

BioMed Realty Trust Inc
Form 10-Q/A
May 03, 2012
Table of Contents

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

Form 10-Q/A
(Amendment No. 1)

QUARTERLY REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

Commission File Number: 1-32261 (BioMed Realty Trust, Inc.)
000-54089 (BioMed Realty, L.P.)

BIOMED REALTY TRUST, INC.
BIOMED REALTY, L.P.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

20-1142292 (BioMed Realty Trust, Inc.)
20-1320636 (BioMed Realty, L.P.)
(I.R.S. Employer Identification No.)

17190 Bernardo Center Drive
San Diego, California
(Address of Principal Executive Offices)

92128
(Zip Code)

(858) 485-9840
(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 Exchange Act 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.

BioMed Realty Trust, Inc.

Yes No

BioMed Realty, L.P.

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).

BioMed Realty Trust, Inc.

Yes No

BioMed Realty, L.P.

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”

1

Table of Contents

in Rule 12b-2 of the Exchange Act. (Check one):

BioMed Realty Trust, Inc.:

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

BioMed Realty, L.P.:

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).

BioMed Realty Trust, Inc. Yes No

BioMed Realty, L.P. Yes No

The number of outstanding shares of BioMed Realty Trust, Inc.'s common stock, par value \$0.01 per share, as of May 2, 2012 was 154,160,225.

Table of Contents

EXPLANATORY NOTE REGARDING THIS AMENDMENT

The sole purpose of this Amendment No. 1 on Form 10-Q/A (this “Amendment”) to BioMed Realty Trust, Inc.'s and BioMed Realty, L.P.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed with the Securities and Exchange Commission on May 2, 2012 (the “Original Filing”), is to re-file the Original Filing under both BioMed Realty Trust, Inc. and BioMed Realty, L.P. The Original Filing was filed solely under BioMed Realty Trust, Inc.

No amendments have been made to the Original Filing in this Amendment. This Amendment does not reflect events occurring after May 2, 2012, the date of the Original Filing, or modify or update those disclosures that may have been affected by subsequent events.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended March 31, 2012 of BioMed Realty Trust, Inc., a Maryland corporation, and BioMed Realty, L.P., a Maryland limited partnership of which BioMed Realty Trust, Inc. is the parent company and general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our” or “our company” refer to BioMed Realty Trust, Inc. together with its consolidated subsidiaries, including BioMed Realty, L.P. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “our operating partnership” or “the operating partnership” refer to BioMed Realty, L.P. together with its consolidated subsidiaries.

BioMed Realty Trust, Inc. operates as a real estate investment trust, or REIT, and the general partner of BioMed Realty, L.P. As of March 31, 2012, BioMed Realty Trust, Inc. owned an approximate 98.1% partnership interest and other limited partners, including some of our directors, executive officers and their affiliates, owned the remaining 1.9% partnership interest (including long term incentive plan units) in BioMed Realty, L.P. As the sole general partner of BioMed Realty, L.P., BioMed Realty Trust, Inc. has the full, exclusive and complete responsibility for the operating partnership's day-to-day management and control.

There are a few differences between our company and our operating partnership, which are reflected in the disclosure in this report. We believe it is important to understand the differences between our company and our operating partnership in the context of how BioMed Realty Trust, Inc. and BioMed Realty, L.P. operate as an interrelated consolidated company. BioMed Realty Trust, Inc. is a REIT, whose only material asset is its ownership of partnership interests of BioMed Realty, L.P. As a result, BioMed Realty Trust, Inc. does not conduct business itself, other than acting as the sole general partner of BioMed Realty, L.P., issuing public equity from time to time and guaranteeing certain debt of BioMed Realty, L.P. BioMed Realty Trust, Inc. itself does not hold any indebtedness but guarantees some of the secured and unsecured debt of BioMed Realty, L.P. BioMed Realty, L.P. holds substantially all the assets of the company and holds the ownership interests in the company's joint ventures. BioMed Realty, L.P. conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by BioMed Realty Trust, Inc., which are generally contributed to BioMed Realty, L.P. in exchange for partnership units, BioMed Realty, L.P. generates the capital required by the company's business through BioMed Realty, L.P.'s operations, by BioMed Realty, L.P.'s direct or indirect incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests and stockholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of BioMed Realty Trust, Inc. and those of BioMed Realty, L.P. The operating partnership and long term incentive plan units in BioMed Realty, L.P. that are not owned by BioMed Realty Trust, Inc. are accounted for as partners' capital in BioMed Realty, L.P.'s financial statements and as noncontrolling interests in BioMed Realty Trust, Inc.'s financial statements. The noncontrolling interests in BioMed Realty, L.P.'s financial statements include the interests of joint venture partners. The noncontrolling interests in BioMed Realty Trust, Inc.'s financial statements include the same noncontrolling interests at the BioMed Realty, L.P. level as well as the limited partnership unitholders of BioMed Realty, L.P., not including BioMed Realty Trust, Inc. The differences between stockholders' equity and partners' capital result from the differences in the equity issued at the BioMed Realty Trust,

