ENTERTAINMENT PROPERTIES TRUST
Form 424B5
June 23, 2004

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This filing is made pursuant to
Rule 424(b)(5) of the Securities Act of 1933 with
respect to Registration Statement No. 333-113626

PROSPECTUS SUPPLEMENT
(To prospectus dated March 26, 2004)

1,000,000 Common Shares

Entertainment Properties Trust

We are offering 1,000,000 common shares of beneficial interest at a price of $36.00 per share.

Our common shares are listed on the New York Stock Exchange under the symbol EPR. The last reported sale price of our common shares on June 22, 2004 was $36.92 per share.

Our common shares are subject to certain restrictions on ownership and transfer designed in part to preserve our qualification as a REIT for federal income tax purposes. See U.S. Federal Income Tax Consequences in the accompanying prospectus.

Investing in our common shares involves certain risks. You should carefully consider the information under the heading Risk Factors on page 3 of the accompanying prospectus and the risks described in the documents incorporated by reference to read about factors you should consider before buying our common shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is accurate or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial price to public	$36.00	$36,000,000
Underwriting discount	$ 0.56	$ 560,000
Proceeds to us, before expenses	$35.44	$35,440,000

We have granted the underwriters an option to purchase an additional 150,000 common shares at the price of $35.44 per share solely to cover over-allotments, if any.

We expect that the common shares will be ready for delivery by the underwriters on or about June 28, 2004.

Joint Book-Running Managers

JPMorgan **RBC Capital Markets**

June 22, 2004

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters

are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information appearing or incorporated by reference in this prospectus supplement and the accompanying prospectus is current as of their respective dates. Our business, financial condition, results of operations or prospects may have changed since those dates.

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INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC, which means we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document which is incorporated by reference in this prospectus supplement or the accompanying prospectus is automatically updated and superseded if information contained in this prospectus supplement, the accompanying prospectus, or information we later file with the SEC, modifies or replaces that information.

The documents listed below have been filed by us under the Exchange Act (File No. 1-13561) and are incorporated by reference in this prospectus supplement:

1. Our annual report on Form 10-K for the year ended December 31, 2003, as amended by amendment No. 1 thereto filed on April 15, 2004.

2. Our quarterly report on Form 10-Q for the quarter ended March 31, 2004.

3. Our current report on Form 8-K filed on November 12, 2003 and amendment No. 1 thereto filed on January 12, 2004; our current report on Form 8-K filed on March 15, 2004 and amendment No. 1 thereto filed on March 16, 2004; our current report on Form 8-K filed on April 5, 2004; and our current report on Form 8-K filed on April 21, 2004.

4. The description of our common shares of beneficial interest, $.01 par value, contained in our registration statement on Form 8-A filed on November 4, 1997, and the description of such common shares contained in our prospectus included as a part of our registration statement on Form S-11 (Registration No. 333-35281) in the form in which it was filed on September 10, 1997, as amended from time to time.

In addition, all documents filed by us under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 9 or Item 12 in any current report on Form 8-K) after the date of this prospectus supplement and prior to the termination of the offering of the securities covered by this prospectus supplement shall be deemed to be incorporated by reference in this prospectus supplement.

To obtain a free copy of any of the documents incorporated by reference in this prospectus supplement (other than exhibits, unless they are specifically incorporated by reference in the documents) please contact us at:

Investor Relations Department
Entertainment Properties Trust
30 W. Pershing Road, Suite 201
Kansas City, Missouri 64108
(816) 472-1700/1-888-EPR-REIT/ FAX (816) 472-5794
Email info@eprkc.com

Our SEC filings are also available at our Internet website at www.eprkc.com. The information on our website is not, and you must not consider the information to be, a part of this prospectus supplement or the accompanying prospectus.

As you read these documents, you may find some differences in information from one document to another. If you find differences between the documents and this prospectus supplement or the accompanying prospectus, you should rely on the statements made in the most recent document.

