

BioMed Realty Trust Inc  
Form 10-Q  
August 02, 2012

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, 2012

Commission File Number: 1-32261 (BioMed Realty Trust, Inc.)  
000-54089 (BioMed Realty, L.P.)

BIOMED REALTY TRUST, INC.  
BIOMED REALTY, L.P.  
(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

20-1142292 (BioMed Realty Trust, Inc.)  
20-1320636 (BioMed Realty, L.P.)  
(I.R.S. Employer Identification No.)

17190 Bernardo Center Drive  
San Diego, California  
(Address of Principal Executive Offices)

92128  
(Zip Code)

(858) 485-9840  
(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 Exchange Act 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.

BioMed Realty Trust, Inc. Yes  No   
BioMed Realty, 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).

BioMed Realty Trust, Inc. Yes  No   
BioMed Realty, L.P. 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. (Check one):



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BioMed Realty Trust, Inc.:

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

BioMed Realty, L.P.:

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

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

BioMed Realty Trust, Inc. Yes  No

BioMed Realty, L.P. Yes  No

The number of outstanding shares of BioMed Realty Trust, Inc.'s common stock, par value \$0.01 per share, as of August 2, 2012 was 154,186,244.

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EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended June 30, 2012 of BioMed Realty Trust, Inc., a Maryland corporation, and BioMed Realty, L.P., a Maryland limited partnership of which BioMed Realty Trust, Inc. is the parent company and general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our” or “our company” refer to BioMed Realty Trust, Inc. together with its consolidated subsidiaries, including BioMed Realty, L.P. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “our operating partnership” or “the operating partnership” refer to BioMed Realty, L.P. together with its consolidated subsidiaries.

BioMed Realty Trust, Inc. operates as a real estate investment trust, or REIT, and the general partner of BioMed Realty, L.P. As of June 30, 2012, BioMed Realty Trust, Inc. owned an approximate 98.1% partnership interest and other limited partners, including some of our directors, executive officers and their affiliates, owned the remaining 1.9% partnership interest (including long term incentive plan units) in BioMed Realty, L.P. As the sole general partner of BioMed Realty, L.P., BioMed Realty Trust, Inc. has the full, exclusive and complete responsibility for the operating partnership's day-to-day management and control.

There are a few differences between our company and our operating partnership, which are reflected in the disclosure in this report. We believe it is important to understand the differences between our company and our operating partnership in the context of how BioMed Realty Trust, Inc. and BioMed Realty, L.P. operate as an interrelated consolidated company. BioMed Realty Trust, Inc. is a REIT, whose only material asset is its ownership of partnership interests of BioMed Realty, L.P. As a result, BioMed Realty Trust, Inc. does not conduct business itself, other than acting as the sole general partner of BioMed Realty, L.P., issuing public equity from time to time and guaranteeing certain debt of BioMed Realty, L.P. BioMed Realty Trust, Inc. itself does not hold any indebtedness but guarantees some of the secured and unsecured debt of BioMed Realty, L.P. BioMed Realty, L.P. holds substantially all the assets of the company and holds the ownership interests in the company's joint ventures. BioMed Realty, L.P. conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by BioMed Realty Trust, Inc., which are generally contributed to BioMed Realty, L.P. in exchange for partnership units, BioMed Realty, L.P. generates the capital required by the company's business through BioMed Realty, L.P.'s operations, by BioMed Realty, L.P.'s direct or indirect incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests and stockholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of BioMed Realty Trust, Inc. and those of BioMed Realty, L.P. The operating partnership and long term incentive plan units in BioMed Realty, L.P. that are not owned by BioMed Realty Trust, Inc. are accounted for as partners' capital in BioMed Realty, L.P.'s financial statements and as noncontrolling interests in BioMed Realty Trust, Inc.'s financial statements. The noncontrolling interests in BioMed Realty, L.P.'s financial statements include the interests of joint venture partners. The noncontrolling interests in BioMed Realty Trust, Inc.'s financial statements include the same noncontrolling interests at the BioMed Realty, L.P. level as well as the limited partnership unitholders of BioMed Realty, L.P., not including BioMed Realty Trust, Inc. The differences between stockholders' equity and partners' capital result from the differences in the equity issued at the BioMed Realty Trust, Inc. and the BioMed Realty, L.P. levels.

