

American Assets Trust, Inc.
Form 10-Q
August 01, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 June 30, 2014
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: 001-35030

AMERICAN ASSETS TRUST, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland 27-3338708
(State of Organization) (IRS Employer Identification No.)

11455 El Camino Real, Suite 200, 92130
San Diego, California (Zip Code)
(Address of Principal Executive Offices)
(858) 350-2600
(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 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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 (Do not check if a smaller reporting company) 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

The number of Registrant's common shares outstanding on August 1, 2014 was 42,615,331.

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QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED June 30, 2014

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PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

American Assets Trust, Inc.

Consolidated Balance Sheets

(In Thousands, Except Share Data)

	June 30, 2014 (unaudited)	December 31, 2013
ASSETS		
Real estate, at cost		
Operating real estate	\$ 1,926,204	\$ 1,919,015
Construction in progress	116,498	67,389
Held for development	9,084	9,013
	2,051,786	1,995,417
Accumulated depreciation	(341,760	) (318,581
Net real estate	1,710,026	1,676,836
Cash and cash equivalents	78,859	48,987
Restricted cash	10,766	9,124
Accounts receivable, net	4,940	7,295
Deferred rent receivables, net	33,956	32,531
Other assets, net	53,876	57,670
TOTAL ASSETS	\$ 1,892,423	\$ 1,832,443
LIABILITIES AND EQUITY		
LIABILITIES:		
Secured notes payable	\$952,847	\$952,174
Term loan	100,000	—
Line of credit	—	93,000
Accounts payable and accrued expenses	38,885	37,063
Security deposits payable	5,323	5,163
Other liabilities and deferred credits	57,675	58,465
Total liabilities	1,154,730	1,145,865
Commitments and contingencies (Note 9)		
EQUITY:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 42,615,331 and 40,512,563 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively	426	405
Additional paid-in capital	759,158	692,196
Accumulated dividends in excess of net income	(54,186	) (44,090
Accumulated other comprehensive loss	(1,093) —
Total American Assets Trust, Inc. stockholders' equity	704,305	648,511
Noncontrolling interests	33,388	38,067
Total equity	737,693	686,578
TOTAL LIABILITIES AND EQUITY	\$ 1,892,423	\$ 1,832,443

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

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American Assets Trust, Inc.
 Consolidated Statements of Comprehensive Income
 (Unaudited)
 (In Thousands, Except Shares and Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
REVENUE:				
Rental income	\$58,793	\$59,705	\$119,275	\$118,927
Other property income	3,392	3,209	6,863	6,167
Total revenue	62,185	62,914	126,138	125,094
EXPENSES:				
Rental expenses	16,500	16,686	33,120	32,972
Real estate taxes	5,129	5,476	11,155	10,276
General and administrative	4,635	4,426	9,247	8,627
Depreciation and amortization	18,209	16,953	34,550	33,966
Total operating expenses	44,473	43,541	88,072	85,841
OPERATING INCOME	17,712	19,373	38,066	39,253
Interest expense	(13,439)	) (14,744)	) (27,071)	) (29,480)
Other income (expense), net	1,078	(65)	) 1,014	(344)
NET INCOME	5,351	4,564	12,009	9,429
Net income attributable to restricted shares	(94)	) (133)	) (164)	) (265)
Net income attributable to unitholders in the Operating Partnership	(1,544)			