FORWARD-LOOKING STATEMENTS

With the exception of historical information, this prospectus supplement and the accompanying prospectus and our reports filed under the Securities Exchange Act of 1934 (Exchange Act) and incorporated by reference in this prospectus supplement and the accompanying prospectus contain forward-looking statements, such as those pertaining to the acquisition of properties, our capital resources and our results of operations. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of actual events. There is no assurance the events or circumstances reflected in the forward-looking statements will

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occur. You can identify forward-looking statements by use of words such as will be, intend, continue, believe, may, expect, hope, an goal, forecast, or other comparable terms, or by discussions of strategy, plans or intentions. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. Our actual financial condition, results of operations or business may vary materially from those contemplated by these forward-looking statements and involve various risks and uncertainties, including but not limited to the factors listed below:

The performance of lease terms by tenants;

Risk of our tenants filing for bankruptcy;

The concentration of leases with our single largest tenant;

Our continued qualification as a REIT;

Risks relating to real estate ownership and development;

Risks associated with use of leverage to acquire properties;

Risk of potential uninsured losses;

Risks involved in joint ventures;

Risks in leasing multi-tenant properties;

Risks of environmental liability;

Our continued ability to pay dividends at historical rates; and

Certain limits on change in control imposed under law and by our charter and bylaws.

We urge you to review carefully the Risk Factors section in the accompanying prospectus for a more complete discussion of the risks involved in an investment in our securities. We caution you not to place undue reliance on any forward-looking statements, which reflect our analysis only.

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ABOUT EPR

EPR is a self-administered real estate investment trust, or REIT. Our real estate portfolio is comprised of over $1 billion in assets and consists of 52 megaplex theatre properties (including three joint venture properties) located in twenty states and Ontario, Canada, six entertainment retail centers (including one joint venture property) located in Westminster, Colorado, New Rochelle, New York and Ontario, Canada, a water park located in Garland, Texas, and land parcels leased to restaurant and retail operators adjacent to several of our theatre properties. Our theatre properties are leased to prominent theatre operators, including American Multi-Cinema, Inc. (referred to in this prospectus as AMC), Muvico Entertainment LLC, Regal Cinemas, Consolidated Theatres, Loews Cineplex Entertainment, Rave Motion Pictures, AmStar Cinemas LLC, Wallace Theatres and Crown Theatres.

Approximately 67% of our megaplex theatre properties are leased to AMC as a result of a series of sale-leaseback transactions pertaining to a number of AMC megaplex theatres, and approximately 65% of our annual lease revenues are derived from rental payments by AMC under these leases.

We are the only publicly-traded REIT formed exclusively to invest in entertainment-related properties. We believe entertainment is an important sector of the retail real estate industry and that, as a result of our focus on properties in this sector and the industry relationships of our management, we have a competitive advantage in providing capital to operators of these types of properties. Our principal business strategy is to continue acquiring high-quality properties leased to entertainment and entertainment-related business operators.

Beginning with our taxable year ended December 31, 1997, we have elected to be treated as a REIT for federal income tax purposes. In order to maintain our status as a REIT, we must comply with a number of requirements under federal income tax law that are discussed under U.S. Federal Income Tax Consequences in the accompanying prospectus.

We lease our single-tenant properties to tenants on a long-term triple-net basis that requires the tenant to assume the primary risks involved in operating the property and to pay substantially all expenses associated with the operation and maintenance of the property. We also own multi-tenant properties which are managed for us by third-party management companies.

EPR was formed on August 22, 1997 as a Maryland real estate investment trust. We completed an initial public offering of our common shares on November 18, 1997. Our executive offices are located at 30 W. Pershing Road, Suite 201, Kansas City, Missouri 64108. Our telephone number is (816) 472-1700.

RECENT DEVELOPMENTS

Acquisitions

Since January 1, 2004, we have acquired approximately $216.2 million in rental properties, increasing our asset base by approximately 22%.

On March 1, 2004, we acquired, through our wholly-owned subsidiaries, four separate entertainment retail centers anchored by AMC megaplex theatres located in Ontario, Canada. The properties are the Mississauga Entertainment Centrum located in suburban Toronto, the Oakville Entertainment Centrum located in suburban Toronto, the Whitby Entertainment Centrum located in suburban Toronto, and the Kanata Centrum Walk located in suburban Ottawa. These properties contain an aggregate of approximately 1,049,800 gross square feet of retail and entertainment space, including the theatres. Our total aggregate purchase price for these properties was approximately US $152 million, plus acquisition costs. Approximately US $27 million of the purchase price was paid in the form of an aggregate of 747,243 common shares of EPR valued at US $36.25 per share. For more information about the acquisition and financing of these properties, see our current report on Form 8-K filed on March 15, 2004 as amended by Form 8-K/A filed on March 16, 2004, and our quarterly report on Form 10-Q for the quarter ended March 31, 2004.