We believe combining the quarterly reports on Form 10-Q of BioMed Realty Trust, Inc. and BioMed Realty, L.P. into this single report:

• better reflects how management and the analyst community view the business as a single operating unit,

• enhances investor understanding of our company by enabling them to view the business as a whole and in the same manner as management,

is more efficient for our company and results in savings in time, effort and expense, and

is more efficient for investors by reducing duplicative disclosure and providing a single document for their review.

To help investors understand the significant differences between our company and our operating partnership, this report presents the following separate sections for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P.:

consolidated financial statements,

the following notes to the consolidated financial statements:

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Equity / Partners' Capital,

Debt, and

Earnings Per Share / Unit,

Liquidity and Capital Resources in Management's Discussion and Analysis of Financial Condition and Results of Operations, and

Unregistered Sales of Equity Securities and Use of Proceeds.

This report also includes separate Item 4. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of BioMed Realty Trust, Inc. and BioMed Realty, L.P. in order to establish that the Chief Executive Officer and the Chief Financial Officer of BioMed Realty Trust, Inc. have made the requisite certifications and BioMed Realty Trust, Inc. and BioMed Realty, L.P. are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

BIOMED REALTY TRUST, INC. AND BIOMED REALTY, L.P.

FORM 10-Q - QUARTERLY REPORT  
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012  
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## PART I - FINANCIAL INFORMATION

## ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

## BIOMED REALTY TRUST, INC.

## CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	June 30, 2012 (Unaudited)	December 31, 2011
<b>ASSETS</b>		
Investments in real estate, net	\$4,309,421	\$3,950,246
Investments in unconsolidated partnerships	32,562	33,389
Cash and cash equivalents	17,385	16,411
Accounts receivable, net	4,241	5,141
Accrued straight-line rents, net	139,346	130,582
Deferred leasing costs, net	185,354	157,255
Other assets	111,383	135,521
Total assets	\$4,799,692	\$4,428,545
<b>LIABILITIES AND EQUITY</b>		
Mortgage notes payable, net	\$550,704	\$587,844
Exchangeable senior notes	180,000	180,000
Unsecured senior notes, net	893,737	645,581
Unsecured senior term loan	400,000	—
Unsecured line of credit	78,000	268,000
Accounts payable, accrued expenses and other liabilities	157,829	134,924
Total liabilities	2,260,270	1,816,349
Equity:		
Stockholders' equity:		
Preferred stock, \$.01 par value, 15,000,000 shares authorized: 7.375% Series A cumulative redeemable preferred stock, \$198,000,000 liquidation preference (\$25.00 per share), 7,920,000 shares issued and outstanding at June 30, 2012 and December 31, 2011	191,469	191,469
Common stock, \$.01 par value, 200,000,000 shares authorized, 154,183,744 and 154,101,482 shares issued and outstanding at June 30, 2012 and December 31, 2011, respectively	1,542	1,541
Additional paid-in capital	2,776,046	2,773,994
Accumulated other comprehensive loss, net	(57,326)	(60,138)
Dividends in excess of earnings	(381,105)	(304,759)
Total stockholders' equity	2,530,626	2,602,107
Noncontrolling interests	8,796	10,089
Total equity	2,539,422	2,612,196
Total liabilities and equity	\$4,799,692	\$4,428,545

See accompanying notes to consolidated financial statements.

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## BIOMED REALTY TRUST, INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share data)