Inc. and the BioMed Realty, L.P. levels.

We believe combining the quarterly reports on Form 10-Q of BioMed Realty Trust, Inc. and BioMed Realty, L.P. into this single report:

• better reflects how management and the analyst community view the business as a single operating unit,

• enhances investor understanding of our company by enabling them to view the business as a whole and in the same manner as management,

3

Table of Contents

is more efficient for our company and results in savings in time, effort and expense, and

is more efficient for investors by reducing duplicative disclosure and providing a single document for their review.

To help investors understand the significant differences between our company and our operating partnership, this report presents the following separate sections for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P.:

consolidated financial statements,

the following notes to the consolidated financial statements:

Equity / Partners' Capital,

Debt, and

Earnings Per Share / Unit,

Liquidity and Capital Resources in Management's Discussion and Analysis of Financial Condition and Results of Operations, and

Unregistered Sales of Equity Securities and Use of Proceeds.

This report also includes separate Item 4. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P. in order to establish that the Chief Executive Officer and the Chief Financial Officer of BioMed Realty Trust, Inc. have made the requisite certifications and BioMed Realty Trust, Inc. and BioMed Realty, L.P. are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

BIOMED REALTY TRUST, INC. AND BIOMED REALTY, L.P.

FORM 10-Q - QUARTERLY REPORT
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2012
TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	4
<u>Item 1 Consolidated Financial Statements</u>	4
<u>Consolidated Financial Statements of BioMed Realty Trust, Inc.:</u>	4
<u>Consolidated Balance Sheets as of March 31, 2012 (Unaudited) and December 31, 2011</u>	4
<u>Consolidated Statements of Operations for the three months ended March 31, 2012 and 2011 (Unaudited)</u>	4
<u>Consolidated Statements of Comprehensive Income for the three months ended March 31, 2012 and 2011 (Unaudited)</u>	4
<u>Consolidated Statements of Equity for the three months ended March 31, 2012 (Unaudited)</u>	4
<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and 2011 (Unaudited)</u>	4
<u>Consolidated Financial Statements of BioMed Realty, L.P.:</u>	5
<u>Consolidated Balance Sheets as of March 31, 2012 (Unaudited) and December 31, 2011</u>	5
<u>Consolidated Statements of Operations for the three months ended March 31, 2012 and 2011 (Unaudited)</u>	5
<u>Consolidated Statements of Comprehensive Income for the three months ended March 31, 2012 and 2011 (Unaudited)</u>	5
<u>Consolidated Statements of Capital for the three months ended March 31, 2012 (Unaudited)</u>	5
<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and 2011 (Unaudited)</u>	5
<u>Notes to Consolidated Financial Statements of BioMed Realty Trust, Inc. and BioMed Realty, L.P. (Unaudited)</u>	6
<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	10
<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	24
<u>Item 4 Controls and Procedures</u>	26
<u>PART II - OTHER INFORMATION</u>	27
<u>Item 1 Legal Proceedings</u>	27

<u>Item 1A Risk Factors</u>	<u>27</u>
<u>Item 2 Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>27</u>
<u>Item 3 Defaults Upon Senior Securities</u>	<u>27</u>

<u>Item 4 Mine Safety Disclosures</u>	<u>27</u>
<u>Item 5 Other Information</u>	<u>27</u>
<u>Item 6 Exhibits</u>	<u>27</u>
<u>SIGNATURES</u>	<u>29</u>
Exhibit 31.1	
Exhibit 31.2	
Exhibit 32.1	