On March 31, 2004, we acquired three megaplex theatre properties from AMC for an aggregate purchase price of approximately $64.2 million. The theatres, located in Phoenix, Arizona, Mesa, Arizona and Hamilton,

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New Jersey, contain an aggregate of 78 screens and have been leased-back to AMC under long-term triple-net leases.

We are a party to a definitive agreement to purchase the improvements on real estate we own in Peoria, Illinois, for a purchase price of approximately $11 million and a definitive agreement to purchase the improvements on real estate of which we are ground lessee in Lafayette, Louisiana, for a purchase price of approximately $8.3 million. We anticipate closing on these properties during our third fiscal quarter. Consummation of these acquisitions is subject to a number of closing conditions, and there can be no assurance we will acquire these properties within that time period or at all.

We continually review and evaluate new acquisition opportunities.

Common Share Offering

On April 26, 2004, we completed a public offering of 2,250,000 common shares. The offering was underwritten by J.P. Morgan Securities Inc. and RBC Capital Markets Corporation, who are the underwriters of this offering. The underwriters also exercised an over-allotment option for 337,500 additional shares for a total issuance of 2,587,500 shares. Net proceeds of the offering were approximately $81.4 million and were used to repay a $64.2 million term loan used to acquire the three AMC properties described above, reduce borrowings under our credit line and for other corporate purposes. JPMorgan Chase Bank and Royal Bank of Canada were the lenders under the term loan. JPMorgan Chase Bank is an affiliate of J.P. Morgan Securities Inc. and Royal Bank of Canada is an affiliate of RBC Capital Markets Corporation. The term loan was co-arranged by J.P. Morgan Securities Inc. and RBC Capital Markets Corporation.

Dividend

On June 17, 2004, our Board of Trustees declared a quarterly common share dividend of $0.5625 per share for the second quarter of 2004. The record date for the second quarter dividend will be June 30, 2004 and the dividend will be paid on July 15, 2004.

Financings and Lines of Credit

On February 27, 2004, we entered into a second general partnership joint venture with Atlantic of Hamburg, Germany (referred to in this prospectus as Atlantic). We contributed the AMC Tampa Veterans 24 theatre to the partnership in exchange for a 20% interest in the partnership and $8.24 million in cash. Atlantic has an 80% interest in the partnership. Commencing January 1, 2007, Atlantic will have the right to exchange up to 10% of its interest in the partnership annually for common shares of EPR valued at the market price or, at our option, the cash value of those shares.

On March 29, 2004, we entered into an amendment to our secured revolving credit facility with Fleet National Bank (now Bank of America) (referred to in this prospectus as the Bank of America Credit Facility) which increased the maximum amount available for borrowing under the Bank of America Credit Facility from $50 million to $150 million, subject to compliance with the borrowing base and other covenants contained in the Bank of America Credit Facility. Fleet National Bank acted as agent for a syndicate of lenders which includes Royal Bank of Canada and JPMorgan Chase Bank. On April 1, 2004, we used approximately $20 million in borrowings under the Bank of America Credit Facility to pay off our secured credit facility with iStar Financial. We repaid approximately $17 million in borrowings under the Bank of America Credit Facility with the proceeds of our public offering which closed on April 26, 2004. We intend to use future borrowings under the Bank of America Credit Facility for the acquisition of properties and to fund ongoing development projects.

Development Projects

We had a total of seven theatre projects under development as of June 22, 2004. These theatres will have a total of 116 screens and their total development cost (including land) will be approximately $88.9 million. We have purchased the underlying land (excluding ground leased property) for an aggregate of $21.9 million, and intend to fund the remaining development costs through our Bank of America Credit Facility and/or additional

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debt and/or equity financings. The properties are being developed by the prospective tenants. Development costs are advanced by us either in periodic draws or upon successful completion of construction. We have agreed to acquire the theatres upon completion and to lease them back to the operators at predetermined rates. If we determine that construction is not being completed in accordance with the terms of a development agreement, we can discontinue funding construction draws or refuse to purchase the completed theatre.

