

REALTY INCOME CORP
Form 10-Q
April 30, 2015
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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 March 31, 2015, or

Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-13374

REALTY INCOME CORPORATION

(Exact name of registrant as specified in its charter)

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Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

33-0580106
(IRS Employer Identification
Number)

11995 El Camino Real, San Diego, California 92130

(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(858) 284-5000**

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

There were 232,538,873 shares of common stock outstanding as of April 23, 2015.

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2015 and December 31, 2014

(dollars in thousands, except per share data)

	2015 (unaudited)	2014
ASSETS		
Real estate, at cost:		
Land	\$ 3,081,468	\$ 3,046,372
Buildings and improvements	8,221,599	8,107,199
Total real estate, at cost	11,303,067	11,153,571
Less accumulated depreciation and amortization	(1,459,320)	(1,386,871)
Net real estate held for investment	9,843,747	9,766,700
Real estate held for sale, net	9,394	14,840
Net real estate	9,853,141	9,781,540
Cash and cash equivalents	12,190	3,852
Accounts receivable, net	66,831	64,386
Acquired lease intangible assets, net	1,056,845	1,039,724
Goodwill	15,425	15,470
Other assets, net	87,721	107,650
Total assets	\$ 11,092,153	\$ 11,012,622
LIABILITIES AND EQUITY		
Distributions payable	\$ 45,466	\$ 43,675
Accounts payable and accrued expenses	77,594	123,287
Acquired lease intangible liabilities, net	228,191	220,469
Other liabilities	41,404	53,145
Line of credit payable	370,000	223,000
Term loan	70,000	70,000
Mortgages payable, net	799,318	852,575
Notes payable, net	3,785,718	3,785,372
Total liabilities	5,417,691	5,371,523
Commitments and contingencies		
Stockholders' equity:		
Preferred stock and paid in capital, par value \$0.01 per share, 69,900,000 shares authorized, 16,350,000 shares issued and outstanding as of March 31, 2015 and December 31, 2014	395,378	395,378
Common stock and paid in capital, par value \$0.01 per share, 370,100,000 shares authorized, 227,031,104 shares issued and outstanding as of March 31, 2015 and 224,881,192 shares issued and outstanding at December 31, 2014	6,569,610	6,464,987
Distributions in excess of net income	(1,314,952)	(1,246,964)
Total stockholders' equity	5,650,036	5,613,401
Noncontrolling interests	24,426	27,698
Total equity	5,674,462	5,641,099
Total liabilities and equity	\$ 11,092,153	\$ 11,012,622

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

For the three months ended March 31, 2015 and 2014

(dollars in thousands, except per share data) (unaudited)

	2015	2014
REVENUE		
Rental	\$ 235,122	\$ 214,122
Tenant reimbursements	9,963	6,427
Other	1,782	1,023
Total revenue	246,867	221,572
EXPENSES		
Depreciation and amortization	98,037	89,970
Interest	58,468	51,720
General and administrative	12,862	12,886
Property (including reimbursable)	13,976	10,577
Income taxes		