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

BIOMED REALTY TRUST, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
Investments in real estate, net	\$4,037,928	\$3,950,246
Investments in unconsolidated partnerships	32,901	33,389
Cash and cash equivalents	13,336	16,411
Accounts receivable, net	4,426	5,141
Accrued straight-line rents, net	134,371	130,582
Deferred leasing costs, net	164,002	157,255
Other assets	158,285	135,521
Total assets	\$4,545,249	\$4,428,545
LIABILITIES AND EQUITY		
Mortgage notes payable, net	\$559,111	\$587,844
Exchangeable senior notes	180,000	180,000
Unsecured senior notes, net	645,749	645,581
Unsecured senior term loan	400,000	—
Unsecured line of credit	26,000	268,000
Accounts payable, accrued expenses and other liabilities	156,669	134,924
Total liabilities	1,967,529	1,816,349
Equity:		
Stockholders' equity:		
Preferred stock, \$.01 par value, 15,000,000 shares authorized: 7.375% Series A cumulative redeemable preferred stock, \$198,000,000 liquidation preference (\$25.00 per share), 7,920,000 shares issued and outstanding at March 31, 2012 and December 31, 2011	191,469	191,469
Common stock, \$.01 par value, 200,000,000 shares authorized, 154,163,339 and 154,101,482 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively	1,541	1,541
Additional paid-in capital	2,773,248	2,773,994
Accumulated other comprehensive loss, net	(58,882)	(60,138)
Dividends in excess of earnings	(339,243)	(304,759)
Total stockholders' equity	2,568,133	2,602,107
Noncontrolling interests	9,587	10,089
Total equity	2,577,720	2,612,196
Total liabilities and equity	\$4,545,249	\$4,428,545

See accompanying notes to consolidated financial statements.

BIOMED REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

Edgar Filing: BioMed Realty Trust Inc - Form 10-Q/A

(In thousands, except share data)
(Unaudited)

	For the Three Months Ended March 31,	
	2012	2011
Revenues:		
Rental	\$91,475	\$79,905
Tenant recoveries	28,453	24,541
Other revenue	84	747
Total revenues	120,012	105,193
Expenses:		
Rental operations	36,729	31,073
Depreciation and amortization	44,934	33,749
General and administrative	8,614	7,421
Acquisition related expenses	633	320
Total expenses	90,910	72,563
Income from operations	29,102	32,630
Equity in net loss of unconsolidated partnerships	(355)	(648)
Interest expense, net	(22,219)	(21,191)
Other income / (expense)	174	(1,054)
Income from continuing operations	6,702	9,737
(Loss) / income from discontinued operations	(4,420)	141
Net income	2,282	9,878
Net loss / (income) attributable to noncontrolling interests	30	(107)
Net income attributable to the Company	2,312	9,771
Preferred stock dividends	(3,651)	(4,241)
Net (loss) / income available to common stockholders	\$(1,339)	\$5,530
Income from continuing operations per share attributable to common stockholders:		
Basic and diluted earnings per share	\$0.02	\$0.04
(Loss) / income from discontinued operations per share attributable to common stockholders:		
Basic and diluted earnings per share	\$(0.03)	\$0.00
Net (loss) / income per share attributable to common stockholders:		
Basic and diluted earnings per share	\$(0.01)	\$0.04
Weighted-average common shares outstanding:		
Basic	152,659,258	129,771,733
Diluted	155,625,204	132,764,842

See accompanying notes to consolidated financial statements.

BIOMED REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2012	2011
Net income	\$2,282	\$9,878

Edgar Filing: BioMed Realty Trust Inc - Form 10-Q/A

Other comprehensive income:		
Unrealized (loss) / gain on derivative instruments, net	(225)	2,545
Amortization of deferred interest costs	1,743	1,765
Reclassification on sale of equity securities	28	—
Unrealized loss on equity securities	(265)	(2,317)
Total other comprehensive income	1,281	1,993
Comprehensive income	3,563	11,871
Comprehensive loss / (income) attributable to noncontrolling interests	5	(151)
Comprehensive income attributable to the Company	\$3,568	\$11,720

See accompanying notes to consolidated financial statements.