THE OFFERING

Common shares offered	1,000,000 shares
Common shares to be outstanding after the offering	24,555,348 shares
Use of proceeds	For general corporate purposes, which may include acquisitions of properties and funding of ongoing development projects. Pending this application, we may use the net proceeds from this offering to reduce indebtedness under our Bank of America Credit Facility. See Use of Proceeds.
New York Stock Exchange symbol	EPR

The above information regarding shares to be outstanding after the offering excludes shares issuable upon exercise of the underwriters over-allotment option, shares issuable upon exercise of our outstanding options or in the form of bonuses to or direct share purchases by our officers, and any shares issuable in exchange for interests in joint ventures or other entities formed to acquire properties.

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SELECTED FINANCIAL DATA

This table includes selected historical financial data of EPR. You should read carefully the consolidated financial statements and schedule included in our annual report on Form 10-K for the year ended December 31, 2003 and the unaudited consolidated financial statements included in our quarterly reports on Form 10-Q for the quarters ended March 31, 2004 and 2003. The selected financial data in this table are not intended to replace the consolidated financial statements and schedule included in our annual report on Form 10-K for the year ended December 31, 2003, or the unaudited consolidated financial statements included in our quarterly reports on Form 10-Q for the quarters ended March 31, 2004 and 2003, which are incorporated by reference herein. Figures are in thousands except per share data. The following table does not give effect to this offering or the offering which closed on April 26, 2004. For certain information regarding recent acquisitions, see our current report on Form 8-K filed November 12, 2003 as amended by amendment No. 1 thereto filed January 12, 2004, and our current report on Form 8-K filed March 15, 2004 as amended by amendment No. 1 thereto filed March 16, 2004.

Operating Data

	Three Months Ended March 31		Years Ended December 31				
	2004	2003	2003	2002	2001	2000	1999
Total revenue	$27,611	$21,045	$91,160	$71,610	$54,667	$53,287	$48,319
Property operating expense	641	95	698	201			
General and administrative expense	1,120	856	3,859	2,293	2,507	1,850	2,179
Interest expense	8,818	7,234	30,570	24,475	20,334	18,909	13,278
Depreciation and amortization expense	5,060	3,687	16,359	12,862	10,209	10,184	9,609
Amortization of share based compensation	340	231	926	1,048	240	276	373
Income before minority interest, income from joint venture and gain on sale of real estate	11,632	8,942	38,748	30,731	21,377	22,068	22,880
Gain on sale of real estate				202			
Minority interest	(430)	(375)	(1,555)	(1,195)			
Equity in income from joint ventures	128	91	401	1,421	2,203	2,104	333
Preferred dividend requirements	(1,366)	(1,366)	(5,463)	(3,225)			
Net income available to common shareholders	9,964	7,292	32,131	27,934	23,580	24,172	23,213
Net income per common share:							
Basic	$ .50	$ .43	$ 1.81	$ 1.66	$ 1.60	$ 1.63	$ 1.60
Diluted	.49	.42	1.77	1.64	1.60	1.63	1.60
Weighted average number of common shares outstanding							
Basic	19,735	17,074	17,780	16,791	14,715	14,786	14,516
Diluted	21,184	18,274	19,051	17,762	14,783	14,810	14,552
Cash dividends declared per common share	$0.5625	$ .50	$ 2.00	$ 1.90	$ 1.80	$ 1.76	$ 1.68

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Balance Sheet Data

	As of March 31		As of December 31				
	2004	2003	2003	2002	2001	2000	1999
Net real estate investments	$1,093,192	$701,000	$900,096	$692,922	$530,280	$472,795	$478,706
Total assets	1,164,327	809,000	965,918	730,387	583,351	513,534	516,291
Common dividends payable	11,512	8,622	9,829	8,162	6,659	6,479	6,273
Preferred dividends payable	1,366	1,366	1,366	1,366			
Total debt	669,997	429,380	506,555	346,617	314,766	244,547	238,737
Total liabilities	694,264	441,376	521,509	361,834	325,223	252,915	249,904
Minority interest	21,179	15,000	21,630	15,375			
Shareholders equity	448,884	352,210	422,779	353,178	258,128	260,619	266,387

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USE OF PROCEEDS

The net proceeds to us from the sale of the 1,000,000 common shares are expected to be approximately $35,240,000 ($40,556,000 if the underwriters exercise their over-allotment option in full), after deducting the underwriting discount and commissions and our offering expenses. We intend to use the net proceeds from this offering for general corporate purposes, which may include acquisitions of properties and funding ongoing development projects.