(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Revenues:				
Rental	\$95,708	\$81,145	\$187,183	\$161,050
Tenant recoveries	28,939	24,723	57,390	49,264
Other revenue	201	541	285	1,288
Total revenues	124,848	106,409	244,858	211,602
Expenses:				
Rental operations	37,044	31,298	73,773	62,371
Depreciation and amortization	47,575	35,696	92,508	69,447
General and administrative	8,576	6,694	17,191	14,115
Acquisition-related expenses	12,245	334	12,879	653
Total expenses	105,440	74,022	196,351	146,586
Income from operations	19,408	32,387	48,507	65,016
Equity in net loss of unconsolidated partnerships	(317	) (466	) (671	) (1,115
Interest expense, net	(23,825	) (23,378	) (46,044	) (44,568
Other expense	(549	) (691	) (375	) (1,745
(Loss) / income from continuing operations	(5,283	) 7,852	1,417	17,588
Income / (loss) from discontinued operations	49	95	(4,370	) 236
Net (loss) / income	(5,234	) 7,947	(2,953	) 17,824
Net loss / (income) attributable to noncontrolling interests	172	(68	) 201	(175
Net (loss) / income attributable to the Company	(5,062	) 7,879	(2,752	) 17,649
Preferred stock dividends	(3,651	) (4,241	) (7,301	) (8,481
Net (loss) / income available to common stockholders	\$(8,713	) \$3,638	\$(10,053	) \$9,168
(Loss) / income from continuing operations per share available to common stockholders:				
Basic and diluted earnings per share	\$(0.06	) \$0.03	\$(0.04	) \$0.07
(Loss) / income from discontinued operations per share available to common stockholders:				
Basic and diluted earnings per share	\$—	\$—	\$(0.03	) \$—
Net (loss) / income per share available to common stockholders:				
Basic and diluted earnings per share	\$(0.06	) \$0.03	\$(0.07	) \$0.07
Weighted-average common shares outstanding:				
Basic	152,775,422	129,858,098	152,715,715	129,815,154
Diluted	152,775,422	132,840,932	152,715,715	132,803,097

See accompanying notes to consolidated financial statements.



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## BIOMED REALTY TRUST, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) / INCOME

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net (loss) / income	\$ (5,234 )	\$ 7,947	\$ (2,953 )	\$ 17,824
Other comprehensive income:				
Foreign currency translation adjustments	2,991	—	2,991	—
Unrealized (loss) / gain on derivative instruments, net	(3,372 )	864	(3,597 )	3,409
Amortization of deferred interest costs	1,736	1,760	3,479	3,525
Reclassification on unrealized loss on equity securities	545	825	545	825
Reclassification on sale of equity securities	(60 )	—	(32 )	—
Unrealized loss on equity securities	(254 )	(1,375 )	(519 )	(3,692 )
Total other comprehensive income	1,586	2,074	2,867	4,067
Comprehensive (loss) / income	(3,648 )	10,021	(86 )	21,891
Comprehensive loss / (income) attributable to noncontrolling interests	141	(114 )	146	(265 )
Comprehensive (loss) / income attributable to the Company	\$ (3,507 )	\$ 9,907	\$ 60	\$ 21,626

See accompanying notes to consolidated financial statements.

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## BIOMED REALTY TRUST, INC.

## CONSOLIDATED STATEMENT OF EQUITY

(In thousands, except share data)

(Unaudited)

	Series A Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net	Dividends in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2011	\$ 191,469	154,101,482	\$ 1,541	\$ 2,773,994	\$ (60,138)	\$ (304,759)	\$ 2,602,107	\$ 10,089	\$ 2,612,196
Net issuances of unvested restricted common stock	—	45,041	—	(3,401)	—	—	(3,401)	—	(3,401)
Conversion of OP units to common stock	—	37,221	1	30	—	—	31	(31)	—
Vesting of share-based awards	—	—	—	5,576	—	—	5,576	—	5,576
Reallocation of equity to noncontrolling interests	—	—	—	(153)	—	—	(153)	153	—
Common stock dividends	—	—	—	—	—	(66,293)	(66,293)	—	(66,293)
OP unit distributions	—	—	—	—	—	—	—	(1,269)	(1,269)
Net loss	—	—	—	—	—	(2,752)	(2,752)	(201)	(2,953)
Preferred stock dividends	—	—	—	—	—	(7,301)	(7,301)	—	(7,301)
Foreign currency translation adjustment	—	—	—	—	2,935	—	2,935	56	2,991
Reclassification on other-than-temporary impairment of marketable securities	—	—	—	—	535	—	535	10	545
Reclassification on sale of marketable securities	—	—	—	—	(32)	—	(32)	—	(32)
Unrealized loss on equity securities	—	—	—	—	(509)	—	(509)	(10)	(519)
Amortization of deferred interest costs	—	—	—	—	3,413	—	3,413	66	3,479
Unrealized loss on derivative instruments, net	—	—	—	—	(3,530)	—	(3,530)	(67)	(3,597)
Balance at June 30, 2012	\$ 191,469	154,183,744	\$ 1,542	\$ 2,776,046	\$ (57,326)	\$ (381,105)	\$ 2,530,626	\$ 8,796	\$ 2,539,422

See accompanying notes to consolidated financial statements.



