

MEDICAL PROPERTIES TRUST INC  
Form 10-Q  
August 09, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended June 30, 2011

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 001-32559

**MEDICAL PROPERTIES TRUST, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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<b>MARYLAND</b> (State or other jurisdiction of incorporation or organization)	<b>20-0191742</b> (I. R. S. Employer Identification No.)
<b>1000 URBAN CENTER DRIVE, SUITE 501</b>	
<b>BIRMINGHAM, AL</b> (Address of principal executive offices)	<b>35242</b> (Zip Code)
<b>REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (205) 969-3755</b>	

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 <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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 August 9, 2011, the registrant had 111,706,320 shares of common stock, par value \$.001, outstanding.

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**MEDICAL PROPERTIES TRUST, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2011**

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## Condensed Consolidated Balance Sheets

(In thousands, except per share amounts)	June 30, 2011 (Unaudited)	December 31, 2010 (Note 2)
<b>Assets</b>		
Real estate assets		
Land, buildings and improvements, and intangible lease assets	\$ 1,227,251	\$ 1,032,369
Mortgage loans	165,000	165,000
Gross investment in real estate assets	1,392,251	1,197,369
Accumulated depreciation and amortization	(92,343)	(76,094)
Net investment in real estate assets	1,299,908	1,121,275
Cash and cash equivalents	227,906	98,408
Interest and rent receivable	26,677	26,176
Straight-line rent receivable	32,983	28,912
Other loans	54,978	50,985
Other assets	36,268	23,058
<b>Total Assets</b>	<b>\$ 1,678,720</b>	<b>\$ 1,348,814</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Debt, net	\$ 718,309	\$ 369,970
Accounts payable and accrued expenses	46,377	35,974
Deferred revenue	20,847	23,137
Lease deposits and other obligations to tenants	24,485	20,157
Total liabilities	810,018	449,238
<b>Equity</b>		
Preferred stock, \$0.001 par value. Authorized 10,000 shares; no shares outstanding		
Common stock, \$0.001 par value. Authorized 150,000 shares; issued and outstanding 110,571 shares at June 30, 2011, and 110,225 shares at December 31, 2010	111	110
Additional paid in capital	1,055,389	1,051,785
Distributions in excess of net income	(179,931)	(148,530)
Accumulated other comprehensive loss	(6,710)	(3,641)
Treasury shares, at cost	(262)	(262)
Total Medical Properties Trust, Inc. stockholders' equity	868,597	899,462
Non-controlling interests	105	114
Total equity	868,702	899,576
<b>Total Liabilities and Equity</b>	<b>\$ 1,678,720</b>	<b>\$ 1,348,814</b>

See accompanying notes to condensed consolidated financial statements.



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## Condensed Consolidated Statements of Income

(Unaudited)

(In thousands, except per share amounts)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
<b>Revenues</b>				
Rent billed	\$ 29,108	\$ 24,312	\$ 57,781	\$ 45,560
Straight-line rent	2,070	(218)	3,805	1,593
Interest and fee income	5,270	6,499	10,561	14,298
<b>Total revenues</b>	<b>36,448</b>	<b>30,593</b>	<b>72,147</b>	<b>61,451</b>
<b>Expenses</b>				
Real estate depreciation and amortization	8,355	5,766	16,248	11,891
Impairment charge	564		564	12,000
Property-related	256	927	317	1,456
General and administrative	7,818	8,579	14,693	14,684
Acquisition expenses	616	884	2,656	949
<b>Total operating expenses</b>	<b>17,609</b>	<b>16,156</b>	<b>34,478</b>	<b>40,980</b>
<b>Operating income</b>	<b>18,839</b>	<b>14,437</b>	<b>37,669</b>	<b>20,471</b>
<b>Other income (expense)</b>				
Interest income and other	21	29	6	13
Debt refinancing costs	(3,789)	(6,214)	(3,789)	(6,214)
Interest expense	(12,387)	(8,557)	(20,526)	(18,014)
<b>Net other expense</b>	<b>(16,155)</b>	<b>(14,742)</b>	<b>(24,309)</b>	<b>(24,215)</b>
<b>Income (loss) from continuing operations</b>	<b>2,684</b>	<b>(305)</b>	<b>13,360</b>	<b>(3,744)</b>
Income (loss) from discontinued operations	(1)	6,537	147	7,162
<b>Net income</b>	<b>2,683</b>	<b>6,232</b>	<b>13,507</b>	<b>3,418</b>
Net income attributable to non-controlling interests	(43)	(9)	(88)	(17)
<b>Net income attributable to MPT common stockholders</b>	<b>\$ 2,640</b>	<b>\$ 6,223</b>	<b>\$ 13,419</b>	<b>\$ 3,401</b>
<b>Earnings per common share basic and diluted</b>				
Income (loss) from continuing operations attributable to MPT common stockholders	\$ 0.02	\$	\$ 0.12	\$ (0.05)
Income from discontinued operations attributable to MPT common stockholders		0.06		0.08
<b>Net income attributable to MPT common stockholders</b>	<b>\$ 0.02</b>	<b>\$ 0.06</b>	<b>\$ 0.12</b>	<b>\$ 0.03</b>
Weighted average shares outstanding:				
Basic	110,589	103,498	110,495	91,337
Diluted	110,600	103,498	110,504	91,337
<b>Dividends declared per common share</b>	<b>\$ 0.20</b>	<b>\$ 0.20</b>	<b>\$ 0.40</b>	<b>\$ 0.40</b>

See accompanying notes to condensed consolidated financial statements.



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## Condensed Consolidated Statements of Cash Flows

(Unaudited)

	<b>For the Six Months Ended June 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Operating activities</b>		
Net income	\$ 13,507	\$ 3,418
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	16,629	13,183
Straight-line rent revenue	(3,805)	(1,674)
Share-based compensation	3,661	3,884
Gain on sale of real estate	(5)	(6,162)
Impairment	564	12,000
Increase (decrease) in accounts payable and accrued liabilities	7,299	(569)
Amortization and write-off of deferred financing costs and debt discount	5,572	3,962
Premium paid on extinguishment of debt		3,490
Other adjustments	(3,730)	(4,582)
Net cash provided by operating activities	39,692	26,950
<b>Investing activities</b>		
Real estate acquired	(173,486)	(73,851)
Principal received on loans receivable	1,469	45,882