BIOMED REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF EQUITY

(In thousands, except share data)

(Unaudited)

	Series A Preferred Stock	Common Stock Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net	Dividends in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2011	\$ 191,469	154,101,482	\$ 1,541	\$ 2,773,994	\$(60,138)	\$(304,759)	\$ 2,602,107	\$ 10,089	\$ 2,612,196
Net issuances of unvested restricted common stock	—	38,386	—	(3,296)	—	—	(3,296)	—	(3,296)
Conversion of OP units to common stock	—	23,471	—	(73)	—	—	(73)	73	—
Vesting of share-based awards	—	—	—	2,689	—	—	2,689	—	2,689
Reallocation of equity to noncontrolling interests	—	—	—	(66)	—	—	(66)	66	—
Common stock dividends	—	—	—	—	—	(33,145)	(33,145)	—	(33,145)
OP unit distributions	—	—	—	—	—	—	—	(636)	(636)
Net income	—	—	—	—	—	2,312	2,312	(30)	2,282
Preferred stock dividends	—	—	—	—	—	(3,651)	(3,651)	—	(3,651)
Reclassification on sale of marketable securities	—	—	—	—	27	—	27	1	28
Unrealized loss on equity	—	—	—	—	(260)	—	(260)	(5)	(265)

securities									
Amortization of deferred interest costs	—	—	—	—	1,710	—	1,710	33	1,743
Unrealized loss on derivative instruments, net	—	—	—	—	(221	) —	(221	) (4	) (225
Balance at March 31, 2012	\$191,469	154,163,339	\$1,541	\$2,773,248	\$(58,882)	\$(339,243)	\$2,568,133	\$9,587	\$2,577,720

See accompanying notes to consolidated financial statements.

BIOMED REALTY TRUST, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2012	2011
Operating activities:		
Net income	\$2,282	\$9,878
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	45,026	33,835
Allowance for doubtful accounts	213	324
Non-cash revenue adjustments	3,469	2,617
Other non-cash adjustments	7,696	4,025
Compensation expense related to restricted common stock and LTIP units	2,689	1,871
Distributions representing a return on capital from unconsolidated partnerships	1,031	192
Changes in operating assets and liabilities:		
Accounts receivable	902	(1,570
Accrued straight-line rents	(4,427	) (4,314
Deferred leasing costs	(2,517	) (2,462
Other assets	(146	) (2,890
Accounts payable, accrued expenses and other liabilities	8,376	(102
Net cash provided by operating activities	64,594	41,404
Investing activities:		
Purchases of investments in real estate and related intangible assets	(113,985) —
Capital expenditures	(42,070	) (41,898
Contributions to unconsolidated partnerships, net	(1,107) —
Purchases of debt and equity securities	(1,125) —
Proceeds from the sale of equity securities	79	—
Deposits to escrow for acquisitions	(1,000	) (875
Net cash used in investing activities	(159,208	) (42,773
Financing activities:		
Payment of deferred loan costs	(3,071	) (2,383
Unsecured line of credit proceeds	176,000	70,200
Unsecured line of credit payments	(418,000	) (411,650

Edgar Filing: BioMed Realty Trust Inc - Form 10-Q/A

Principal payments on mortgage notes payable	(28,322	) (27,292)
Proceeds from unsecured senior term loan	400,000	—	
Proceeds from unsecured senior notes	—	397,460	
Deferred settlement payments on interest rate swaps, net	—	(52)
Distributions to operating partnership unit and LTIP unit holders	(596	) (509)
Dividends paid to common stockholders	(30,821	) (22,280)
Dividends paid to preferred stockholders	(3,651	) (4,241)
Net cash provided by / (used in) financing activities	91,539	(747)
Net decrease in cash and cash equivalents	(3,075	) (2,116)
Cash and cash equivalents at beginning of period	16,411	21,467	
Cash and cash equivalents at end of period	\$13,336	\$19,351	
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest (net of amounts capitalized of \$2,360 and \$1,494, respectively)	\$13,077	\$16,452	
Supplemental disclosure of non-cash investing and financing activities:			
Accrual for preferred stock dividends declared	\$3,651	\$4,241	
Accrual for common stock dividends declared	33,145	26,248	
Accrual for distributions declared for operating partnership unit and LTIP unit holders	636	598	
Accrued additions to real estate and related intangible assets	34,651	21,755	

See accompanying notes to consolidated financial statements.

Table of Contents

BIOMED REALTY, L.P.

CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
Investments in real estate, net	\$4,037,928	\$3,950,246
Investments in unconsolidated partnerships	32,901	33,389
Cash and cash equivalents	13,336	16,411
Accounts receivable, net	4,426	5,141
Accrued straight-line rents, net	134,371	130,582
Deferred leasing costs, net	164,002	157,255
Other assets	158,285	135,521
Total assets	\$4,545,249	\$4,428,545
LIABILITIES AND CAPITAL		
Mortgage notes payable, net	\$559,111	\$587,844
Exchangeable senior notes	180,000	180,000
Unsecured senior notes, net	645,749	645,581
Unsecured senior term loan	400,000	—
Unsecured line of credit	26,000	268,000
Accounts payable, accrued expenses and other liabilities	156,669	134,924
Total liabilities	1,967,529	1,816,349
Capital:		
Partners' capital:		
Preferred units, 7.375% Series A cumulative redeemable preferred units, \$198,000,000 liquidation preference (\$25.00 per unit), 7,920,000 units issued and outstanding at March 31, 2012 and December 31, 2011	191,469	191,469
Limited partners' capital, 2,956,508 and 2,979,979 units issued and outstanding at March 31, 2012 and December 31, 2011, respectively	9,834	10,332
General partner's capital, 154,163,339 and 154,101,482 units issued and outstanding at March 31, 2012 and December 31, 2011, respectively	2,433,978	2,469,233
Accumulated other comprehensive loss	(57,313)	(58,594)
Total partners' capital	2,577,968	2,612,440
Noncontrolling interests deficit	(248)	(244)
Total capital	2,577,720	2,612,196
Total liabilities and capital	\$4,545,249	\$4,428,545

See accompanying notes to consolidated financial statements.

BIOMED REALTY, L.P.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except unit data)

(Unaudited)

For the Three Months Ended
March 31,

Edgar Filing: BioMed Realty Trust Inc - Form 10-Q/A

	2012	2011
Revenues:		
Rental	\$91,475	\$79,905
Tenant recoveries	28,453	24,541
Other revenue	84	747
Total revenues	120,012	105,193
Expenses:		
Rental operations	36,729	31,073
Depreciation and amortization	44,934	33,749
General and administrative	8,614	7,421
Acquisition related expenses	633	320
Total expenses	90,910	72,563
Income from operations	29,102	32,630
Equity in net loss of unconsolidated partnerships	(355)	(648)
Interest expense, net	(22,219)	(21,191)
Other income / (expense)	174	(1,054)
Income from continuing operations	6,702	9,737
(Loss) / income from discontinued operations	(4,420)	141
Net income	2,282	9,878
Net loss attributable to noncontrolling interests	4	18
Net income attributable to the Operating Partnership	2,286	9,896
Preferred unit distributions	(3,651)	(4,241)
Net (loss) / income available to unitholders	\$(1,365)	\$5,655
Income from continuing operations per unit attributable to common unitholders:		
Basic and diluted earnings per unit	\$0.02	\$0.04
(Loss) / income from discontinued operations per unit attributable to common unitholders:		
Basic and diluted earnings per unit	\$(0.03)	\$0.00
Net (loss) / income per unit available to unitholders:		
Basic and diluted earnings per unit	\$(0.01)	\$0.04
Weighted-average units outstanding:		
Basic	155,592,535	132,701,731
Diluted	155,592,535	132,701,731

See accompanying notes to consolidated financial statements.
BIOMED REALTY, L.P.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2012	2011
Net income	\$2,282	\$9,878
Other comprehensive income:		
Unrealized (loss) / gain on derivative instruments, net	(225)	2,545
Amortization of deferred interest costs	1,743	1,765
Reclassification on sale of equity securities	28	—
Unrealized loss on equity securities	(265)	(2,317)
Total other comprehensive income	1,281	1,993

Comprehensive income \$3,563 \$11,871

See accompanying notes to consolidated financial statements.

BIOMED REALTY, L.P.