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## BIOMED REALTY TRUST, INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2012	2011
Operating activities:		
Net (loss) / income	\$(2,953	) \$17,824
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92,600	69,625
Allowance for doubtful accounts	833	931
Non-cash revenue adjustments	6,349	5,145
Other non-cash adjustments	11,862	6,621
Compensation expense related to restricted common stock and LTIP units	5,575	3,656
Distributions representing a return on capital from unconsolidated partnerships	1,088	816
Changes in operating assets and liabilities:		
Accounts receivable	1,004	2,715
Accrued straight-line rents	(9,934	) (10,249
Deferred leasing costs	(6,587	) (9,402
Other assets	6,038	524
Accounts payable, accrued expenses and other liabilities	2,243	(6,434
Net cash provided by operating activities	108,118	81,772
Investing activities:		
Purchases of investments in real estate and related intangible assets	(365,751	) (38,981
Capital expenditures	(79,703	) (81,537
Contributions to unconsolidated partnerships, net	(1,350	) —
Purchases of debt and equity securities	(3,258	) (2,050
Proceeds from the sale of equity securities	110	—
Deposits to escrow for acquisitions	(1,000	) —
Net cash used in investing activities	(450,952	) (122,568
Financing activities:		
Payment of deferred loan costs	(5,022	) (3,466
Unsecured line of credit proceeds	498,000	145,475
Unsecured line of credit payments	(688,000	) (416,725
Principal payments on mortgage notes payable	(36,557	) (33,268
Proceeds from unsecured senior term loan	400,000	—
Proceeds from unsecured senior notes	247,815	397,460
Distributions to operating partnership unit and LTIP unit holders	(1,232	) (1,107
Dividends paid to common stockholders	(63,965	) (48,526
Dividends paid to preferred stockholders	(7,301	) (8,481
Net cash provided by financing activities	343,738	31,362
Effect of exchange rate changes on cash and cash equivalents	70	—
Net increase / (decrease) in cash and cash equivalents	974	(9,434
Cash and cash equivalents at beginning of period	16,411	21,467
Cash and cash equivalents at end of period	\$17,385	\$12,033





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	Six Months Ended June 30,	
	2012	2011
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest (net of amounts capitalized of \$4,450 and \$3,311, respectively)	\$34,289	\$35,927
Supplemental disclosure of non-cash investing and financing activities:		
Accrual for preferred stock dividends declared	\$3,651	\$4,241
Accrual for common stock dividends declared	33,149	26,252
Accrual for distributions declared for operating partnership unit and LTIP unit holders	633	596
Accrued additions to real estate and related intangible assets	30,104	24,891
Deposits applied for acquisitions	18,649	1,800

See accompanying notes to consolidated financial statements.

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## BIOMED REALTY, L.P.

## CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)

	June 30, 2012 (Unaudited)	December 31, 2011
<b>ASSETS</b>		
Investments in real estate, net	\$4,309,421	\$3,950,246
Investments in unconsolidated partnerships	32,562	33,389
Cash and cash equivalents	17,385	16,411
Accounts receivable, net	4,241	5,141
Accrued straight-line rents, net	139,346	130,582
Deferred leasing costs, net	185,354	157,255
Other assets	111,383	135,521
Total assets	\$4,799,692	\$4,428,545
<b>LIABILITIES AND CAPITAL</b>		
Mortgage notes payable, net	\$550,704	\$587,844
Exchangeable senior notes	180,000	180,000
Unsecured senior notes, net	893,737	645,581
Unsecured senior term loan	400,000	—
Unsecured line of credit	78,000	268,000
Accounts payable, accrued expenses and other liabilities	157,829	134,924
Total liabilities	2,260,270	1,816,349
Capital:		
Partners' capital:		
Preferred units, 7.375% Series A cumulative redeemable preferred units, \$198,000,000 liquidation preference (\$25.00 per unit), 7,920,000 units issued and outstanding at June 30, 2012 and December 31, 2011	191,469	191,469
Limited partners' capital, 2,942,758 and 2,979,979 units issued and outstanding at June 30, 2012 and December 31, 2011, respectively	9,049	10,332
General partner's capital, 154,183,744 and 154,101,482 units issued and outstanding at June 30, 2012 and December 31, 2011, respectively	2,394,884	2,469,233
Accumulated other comprehensive loss	(55,727)	(58,594)
Total partners' capital	2,539,675	2,612,440
Noncontrolling interests deficit	(253)	(244)
Total capital	2,539,422	2,612,196
Total liabilities and capital	\$4,799,692	\$4,428,545

