income						307,253	2,865	310,118
Net change in noncontrolling interest		334				334	(3,453)	(3,119)
Dividends to common stockholders \$2.05 per share				(314,399)		(314,399)		(314,399)
Issuance of common stock	3,266	295,935				299,201		299,201
Issuance of common stock for stock plans	30	12,819			175	13,024		13,024
Grant of restricted stock, net of forfeitures	39	(174)			(365)	(500)		(500)