CONSOLIDATED STATEMENTS OF CAPITAL

(In thousands, except unit data)

(Unaudited)

	Preferred Series A		Limited Partners' Capital		General Partner's Capital		Accumulated Other Comprehensive Loss	Total Partner's Equity	Noncontrolling Interests	Total Deficit
	Units	Amount	Units	Amount	Units	Amount				
Balance at December 31, 2011	7,920,000	\$191,469	2,979,979	\$10,332	154,101,482	\$2,469,233	\$(58,594)	\$2,612,440	\$(244)	\$2,612,196
Net issuances of unvested restricted OP units	—	—	—	—	38,386	(3,296)	) —	(3,296)	) —	(3,296)
Conversion of OP units	—	—	(23,471)	) 73	23,471	(73)) —	—	—	—
Vesting of share-based awards	—	—	—	—	—	2,689	—	2,689	—	2,689
Reallocation of equity to limited partners	—	—	—	91	—	(91)) —	—	—	—
Distributions	—	(3,651)	) —	(636)	) —	(33,145)	) —	(37,432)	) —	(37,432)
Net income	—	3,651	—	(26)	) —	(1,339)	) —	2,286	(4)	) 2,282
Reclassification on sale of marketable securities	—	—	—	—	—	—	28	28	—	28
Unrealized loss on equity securities	—	—	—	—	—	—	(265)	(265)	) —	(265)
Amortization of deferred interest costs	—	—	—	—	—	—	1,743	1,743	—	1,743
Unrealized loss on derivative instruments, net	—	—	—	—	—	—	(225)	(225)	) —	(225)
Balance at March 31, 2012	7,920,000	\$191,469	2,956,508	\$9,834	154,163,339	\$2,433,978	\$(57,313)	\$2,577,968	\$(248)	\$2,577,720

See accompanying notes to consolidated financial statements.

BIOMED REALTY, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Edgar Filing: BioMed Realty Trust Inc - Form 10-Q/A

(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2012	2011
Operating activities:		
Net income	\$2,282	\$9,878
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	45,026	33,835
Allowance for doubtful accounts	213	324
Non-cash revenue adjustments	3,469	2,617
Other non-cash adjustments	7,696	4,025
Compensation expense related to share-based payments	2,689	1,871
Distributions representing a return on capital from unconsolidated partnerships	1,031	192
Changes in operating assets and liabilities:		
Accounts receivable	902	(1,570)
Accrued straight-line rents	(4,427)	(4,314)
Deferred leasing costs	(2,517)	(2,462)
Other assets	(146)	(2,890)
Accounts payable, accrued expenses and other liabilities	8,376	(102)
Net cash provided by operating activities	64,594	41,404
Investing activities:		
Purchases of investments in real estate and related intangible assets	(113,985)	—
Capital expenditures	(42,070)	(41,898)
Contributions to unconsolidated partnerships, net	(1,107)	—
Purchases of debt and equity securities	(1,125)	—
Proceeds from the sale of equity securities	79	—
Deposits to escrow for acquisitions	(1,000)	(875)
Net cash used in investing activities	(159,208)	(42,773)
Financing activities:		
Payment of deferred loan costs	(3,071)	(2,383)
Unsecured line of credit proceeds	176,000	70,200
Unsecured line of credit payments	(418,000)	(411,650)
Principal payments on mortgage notes payable	(28,322)	(27,292)
Proceeds from unsecured senior term loan	400,000	—
Proceeds from unsecured senior notes	—	397,460
Deferred settlement payments on interest rate swaps, net	—	(52)
Distributions paid to unitholders	(31,417)	(22,789)
Distributions paid to preferred unitholders	(3,651)	(4,241)
Net cash provided by / (used in) financing activities	91,539	(747)
Net decrease in cash and cash equivalents	(3,075)	(2,116)
Cash and cash equivalents at beginning of period	16,411	21,467
Cash and cash equivalents at end of period	\$13,336	\$19,351
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest (net of amounts capitalized of \$2,360 and \$1,494, respectively)	\$13,077	\$16,452
Supplemental disclosure of non-cash investing and financing activities:		
Accrual for unit distributions declared	\$33,781	\$26,846
Accrual for preferred unit distributions declared	3,651	4,241

Accrued additions to real estate and related intangible assets	34,651	21,755
--	--------	--------

See accompanying notes to consolidated financial statements.

5

Table of Contents

BIOMED REALTY TRUST, INC.