See accompanying notes to consolidated financial statements.

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## BIOMED REALTY, L.P.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except unit data)

(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,	2011	June 30,	2011
	2012		2012	
Revenues:				
Rental	\$95,708	\$81,145	\$187,183	\$161,050
Tenant recoveries	28,939	24,723	57,390	49,264
Other revenue	201	541	285	1,288
Total revenues	124,848	106,409	244,858	211,602
Expenses:				
Rental operations	37,044	31,298	73,773	62,371
Depreciation and amortization	47,575	35,696	92,508	69,447
General and administrative	8,576	6,694	17,191	14,115
Acquisition-related expenses	12,245	334	12,879	653
Total expenses	105,440	74,022	196,351	146,586
Income from operations	19,408	32,387	48,507	65,016
Equity in net loss of unconsolidated partnerships	(317	) (466	) (671	) (1,115
Interest expense, net	(23,825	) (23,378	) (46,044	) (44,568
Other expense	(549	) (691	) (375	) (1,745
(Loss) / income from continuing operations	(5,283	) 7,852	1,417	17,588
Income / (loss) from discontinued operations	49	95	(4,370	) 236
Net (loss) / income	(5,234	) 7,947	(2,953	) 17,824
Net loss attributable to noncontrolling interests	6	14	9	32
Net (loss) / income attributable to the Operating Partnership	(5,228	) 7,961	(2,944	) 17,856
Preferred unit distributions	(3,651	) (4,241	) (7,301	) (8,481
Net (loss) / income available to unitholders	\$(8,879	) \$3,720	\$(10,245	) \$9,375
(Loss) / income from continuing operations per unit available to common unitholders:				
Basic and diluted earnings per unit	\$(0.06	) \$0.03	\$(0.04	) \$0.07
(Loss) / income from discontinued operations per unit available to common unitholders:				
Basic and diluted earnings per unit	\$—	\$—	\$(0.03	) \$—
Net (loss) / income per unit available to common unitholders:				
Basic and diluted earnings per unit	\$(0.06	) \$0.03	\$(0.07	) \$0.07
Weighted-average units outstanding:				
Basic	155,694,169	132,782,072	155,641,727	132,742,123
Diluted	155,694,169	132,782,072	155,641,727	132,742,123

See accompanying notes to consolidated financial statements.

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BIOMED REALTY, L.P.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) / INCOME

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net (loss) / income	\$ (5,234 )	\$ 7,947	\$ (2,953 )	\$ 17,824
Other comprehensive income:				
Foreign currency translation adjustments	2,991	—	2,991	—
Unrealized (loss) / gain on derivative instruments, net	(3,372 )	864	(3,597 )	3,409
Amortization of deferred interest costs	1,736	1,760	3,479	3,525
Reclassification on unrealized loss on equity securities	545	825	545	825
Reclassification on sale of equity securities	(60 )	—	(32 )	—
Unrealized loss on equity securities	(254 )	(1,375 )	(519 )	(3,692 )
Total other comprehensive income	1,586	2,074	2,867	4,067
Comprehensive (loss) / income	(3,648 )	10,021	(86 )	21,891
Comprehensive loss attributable to noncontrolling interests	6	14	9	32
Comprehensive (loss) / income attributable to the Operating Partnership	\$ (3,642 )	\$ 10,035	\$ (77 )	\$ 21,923

See accompanying notes to consolidated financial statements.

