

SIMON PROPERTY GROUP INC /DE/
Form 10-Q
August 02, 2018
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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, 2018

SIMON PROPERTY GROUP, INC.

SIMON PROPERTY GROUP, L.P.

(Exact name of registrant as specified in its charter)

| | | |
|---|------------------------------|---|
| Delaware | 001 14469 | 04 6268599 |
| (Simon Property Group, Inc.) | (Simon Property Group, Inc.) | (Simon Property Group, Inc.) |
| Delaware | 001-36110 | 34-1755769 |
| (Simon Property Group, L.P.) | (Simon Property Group, L.P.) | (Simon Property Group, L.P.) |
| (State of incorporation or organization) | (Commission File No.) | (I.R.S. Employer Identification No.) |

225 West Washington Street
Indianapolis, Indiana 46204
(Address of principal executive offices)
(317) 636 1600
(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.

Simon Property Group, Inc. Yes No Simon Property Group, L.P. 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).

Simon Property Group, Inc. Yes No Simon Property Group, L.P. Yes No

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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act (check one):

Simon Property Group, Inc.:

| | | | |
|-------------------------|-------------------|--|---------------------------|
| Large accelerated filer | Accelerated filer | Non accelerated filer (Do not check if a smaller reporting company) | Smaller reporting company |
| | | | Emerging growth company |

Simon Property Group, L.P.:

| | | | |
|-------------------------|-------------------|--|---------------------------|
| Large accelerated filer | Accelerated filer | Non-accelerated filer (Do not check if a smaller reporting company) | Smaller reporting company |
| | | | Emerging growth company |

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Simon Property Group, Inc.

Simon Property Group, L.P.

Indicate by check mark whether Registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

Simon Property Group, Inc. Yes No Simon Property Group, L.P. Yes No

As of June 30, 2018, Simon Property Group, Inc. had 309,209,683 shares of common stock, par value \$0.0001 per share, and 8,000 shares of Class B common stock, par value \$0.0001 per share, outstanding. Simon Property Group, L.P. has no common stock outstanding.

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EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarterly period ended June 30, 2018 of Simon Property Group, Inc., a Delaware corporation, and Simon Property Group, L.P., a Delaware limited partnership. Unless stated otherwise or the context otherwise requires, references to “Simon” mean Simon Property Group, Inc. and references to the “Operating Partnership” mean Simon Property Group, L.P. References to “we,” “us” and “our” mean collectively Simon, the Operating Partnership and those entities/subsidiaries owned or controlled by Simon and/or the Operating Partnership.

Simon is a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. We are structured as an umbrella partnership REIT under which substantially all of our business is conducted through the Operating Partnership, Simon’s majority owned partnership subsidiary, for which Simon is the general partner. As of June 30, 2018, Simon owned an approximate 86.8% ownership interest in the Operating Partnership, with the remaining 13.2% ownership interest owned by limited partners. As the sole general partner of the Operating Partnership, Simon has exclusive control of the Operating Partnership’s day to day management.

We operate Simon and the Operating Partnership as one business. The management of Simon consists of the same members as the management of the Operating Partnership. As general partner with control of the Operating Partnership, Simon consolidates the Operating Partnership for financial reporting purposes, and Simon has no material assets or liabilities other than its investment in the Operating Partnership. Therefore, the assets and liabilities of Simon and the Operating Partnership are the same on their respective financial statements.

We believe that combining the quarterly reports on Form 10-Q of Simon and the Operating Partnership into this single report provides the following benefits:

- enhances investors’ understanding of Simon and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined presentation since substantially all of the disclosure in this report applies to both Simon and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We believe it is important for investors to understand the few differences between Simon and the Operating Partnership in the context of how we operate as a consolidated company. The primary difference is that Simon itself does not conduct business, other than acting as the general partner of the Operating Partnership and issuing equity or equity related instruments from time to time. In addition, Simon itself does not incur any indebtedness, as all debt is incurred by the Operating Partnership or entities/subsidiaries owned or controlled by the Operating Partnership.

The Operating Partnership holds, directly or indirectly, substantially all of our assets, including our ownership interests in our joint ventures. The Operating Partnership conducts substantially all of our business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity issuances by Simon, which are contributed to the capital of the Operating Partnership in exchange for, in the case of common stock issuances by Simon, common units of partnership interest in the Operating Partnership, or units, or, in the case of preferred stock issuances by Simon, preferred units of partnership interest in the Operating Partnership, or preferred units, the Operating Partnership, directly or indirectly, generates the capital required by our business through its operations, the incurrence of indebtedness, proceeds received from the disposition of certain properties and joint ventures and the issuance of units or preferred units to third parties.