BIOMED REALTY, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Organization of the Parent Company and Description of Business

BioMed Realty Trust, Inc., a Maryland corporation (the “Parent Company”), operates as a fully integrated, self-administered and self-managed real estate investment trust (“REIT”) focused on acquiring, developing, owning, leasing and managing laboratory and office space for the life science industry principally through its subsidiary, BioMed Realty, L.P., a Maryland limited partnership (the “Operating Partnership” and together with the Parent Company referred to as the “Company”). The Company's tenants primarily include biotechnology and pharmaceutical companies, scientific research institutions, government agencies and other entities involved in the life science industry. The Company's properties are generally located in markets with well-established reputations as centers for scientific research, including Boston, San Francisco, San Diego, Maryland, New York/New Jersey, Pennsylvania and Seattle.

The Parent Company is the sole general partner of the Operating Partnership and, as of March 31, 2012, owned a 98.1% interest in the Operating Partnership. The remaining 1.9% interest in the Operating Partnership is held by limited partners. Each partner's percentage interest in the Operating Partnership is determined based on the number of operating partnership units and long-term incentive plan units (“LTIP units” and together with the operating partnership units, the “OP units”) owned as compared to total OP units (and potentially issuable OP units, as applicable) outstanding as of each period end and is used as the basis for the allocation of net income or loss to each partner.

2. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying interim financial statements are unaudited, but have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all the disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments and eliminations, consisting of normal recurring adjustments necessary for a fair presentation of the financial statements for these interim periods have been recorded. These financial statements should be read in conjunction with the audited consolidated financial statements and notes therein included in the Company's annual report on Form 10-K for the year ended December 31, 2011.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, partnerships and limited liability companies it controls, and variable interest entities for which the Company has determined itself to be the primary beneficiary. All material intercompany transactions and balances have been eliminated. The Company consolidates entities the Company controls and records a noncontrolling interest for the portions not owned by the Company. Control is determined, where applicable, by the sufficiency of equity invested and the rights of the equity holders, and by the ownership of a majority of the voting interests, with consideration given to the existence of approval or veto rights granted to the minority stockholder. If the minority stockholder holds substantive participating rights, it overcomes the presumption of control by the majority voting interest holder. In contrast, if the minority stockholder simply holds protective rights (such as consent rights over certain actions), it does not overcome the presumption of control by the majority voting interest holder.

Investments in Partnerships and Limited Liability Companies

The Company has determined that it is the primary beneficiary in six variable interest entities, or VIEs, consisting of single-tenant properties in which the tenant has a fixed-price purchase option, which are consolidated and reflected in the accompanying consolidated financial statements. Selected financial data of the VIEs at March 31, 2012 and December 31, 2011 consist of the following (in thousands):

	March 31, 2012	December 31, 2011
Investment in real estate, net	\$406,830	\$409,327
Total assets	452,260	454,208
Total debt	146,155	146,581
Total liabilities	151,264	151,893

Investments in Real Estate, Net

Investments in real estate, net consisted of the following (in thousands):

	March 31, 2012	December 31, 2011
Land	\$610,752	\$591,009
Land under development	47,634	56,008
Buildings and improvements	3,752,831	3,615,678
Construction in progress	112,431	140,025
	4,523,648	4,402,720
Accumulated depreciation	(485,720)	(452,474)
	\$4,037,928	\$3,950,246

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed

The Company reviews long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The review of recoverability is based on an estimate of the future undiscounted cash flows (excluding interest charges) expected to result from the long-lived asset's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If impairment exists due to the inability to recover the carrying value of a long-lived asset, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair-value of the property. The Company is required to make subjective assessments as to whether there are impairments in the values of its investments in long-lived assets. These assessments have a direct impact on the Company's net income because recording an impairment loss results in an immediate negative adjustment to net income. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. Although the Company's strategy is to hold its properties over the long-term, if the Company's strategy changes or market conditions otherwise dictate an earlier sale date, an impairment loss may be recognized to reduce the property to the lower of the carrying amount or fair-value, and such loss could be material.

In April 2012, the Company completed the exchange of a property for another real estate operating property. As a result, as of March 31, 2012, the property being disposed of was reclassified as held for sale. This property was written down to its estimated fair-value of \$28.0 million, less costs to sell, which resulted in an impairment loss of \$4.6 million, which is included in loss from discontinued operations, for the three months ended March 31, 2012. The parties to the exchange determined and agreed upon the fair-value of the property received in the transaction, which we consider to be a level 2 input in the fair value hierarchy. See Note 11 for discussion of discontinued operations.

Deferred Leasing Costs, Net

De