

Earnings

Sector: REITs

Regency Centers Corporation (REG)

Price

52-Week High

52-Week Low

Quality Assets Give This REIT an Armed Defense Against Online Retailers

Financial Stability Upside Potential Dividend Growth Valuation

Shopping Centers

High
High
Stable
Pricey

\$ 66.73

\$ 83.34

\$ 58.63

- REG reported positive results for 2Q 2017 with 3.2% growth in NOI compared to the same period last year. Occupancy remained at 95% while the same property portfolio was 95.9% leased. Small shop leases were 92.1%, a 30bps point increase from prior quarter.
- New and renewal leases signed during the quarter resulted in a 9.4% spread. Core FFO was \$0.93 per share compared to \$0.82 per share for the same period in 2016.
- During the quarter, the Company started the development of Mellody Farm, a 252,000 square foot center located in the Chicago metro area with total estimated net development costs of \$97.4 million. This center will be co-anchored by Whole Foods Market, Nordstrom Rack, HomeGoods, and REI; and benefit from strong three-mile demographics including average household incomes of \$130,000. Anchors are estimated to open in the fourth quarter of 2018.
- At quarter end, the Company had 29 properties in development or redevelopment with combined, estimated net development costs of more than \$600 million. Inprocess development projects were a combined 47% funded and 77% leased, and expected to yield an average return of 7.3%.
- The company has a very strong balance sheet with Net/EBITDA of 4.5 and interest coverage ratio of 2.2x.
- With its focus on high quality assets and grocery-anchors, we think the company is well-positioned to defend itself against eCommerce trends and continue to grow FFO for the foreseeable future. Grocery-anchored properties were 79% and the company's demographic focus is superior to peers, with \$106,000 AHHI and 138,000 population within a 3-mile radius. Peers average \$86,000 AHHI and 100,340 population.
- The company's high-quality assets are also attractive to eTailers looking to establish
 a brick and mortar presence in premium locations, particularly for their first foray into
 the space. The company also scores highly on Greenstreet's Trade Area Power (TAP)
 scores and Corporate Governance score as well as ISS's Score's which are based
 on over 200 factors.
- We are neutral on dividend growth because of the recent acquisition of Equity One and the time it might take to integrate that business.
- From a valuation perspective, the company had merger related costs that cause headline FFO to seem to have declined, when in fact, FFO increased 12.5% from the previous year's quarter. From a valuation perspective, Price/FFO is misleading.

Shares Outstanding 170.1 Dividend Yield 3.0% Payout Ratio 109% Gross Margin 84.5% Operating Margin 34.4% **EBIT DA Margin** 59.4% Return on Equity 8.3% Return on Assets 3.8% Return on Invested Capital 4.0%

Enterprise Value (Mil) \$ 14,828

Book Value \$ 2,266

Invested Capital \$ 4,267

EV / EBIT

EV / EBITDA 25.1

Price/NAREIT FFO 36.5

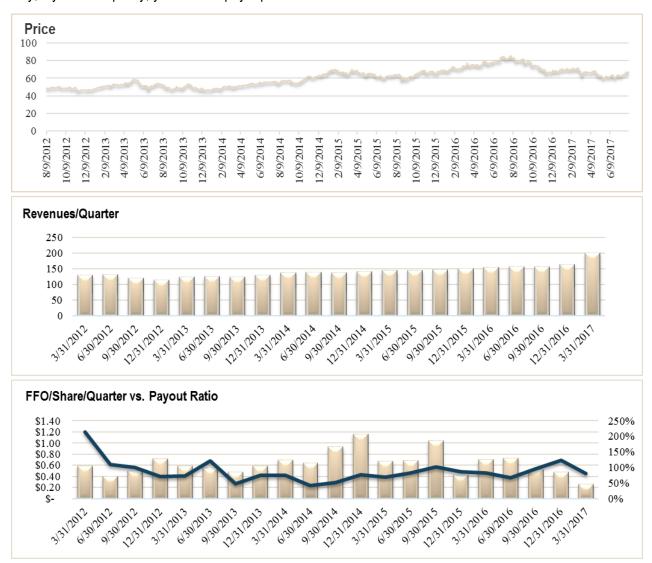
Price / Sales 11.0

Price / Book 1.7



Investment Thesis

Despite what may seem like a lofty valuation, Regency Centers of Corporation arguably has the highest quality shopping center assets in the U.S. The company's recent quarter was confirmation that the grocery-anchored properties are well-defended against online retailers and the higher quality features give this REIT an even wider moat. The FFO shown in 1Q 2017 included an adjustment of \$0.50 for merger related costs. If we add that back, the payout ratio drops to 86% and the P/FFO becomes a more reasonable 28 – even if still a bit on the high side. – Hey, if you want quality, you have to pay a premium for it.