The presentation of stockholders’ equity, partners’ equity and noncontrolling interests are the main areas of difference between the consolidated financial statements of Simon and those of the Operating Partnership. The differences between stockholders’ equity and partners’ equity result from differences in the equity issued at the Simon and

Operating Partnership levels. The units held by limited partners in the Operating Partnership are accounted for as partners' equity in the Operating Partnership's financial statements and as noncontrolling interests in Simon's financial statements. The noncontrolling interests in the Operating Partnership's financial statements include the interests of unaffiliated partners in various consolidated partnerships. The noncontrolling interests in Simon's financial statements include the same noncontrolling interests at the Operating Partnership level and, as previously stated, the units held by limited partners of the Operating Partnership. Although classified differently, total equity of Simon and the Operating Partnership is the same.

To help investors understand the differences between Simon and the Operating Partnership, this report provides:

- separate consolidated financial statements for Simon and the Operating Partnership;

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- a single set of condensed notes to such consolidated financial statements that includes separate discussions of noncontrolling interests and stockholders' equity or partners' equity, accumulated other comprehensive income (loss) and per share and per unit data, as applicable;
- a combined Management's Discussion and Analysis of Financial Condition and Results of Operations section that also includes discrete information related to each entity; and
- separate Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds sections related to each entity.

This report also includes separate Part I, Item 4. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of Simon and the Operating Partnership in order to establish that the requisite certifications have been made and that Simon and the Operating Partnership are each compliant with Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 and 18 U.S.C. §1350. The separate discussions of Simon and the Operating Partnership in this report should be read in conjunction with each other to understand our results on a consolidated basis and how management operates our business.

In order to highlight the differences between Simon and the Operating Partnership, the separate sections in this report for Simon and the Operating Partnership specifically refer to Simon and the Operating Partnership. In the sections that combine disclosure of Simon and the Operating Partnership, this report refers to actions or holdings of Simon and the Operating Partnership as being "our" actions or holdings. Although the Operating Partnership is generally the entity that directly or indirectly enters into contracts and joint ventures, holds assets and incurs debt, we believe that references to "we," "us" or "our" in this context is appropriate because the business is one enterprise and we operate substantially all of our business through the Operating Partnership.

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Simon Property Group, Inc.

Simon Property Group, L.P.

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Simon Property Group, Inc.

Unaudited Consolidated Balance Sheets

(Dollars in thousands, except share amounts)

| | June 30, 2018 | December 31, 2017 |
|---|------------------|----------------------|
| ASSETS: | | |
| Investment properties, at cost | \$ 36,429,603 | \$ 36,393,464 |
| Less - accumulated depreciation | 12,354,966 | 11,935,949 |
| | 24,074,637 | 24,457,515 |
| Cash and cash equivalents | 714,247 | 1,482,309 |
| Tenant receivables and accrued revenue, net | 681,551 | 742,672 |
| Investment in unconsolidated entities, at equity | 2,302,833 | 2,266,483 |
| Investment in Klépierre, at equity | 1,772,155 | 1,934,676 |
| Deferred costs and other assets | 1,297,717 | 1,373,983 |
| Total assets | \$ 30,843,140 | \$ 32,257,638 |
| LIABILITIES: | | |
| Mortgages and unsecured indebtedness | \$ 23,505,002 | \$ 24,632,463 |
| Accounts payable, accrued expenses, intangibles, and deferred revenues | 1,230,775 | 1,269,190 |
| Cash distributions and losses in unconsolidated entities, at equity | 1,531,136 | 1,406,378 |
| Other liabilities | 499,598 | 520,363 |
| Total liabilities | 26,766,511 | 27,828,394 |
| Commitments and contingencies | | |
| Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests in properties | 198,001 | 190,480 |
| EQUITY: | | |
| Stockholders' Equity | | |
| Capital stock (850,000,000 total shares authorized, \$0.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock): | | |
| Series J 83/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of \$39,847 | 42,912 | 43,077 |
| Common stock, \$0.0001 par value, 511,990,000 shares authorized, 320,324,839 and 320,322,774 issued and outstanding, respectively | 32 | 32 |
| Class B common stock, \$0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding | — | — |
| Capital in excess of par value | 9,657,810 | 9,614,748 |
| Accumulated deficit | (4,833,826) | (4,782,173) |
| Accumulated other comprehensive loss | (115,285) | (110,453) |
| Common stock held in treasury, at cost, 11,115,156 and 9,163,920 shares, respectively | (1,380,619) | (1,079,063) |
| Total stockholders' equity | 3,371,024 | 3,686,168 |
| Noncontrolling interests | 507,604 | 552,596 |
| Total equity | 3,878,628 | 4,238,764 |
| Total liabilities and equity | \$ 30,843,140 | \$ 32,257,638 |

The accompanying notes are an integral part of these statements.