Pending the application of net proceeds to the uses described above, we may use net proceeds to reduce indebtedness under our Bank of America Credit Facility, or invest net proceeds in interest-bearing accounts and short-term interest-bearing securities which are consistent with our qualification as a REIT.

The Bank of America Credit Facility bears interest at LIBOR plus 1.75% 2.50% or the Applicable Base Rate plus 0.25% 1.00% depending on our leverage ratio at the time of each advance. The Bank of America Credit Facility matures on March 29, 2007 and may be extended for an additional year at our option. JPMorgan Chase Bank and Royal Bank of Canada are lenders under the Bank of America Credit Facility. For additional information regarding the Bank of America Credit Facility, see Recent Developments Financings and Lines of Credit.

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CAPITALIZATION

The following table describes our actual capitalization as of March 31, 2004 and our capitalization on an adjusted basis to reflect (i) the issuance and sale of the 2,587,500 common shares on April 26, 2004 and the application of the net proceeds from the April offering to repay approximately $64.2 million in term debt and to reduce borrowings by approximately $17 million under the Bank of America Credit Facility, and (ii) the issuance and sale of the common shares offered by this prospectus supplement, assuming no exercise of the over-allotment option, and the application of the net proceeds to repay amounts outstanding under the Bank of America Credit Facility pending use of the proceeds for planned acquisitions and development projects. This information should be read in conjunction with, and is qualified in its entirety by, the unaudited consolidated financial statements and notes thereto included in our quarterly report on Form 10-Q for the quarter ended March 31, 2004 incorporated by reference in this prospectus supplement.

	March 31, 2004		
		As Adjusted(1)	
	Actual	April Offering	This Offering
		(Dollars in thousands)	
Total debt	$ 669,997	$ 590,797	$ 555,557
Minority interest	21,179	21,179	21,179
Shareholders equity			
Common shares, $0.01 par value, 50,000,000 shares authorized; shares issued 20,967,848 actual, and 23,555,348 as adjusted on April 26, 2004, and 24,555,348 as additionally adjusted for this offering	209	235	245
Preferred shares, $0.01 par value, 5,000,000 shares authorized, 2,300,000 shares issued	23	23	23
Additional paid-in capital	483,562	564,895	600,125
Treasury shares, at cost, 472,200 shares	(6,533)	(6,533)	(6,533)
Loans to shareholders	(3,525)	(3,525)	(3,525)
Non-vested shares	(3,347)	(3,347)	(3,347)
Distributions in excess of net income	(21,505)	(22,639)	(22,639)
Total shareholders equity	448,884	529,109	564,349
TOTAL CAPITALIZATION	$1,140,060	$1,141,085	$1,141,085

(1) Also reflects the repayment of approximately $20 million of indebtedness to iStar Financial with proceeds borrowed under the Bank of America Credit Facility, the payment of a $405 thousand prepayment penalty to iStar Financial and the write-off of approximately $729 thousand of unamortized financing fees related to the iStar facility.

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PRICE RANGE OF COMMON SHARES AND DIVIDENDS

The following table shows the high and low sale prices for our common shares for the periods indicated as reported by the New York Stock Exchange and the dividends per common share paid by us with respect to each such period.

	High	Low	Dividends
2002			
First Quarter	$22.65	$18.90	$0.475
Second Quarter	$24.70	$22.00	$0.475
Third Quarter	$24.76	$18.60	$0.475
Fourth Quarter	$24.70	$19.85	$0.475
2003			
First Quarter	$27.30	$23.20	$0.500
Second Quarter	$28.75	$26.65	$0.500
Third Quarter	$32.71&nbs		