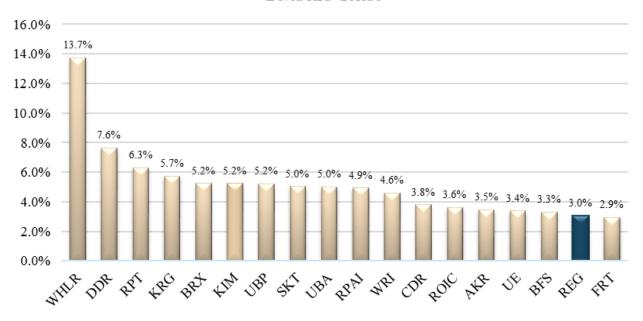


Peer Comparisons

The one strike against Regency is its extremely low dividend yield compared to peers in the shopping center REIT industry. With a yield of 3%, only Federal Realty Trust (FRT) has a lower dividend yield - but FRT sports a 65% payout ratio, slightly lower than REG's adjusted 72% payout ratio.

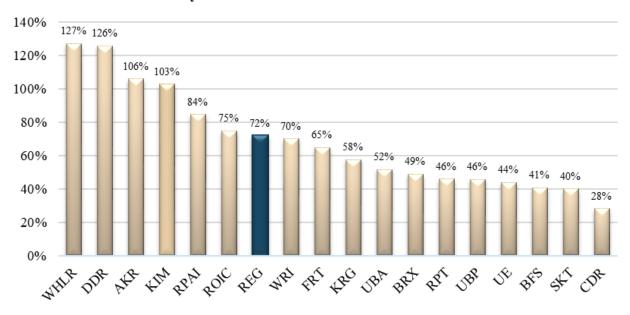


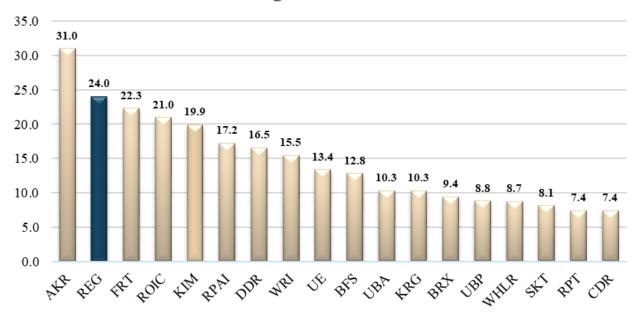
Dividend Yields



The payout ratio below for REG has been adjusted to reflect Core FFO that was negatively impacted by the Equity One merger related costs. Had we used NAREIT FFO, the payout ratio would have reflected a 109% payout ratio.

Payout Ratios based on Core FFO TTM





P/FFO - Trailing 12 Month Core FFO TTM

Risks

Like with all other shopping center REITs, eCommerce is a big risk even if the company's properties are positioned defensively and consumers still like to shop for groceries at the store. That could change, however, and we will soon learn more – once Amazon finalizes its purchase of Whole Foods and implements its intended strategy all of our previous assumption about how people shop could be put to the test.

Valuation based on price multiple looks high primarily due to the sharp drop in Q1 2017 FFO due to merger related costs. However, adjusting back the merger costs results in a price/FFO of around 28 – still high relative to peers but not as lofty as the headline number suggested. Core FFO is increasing at low double digit rates but the market could give more credence to unadjusted FFO.

Historical Data

Highlights

- Net Debt to EBITDA is on a downward trajectory and interest coverage is consistently above 2x
- EBITDA/Interest expense is at a historical high.
- EBITDA margins peaked in 2014 and have declined for two consecutive years.
- Price multiples look stretched based on historical comparisons.