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Simon Property Group, Inc.

Unaudited Consolidated Statements of Operations and Comprehensive Income

(Dollars in thousands, except per share amounts)

| | For the Three Months Ended | | For the Six Months Ended | |
|---|----------------------------|-------------------|--------------------------|-------------------|
| | June 30, | | June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| REVENUE: | | | | |
| Minimum rent | \$ 857,106 | \$ 851,552 | \$ 1,717,277 | \$ 1,698,350 |
| Overage rent | 31,942 | 29,764 | 64,932 | 57,967 |
| Tenant reimbursements | 372,949 | 380,527 | 753,312 | 759,442 |
| Management fees and other revenues | 28,541 | 31,367 | 56,722 | 61,914 |
| Other income | 97,820 | 68,338 | 195,929 | 129,638 |
| Total revenue | 1,388,358 | 1,361,548 | 2,788,172 | 2,707,311 |
| EXPENSES: | | | | |
| Property operating | 102,951 | 107,371 | 216,400 | 211,419 |
| Depreciation and amortization | 320,198 | 322,396 | 637,134 | 633,228 |
| Real estate taxes | 111,449 | 113,415 | 225,635 | 220,073 |
| Repairs and maintenance | 22,191 | 21,700 | 49,875 | 47,301 |
| Advertising and promotion | 36,491 | 36,496 | 71,291 | 72,444 |
| Provision for credit losses | 3,299 | 2,659 | 8,931 | 7,870 |
| Home and regional office costs | 32,316 | 36,476 | 73,380 | 79,455 |
| General and administrative | 10,913 | 13,074 | 23,542 | 27,075 |
| Other | 10,875 | 21,812 | 42,377 | 45,627 |
| Total operating expenses | 650,683 | 675,399 | 1,348,565 | 1,344,492 |
| OPERATING INCOME | 737,675 | 686,149 | 1,439,607 | 1,362,819 |
| Interest expense | (206,624) | (207,174) | (412,115) | (405,373) |
| Loss on extinguishment of debt | — | (128,618) | — | (128,618) |
| Income and other taxes | (10,137) | (5,990) | (16,357) | (2,470) |
| Income from unconsolidated entities | 100,828 | 92,017 | 190,854 | 161,101 |
| Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net | 9,672 | 4,989 | 144,949 | 4,989 |
| CONSOLIDATED NET INCOME | 631,414 | 441,373 | 1,346,938 | 992,448 |
| Net income attributable to noncontrolling interests | 83,576 | 58,549 | 177,611 | 131,053 |
| Preferred dividends | 834 | 834 | 1,669 | 1,669 |
| NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS | \$ 547,004 | \$ 381,990 | \$ 1,167,658 | \$ 859,726 |
| BASIC AND DILUTED EARNINGS PER COMMON SHARE: | | | | |
| Net income attributable to common stockholders | \$ 1.77 | \$ 1.23 | \$ 3.77 | \$ 2.75 |
| Consolidated Net Income | \$ 631,414 | \$ 441,373 | \$ 1,346,938 | \$ 992,448 |
| | 21,260 | (21,545) | 15,113 | (22,798) |

| | | | | |
|---|------------|------------|--------------|------------|
| Unrealized gain (loss) on derivative hedge agreements | | | | |
| Net loss reclassified from accumulated other comprehensive loss into earnings | 2,185 | 2,439 | 4,339 | 5,059 |
| Currency translation adjustments | (38,126) | 16,745 | (25,034) | 29,892 |
| Changes in available-for-sale securities and other | 222 | (1,152) | (66) | (463) |
| Comprehensive income | 616,955 | 437,860 | 1,341,290 | 1,004,138 |
| Comprehensive income attributable to noncontrolling interests | 81,654 | 58,065 | 176,794 | 132,490 |
| Comprehensive income attributable to common stockholders | \$ 535,301 | \$ 379,795 | \$ 1,164,496 | \$ 871,648 |

The accompanying notes are an integral part of these statements.

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Simon Property Group, Inc.