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## BIOMED REALTY, L.P.

## CONSOLIDATED STATEMENT OF CAPITAL

(In thousands, except unit data)

(Unaudited)

	Preferred Series A		Limited Partners' Capital		General Partner's Capital		Accumulated Other Comprehensive Loss	Total Partner's Capital	Noncontrolling Interest Deficit
	Units	Amount	Units	Amount	Units	Amount			
Balance at December 31, 2011	7,920,000	\$ 191,469	2,979,979	\$ 10,332	154,101,482	\$ 2,469,233	\$(58,594)	\$ 2,612,440	\$(244)
Net issuances of unvested restricted OP units	—	—	—	—	45,041	(3,401)	—	(3,401)	—
Conversion of OP units	—	—	(37,221)	(31)	37,221	31	—	—	—
Vesting of share-based awards	—	—	—	—	—	5,576	—	5,576	—
Reallocation of equity to limited partners	—	—	—	209	—	(209)	—	—	—
Distributions	—	(7,301)	—	(1,269)	—	(66,293)	—	(74,863)	—
Net income / (loss)	—	7,301	—	(192)	—	(10,053)	—	(2,944)	(9)
Foreign currency translation adjustment	—	—	—	—	—	—	2,991	2,991	—
Reclassification on other-than-temporary impairment of marketable securities	—	—	—	—	—	—	545	545	—
Reclassification on sale of marketable securities	—	—	—	—	—	—	(32)	(32)	—
Unrealized loss on equity securities	—	—	—	—	—	—	(519)	(519)	—
Amortization of deferred interest costs	—	—	—	—	—	—	3,479	3,479	—
Unrealized loss on derivative instruments, net	—	—	—	—	—	—	(3,597)	(3,597)	—
Balance at June 30, 2012	7,920,000	\$ 191,469	2,942,758	\$ 9,049	154,183,744	\$ 2,394,884	\$(55,727)	\$ 2,539,675	\$(253)

See accompanying notes to consolidated financial statements.

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## BIOMED REALTY, L.P.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended	
	June 30,	
	2012	2011
Operating activities:		
Net (loss) / income	\$(2,953	) \$17,824
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92,600	69,625
Allowance for doubtful accounts	833	931
Non-cash revenue adjustments	6,349	5,145
Other non-cash adjustments	11,862	6,621
Compensation expense related to share-based payments	5,575	3,656
Distributions representing a return on capital from unconsolidated partnerships	1,088	816
Changes in operating assets and liabilities:		
Accounts receivable	1,004	2,715
Accrued straight-line rents	(9,934	) (10,249
Deferred leasing costs	(6,587	) (9,402
Other assets	6,038	524
Accounts payable, accrued expenses and other liabilities	2,243	(6,434
Net cash provided by operating activities	108,118	81,772
Investing activities:		
Purchases of investments in real estate and related intangible assets	(365,751	) (38,981
Capital expenditures	(79,703	) (81,537
Contributions to unconsolidated partnerships, net	(1,350	) —
Purchases of debt and equity securities	(3,258	) (2,050
Proceeds from the sale of equity securities	110	—
Deposits to escrow for acquisitions	(1,000	) —
Net cash used in investing activities	(450,952	) (122,568
Financing activities:		
Payment of deferred loan costs	(5,022	) (3,466
Unsecured line of credit proceeds	498,000	145,475
Unsecured line of credit payments	(688,000	) (416,725
Principal payments on mortgage notes payable	(36,557	) (33,268
Proceeds from unsecured senior term loan	400,000	—
Proceeds from unsecured senior notes	247,815	397,460
Distributions paid to unitholders	(65,197	) (49,633
Distributions paid to preferred unitholders	(7,301	) (8,481
Net cash provided by financing activities	343,738	31,362
Effect of exchange rate changes on cash and cash equivalents	70	—
Net increase / (decrease) in cash and cash equivalents	974	(9,434
Cash and cash equivalents at beginning of period	16,411	21,467





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	Six Months Ended June 30,	
	2012	2011
Cash and cash equivalents at end of period	\$17,385	\$12,033
Supplemental disclosure of cash flow information:		