

AMERICAN LAND LEASE INC
Form 10-Q
August 11, 2003
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2003

OR

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

Commission file number 1-9360

AMERICAN LAND LEASE, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of

84-1038736
(IRS Employer

Incorporation or organization)

Identification No.)

29399 U.S. Hwy 19, North Suite 320

Clearwater, Florida
(Address of Principal Executive Offices)

33761
(Zip Code)

Registrant's telephone number, including area code (727) 726-8868

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 .

As of July 12, 2003, approximately 7,083,000 shares of common stock were outstanding.

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AMERICAN LAND LEASE, INC. AND SUBSIDIARIES

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2003

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(in thousands)

	June 30, 2003	December 31, 2002
	(Unaudited)	
ASSETS		
Real estate, net of accumulated depreciation of \$18,835 and \$17,827, respectively, including real estate under development of \$38,429 and \$40,053, respectively.	\$ 212,301	\$ 207,500
Cash and cash equivalents	978	1,223
Inventory	12,192	10,101
Investment in unconsolidated real estate partnerships	1,692	1,684
Other assets, net	8,243	8,335
Total Assets	\$ 235,406	\$ 228,843
LIABILITIES		
Secured long-term notes payable	\$ 110,906	\$ 97,201
Secured short-term financing	10,188	19,118
Accounts payable and accrued liabilities	8,264	7,552
	129,358	123,871
MINORITY INTEREST IN OPERATING PARTNERSHIP	13,815	13,130
STOCKHOLDERS EQUITY		
Preferred stock, par value \$.01 per share, 1,000 shares authorized, no shares issued or outstanding		
Common stock, par value \$.01 per share; 12,000 shares authorized; 8,809 and 8,649 shares issued; 7,083 and 6,939 shares outstanding (excluding treasury stock), respectively	88	86
Additional paid-in capital	282,246	280,665
Notes receivable from officers re common stock purchases	(833)	(848)
Deferred compensation re restricted stock	(1,642)	(396)
Dividends in excess of accumulated earnings	(161,014)	(161,280)
Treasury stock, 1,726 and 1,710 shares at cost, respectively	(26,612)	(26,385)
	92,233	91,842
Total Liabilities and Stockholders Equity	\$ 235,406	\$ 228,843

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(in thousands, except per share data)

(unaudited)

	Three Months Ended	Three Months Ended	Six Months Ended	Six Months Ended
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
RENTAL PROPERTY OPERATIONS				
Rental and other property revenues	\$ 6,391	\$ 5,834	\$ 12,809	\$ 11,742
Golf course operating revenues	173	155	511	494
Total property operating revenues	6,564	5,989	13,320	12,236
Property operating expenses	(2,302)	(2,154)	(4,652)	(4,403)
Golf course operating expenses	(319)	(283)	(622)	(634)
Total property operating expenses	(2,621)	(2,437)	(5,274)	(5,037)
Depreciation	(661)	(627)	(1,311)	(1,258)
Income from rental property operations	3,282	2,925	6,735	5,941
SALES OPERATIONS				
Home sales revenue	7,771	5,191	15,661	9,397
Cost of home sales	(5,531)	(3,956)	(11,315)	(7,244)
Gross profit on home sales	2,240	1,235	4,346	2,153
Commissions earned on brokered sales	117	154	243	273
Commissions paid on brokered sales	(60)	(91)	(125)	(156)
Gross profit on brokered sales	57	63	118	117
Selling and marketing expenses	(1,604)	(1,314)	(3,432)	(2,538)
Income (loss) from sales operations	693	(16)	1,032	(268)
General and administrative expenses	(661)	(496)	(1,279)	(965)
Interest and other income	150	329	446	636
Interest expense	(1,371)	(1,088)	(2,655)	(2,184)
Equity in income of unconsolidated real estate partnerships	17	17	37	33
Income before minority interest in Operating Partnership	2,110	1,671	4,316	3,193
Minority interest in Operating Partnership	(249)	(206)	(514)	(401)
Income from continuing operations	1,861	1,465	3,802	2,792
DISCONTINUED OPERATIONS:				
(Loss) Income from discontinued operations, net of minority interest		44	(14)	78

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(Loss) gain on sale of property, net of minority interest			(86)	
(Loss) income from discontinued operations		44	(100)	78
Net Income	\$ 1,861	\$ 1,509	\$ 3,702	\$ 2,870
Basic earnings from continuing operations	\$ 0.27	\$ 0.21	\$ 0.55	\$ 0.42
Basic (loss) earnings from discontinued operations		0.01	(0.01)	0.01
Basic earnings per share	\$ 0.27	\$ 0.22	\$ 0.54	\$ 0.43
Diluted earnings from continuing operations	\$ 0.26	\$ 0.21	\$ 0.54	\$ 0.41
Diluted (loss) earnings from discontinued operations		0.01	(0.01)	0.01
Diluted earnings per share	\$ 0.26	\$ 0.22	\$ 0.53	\$ 0.42
Weighted average common shares outstanding	6,866	6,719	6,867	6,688
Weighted average common shares and common share equivalents outstanding	7,056	6,827	7,020	