Unaudited Consolidated Statements of Cash Flows

(Dollars in thousands)

| | For the Six Months Ended | |
|--|--------------------------|-------------|
| | June 30, | |
| | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Consolidated Net Income | \$ 1,346,938 | \$ 992,448 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities — | | |
| Depreciation and amortization | 674,067 | 675,608 |
| Loss on debt extinguishment | — | 128,618 |
| Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net | (144,949) | (4,989) |
| Unrealized change in fair value of equity instruments | (6,664) | — |
| Gain on interest in unconsolidated entity (Note 5) | (35,621) | — |
| Straight-line rent | (10,564) | (11,970) |
| Equity in income of unconsolidated entities | (190,854) | (161,101) |
| Distributions of income from unconsolidated entities | 192,649 | 161,833 |
| Changes in assets and liabilities — | | |
| Tenant receivables and accrued revenue, net | 59,737 | 46,748 |
| Deferred costs and other assets | (28,007) | (29,289) |
| Accounts payable, accrued expenses, intangibles, deferred revenues and other liabilities | (19,950) | 11,677 |
| Net cash provided by operating activities | 1,836,782 | 1,809,583 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisitions | — | (87,741) |
| Funding of loans to related parties | (4,641) | (49,668) |
| Capital expenditures, net | (334,674) | (318,948) |
| Cash impact from the consolidation of properties | — | 7,536 |
| Investments in unconsolidated entities | (29,296) | (93,459) |
| Purchase of marketable and non-marketable securities | (9,258) | (3,837) |
| Distributions of capital from unconsolidated entities and other | 359,083 | 296,007 |
| Net cash used in investing activities | (18,786) | (250,110) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from sales of common stock and other, net of transaction costs | (165) | (164) |
| Purchase of shares related to stock grant recipients' tax withholdings | (2,911) | (2,789) |
| Redemption of limited partner units | (7,619) | — |
| Purchase of treasury stock | (307,296) | (396,169) |
| Distributions to noncontrolling interest holders in properties | (10,067) | (6,150) |
| Contributions from noncontrolling interest holders in properties | 116 | 236 |
| Preferred distributions of the Operating Partnership | (958) | (958) |
| Distributions to stockholders and preferred dividends | (1,210,168) | (1,094,925) |
| Distributions to limited partners | (182,949) | (165,741) |
| Loss on debt extinguishment | — | (128,618) |

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| | | |
|--|-------------|-------------|
| Proceeds from issuance of debt, net of transaction costs | 3,720,806 | 5,749,137 |
| Repayments of debt | (4,584,847) | (5,584,777) |
| Net cash used in financing activities | (2,586,058) | (1,630,918) |
| DECREASE IN CASH AND CASH EQUIVALENTS | (768,062) | (71,445) |
| CASH AND CASH EQUIVALENTS, beginning of period | 1,482,309 | 560,059 |
| CASH AND CASH EQUIVALENTS, end of period | \$ 714,247 | \$ 488,614 |

The accompanying notes are an integral part of these statements.

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Simon Property Group, L.P.

Unaudited Consolidated Balance Sheets

(Dollars in thousands, except unit amounts)

| | June 30, 2018 | December 31, 2017 |
|--|------------------|----------------------|
| ASSETS: | | |
| Investment properties, at cost | \$ 36,429,603 | \$ 36,393,464 |
| Less — accumulated depreciation | 12,354,966 | 11,935,949 |
| | 24,074,637 | 24,457,515 |
| Cash and cash equivalents | 714,247 | 1,482,309 |
| Tenant receivables and accrued revenue, net | 681,551 | 742,672 |
| Investment in unconsolidated entities, at equity | 2,302,833 | 2,266,483 |
| Investment in Klépierre, at equity | 1,772,155 | 1,934,676 |
| Deferred costs and other assets | 1,297,717 | 1,373,983 |
| Total assets | \$ 30,843,140 | \$ 32,257,638 |
| LIABILITIES: | | |
| Mortgages and unsecured indebtedness | \$ 23,505,002 | \$ 24,632,463 |
| Accounts payable, accrued expenses, intangibles, and deferred revenues | 1,230,775 | 1,269,190 |
| Cash distributions and losses in unconsolidated entities, at equity | 1,531,136 | 1,406,378 |
| Other liabilities | 499,598 | 520,363 |
| Total liabilities | 26,766,511 | 27,828,394 |
| Commitments and contingencies | | |
| Preferred units, various series, at liquidation value, and noncontrolling redeemable interests in properties | 198,001 | 190,480 |
| EQUITY: | | |
| Partners' Equity | | |
| Preferred units, 796,948 units outstanding. Liquidation value of \$39,847 | 42,912 | 43,077 |
| General Partner, 309,217,683 and 311,166,854 units outstanding, respectively | 3,328,112 | 3,643,091 |
| Limited Partners, 46,824,406 and 46,879,625 units outstanding, respectively | 503,972 | 548,858 |
| Total partners' equity | 3,874,996 | 4,235,026 |
| Nonredeemable noncontrolling interests in properties, net | 3,632 | 3,738 |
| Total equity | 3,878,628 | 4,238,764 |
| Total liabilities and equity | \$ 30,843,140 | \$ 32,257,638 |

The accompanying notes are an integral part of these statements.

