

WEINGARTEN REALTY INVESTORS /TX/
Form 10-Q
November 05, 2010

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 quarter ended September 30, 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 1-9876

Weingarten Realty Investors
(Exact name of registrant as specified in its charter)

TEXAS
(State or other jurisdiction of incorporation or
organization)

74-1464203
(IRS Employer Identification No.)

2600 Citadel Plaza Drive
P.O. Box 924133
Houston, Texas
(Address of principal executive offices)

77292-4133
(Zip Code)

(713) 866-6000
(Registrant's telephone number)

(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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 November 1, 2010, there were 120,415,918 common shares of beneficial interest of Weingarten Realty Investors, \$.03 par value, outstanding.

Table of Contents

TABLE OF CONTENTS

PART I.	Financial Information:	Page Number
Item 1.	Financial Statements (unaudited):	
	<u>Condensed Consolidated Statements of Income and Comprehensive Income for the Three and Nine Months Ended September 30, 2010 and 2009</u>	3
	<u>Condensed Consolidated Balance Sheets as of September 30, 2010 and December 31, 2009</u>	4
	<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2010 and 2009</u>	5
	<u>Condensed Consolidated Statements of Equity for the Nine Months Ended September 30, 2010 and 2009</u>	6
	<u>Notes to Condensed Consolidated Financial Statements</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	32
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	42
Item 4.	<u>Controls and Procedures</u>	43
PART II.	Other Information:	
Item 1.	<u>Legal Proceedings</u>	43
Item 1A.	<u>Risk Factors</u>	43
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	43
Item 3.	<u>Defaults Upon Senior Securities</u>	43
Item 4.	<u>Removed and Reserved</u>	43
Item 5.	<u>Other Information</u>	43

Item 6.	<u>Exhibits</u>	43
<u>Signatures</u>		44
<u>Exhibit Index</u>		45

Table of Contents

PART I-FINANCIAL INFORMATION

ITEM 1. Financial Statements

WEINGARTEN REALTY INVESTORS
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Revenues:				
Rentals, net	\$ 134,643	\$ 138,175	\$ 404,043	\$ 417,560
Other	4,396	4,898	10,893	12,262
Total	139,039	143,073	414,936	429,822
Expenses:				
Depreciation and amortization	37,297	36,694	111,440	111,485
Operating	25,456	25,506	77,154	75,310
Real estate taxes, net	15,653	18,100	48,976	54,472
Impairment loss	4,941	32,774	21,002	32,774
General and administrative	6,443	6,178	19,103	19,198
Total	89,790	119,252	277,675	293,239
Operating Income	49,249	23,821	137,261	136,583
Interest Expense, net	(36,679)	(36,431)	(111,762)	(115,247)
Interest and Other Income, net	3,070	3,596	6,905	8,504
Equity in Earnings (Loss) of Real Estate Joint Ventures and Partnerships, net	3,455	(4,763)	9,321	2,783
Gain (Loss) on Redemption of Convertible Senior Unsecured Notes		16,453	(135)	25,311
Gain on Land and Merchant Development Sales		491		18,619
Benefit (Provision) for Income Taxes	20	(4,332)	(155)	(7,039)
Income (Loss) from Continuing Operations	19,115	(1,165)	41,435	69,514
Operating (Loss) Income from Discontinued Operations		(722)	12	3,228
Gain on Sale of Property from Discontinued Operations		398	618	