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Simon Property Group, L.P.

Unaudited Consolidated Statements of Operations and Comprehensive Income

(Dollars in thousands, except per unit amounts)

| | For the Three Months Ended | | For the Six Months Ended | |
|---|----------------------------|------------|--------------------------|--------------|
| | June 30, | | June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| REVENUE: | | | | |
| Minimum rent | \$ 857,106 | \$ 851,552 | \$ 1,717,277 | \$ 1,698,350 |
| Overage rent | 31,942 | 29,764 | 64,932 | 57,967 |
| Tenant reimbursements | 372,949 | 380,527 | 753,312 | 759,442 |
| Management fees and other revenues | 28,541 | 31,367 | 56,722 | 61,914 |
| Other income | 97,820 | 68,338 | 195,929 | 129,638 |
| Total revenue | 1,388,358 | 1,361,548 | 2,788,172 | 2,707,311 |
| EXPENSES: | | | | |
| Property operating | 102,951 | 107,371 | 216,400 | 211,419 |
| Depreciation and amortization | 320,198 | 322,396 | 637,134 | 633,228 |
| Real estate taxes | 111,449 | 113,415 | 225,635 | 220,073 |
| Repairs and maintenance | 22,191 | 21,700 | 49,875 | 47,301 |
| Advertising and promotion | 36,491 | 36,496 | 71,291 | 72,444 |
| Provision for credit losses | 3,299 | 2,659 | 8,931 | 7,870 |
| Home and regional office costs | 32,316 | 36,476 | 73,380 | 79,455 |
| General and administrative | 10,913 | 13,074 | 23,542 | 27,075 |
| Other | 10,875 | 21,812 | 42,377 | 45,627 |
| Total operating expenses | 650,683 | 675,399 | 1,348,565 | 1,344,492 |
| OPERATING INCOME | 737,675 | 686,149 | 1,439,607 | 1,362,819 |
| Interest expense | (206,624) | (207,174) | (412,115) | (405,373) |
| Loss on extinguishment of debt | — | (128,618) | — | (128,618) |
| Income and other taxes | (10,137) | (5,990) | (16,357) | (2,470) |
| Income from unconsolidated entities | 100,828 | 92,017 | 190,854 | 161,101 |
| Gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net | 9,672 | 4,989 | 144,949 | 4,989 |
| CONSOLIDATED NET INCOME | 631,414 | 441,373 | 1,346,938 | 992,448 |
| Net income (loss) attributable to noncontrolling interests | 279 | 74 | 186 | (170) |
| Preferred unit requirements | 1,313 | 1,313 | 2,626 | 2,626 |
| NET INCOME ATTRIBUTABLE TO UNITHOLDERS | \$ 629,822 | \$ 439,986 | \$ 1,344,126 | \$ 989,992 |
| NET INCOME ATTRIBUTABLE TO UNITHOLDERS ATTRIBUTABLE TO: | | | | |
| General Partner | \$ 547,004 | 381,990 | \$ 1,167,658 | \$ 859,726 |
| Limited Partners | 82,818 | 57,996 | 176,468 | 130,266 |
| Net income attributable to unitholders | \$ 629,822 | \$ 439,986 | \$ 1,344,126 | \$ 989,992 |

BASIC AND DILUTED EARNINGS PER
UNIT:

| | | | | |
|---|------------|------------|--------------|------------|
| Net income attributable to unitholders | \$ 1.77 | \$ 1.23 | \$ 3.77 | \$ 2.75 |
| Consolidated net income | \$ 631,414 | \$ 441,373 | \$ 1,346,938 | \$ 992,448 |
| Unrealized gain (loss) on derivative hedge agreements | 21,260 | (21,545) | 15,113 | (22,798) |
| Net loss reclassified from accumulated other comprehensive loss into earnings | 2,185 | 2,439 | 4,339 | 5,059 |
| Currency translation adjustments | (38,126) | 16,745 | (25,034) | 29,892 |
| Changes in available-for-sale securities and other | 222 | (1,152) | (66) | |