	CY2007	CY2008	CY2009	CY2010	CY2011	CY2012	CY2013	CY2014	CY2015	CY2016
Financial Stability										
Current Ratio	0.9	1.1	2.2	1.4	1.4	1.0	1.2	1.2	0.9	0.9
Debt To Capital	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.4
Net Debt/EBITDA	6.4	5.7	8.2	7.8	6.6	6.4	5.9	4.6	4.8	4.5
Interest Coverage Ratio	0.0	2.3	0.9	1.1	1.3	1.5	1.5	2.4	2.3	2.2
EBITDA / Interest Expense	3.4	3.4	2.0	2.1	2.4	2.7	2.7	3.8	3.7	4.0
Operating Metrics										
Gross Margin	87.6%	85.1%	84.8%	85.6%	85.4%	85.9%	85.5%	85.5%	85.4%	84.5%
EBITDA Margin	64.2%	64.5%	44.8%	56.9%	63.7%	63.4%	61.2%	77.2%	66.9%	59.4%
Operating Margin	43.2%	44.0%	37.1%	34.6%	35.4%	35.1%	33.6%	34.3%	35.9%	34.4%
Return on Equity	12.9%	9.1%	-2.4%	0.6%	3.5%	1.8%	10.2%	12.1%	9.1%	8.3%
Return on Assets	5.2%	3.3%	-0.9%	0.2%	1.3%	0.7%	3.9%	4.6%	3.6%	3.8%
Return on Invested Capital	5.6%	3.7%	-1.0%	0.2%	1.3%	0.7%	4.0%	4.9%	3.8%	4.0%
Valuation										
Enterprise Value (Mil)	6,621.9	5,381.6	4,988.9	5,865.1	5,748.0	6,503.3	6,374.5	8,237.6	8,774.6	9,149.7
Book Value	1,567.8	1,421.1	1,600.2	1,426.4	1,533.4	1,405.8	1,518.4	1,581.6	1,729.1	2,266.3
Invested Capital	3,720.5	3,600.2	3,829.8	3,855.1	3,852.1	3,687.8	3,715.8	3,957.8	3,946.9	4,266.9
EV/EBIT	N/A	25.5	49.7	41.2	34.7	37.6	38.7	30.8	37.5	45.2
EV/EBITDA	N/A	25.5	49.7	41.2	34.7	37.6	38.7	30.8	37.5	45.2
Price/NAREIT FFO	#DIV/0!	14.7 x	25.6 x	25.2 x	19.1 x	22.6 x	22.4 x	19.4 x	23.3 x	25.6 x
Price / Sales	10.2 x	6.6 x	5.8 x	7.5 x	7.2 x	9.0 x	8.7 x	11.1 x	11.5 x	11.8 x
Price / Book	2.9 x	2.3 x	1.8 x	2.4 x	2.2 x	3.0 x	2.8 x	3.8 x	3.8 x	3.2 x

Quarterly Financial Statements

The Computation of the Computati		Q2 - 2012	Q3 - 2012	Q4 - 2013	Q1 - 2013	Q2 - 2013	Q3 - 2013	Q4 - 2014	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2015	Q1 - 2015	Q2 - 2015	Q3 - 2015	Q4 - 2016	Q1 - 2016	Q2 - 2016	Q3 - 2016	Q4 - 2016	c
The Accompanion of September 1939 194 293 294 294 294 295 294 294 294 294 294 294 294 294 294 294		47.57	48.73	47.12	52.91	50.81	48.35	46.30	51.06	55.68	53.83	63.78	68.04	58.98	62.15	68.12	74.85	83.73	77.49	68.95	
The Accompanion of September 1939 194 293 294 294 294 295 294 294 294 294 294 294 294 294 294 294	ce Sheet																				
Semente Marie (19 6) 6) 60 60 60 60 60 60 60 60 60 60 60 60 60	Cash & Cash Equivalents																				
The control process of																					
Teach Control According 10.00 10																					
Tener series (12) (12) (13) (13) (13) (14) (14) (14) (14) (14) (14) (14) (14																					
Secretarium secret	Total Current Assets	141.6	128.2	129.2	124.2	155.1	167.9	179.1	141.3	144.7	202.8	220.7	140.1	130.8	126.4	146.8	132.3	133.0	148.1	129.6	
Semententententententententententententente	les Fired Assess	2 200 5	2.002.0	2 427 2	24442	2.110.0	2 424 0	2 494 7	2 247 0	2 202 0	2 200 7	2 470 2	2 405 7	2 440 2	2 494 2	2 502 4	2 404 0	2.742.0	2 700 0	2 900 4	
The function function of the section																					
Second Mangales																					
The function function of the section																					
Tendament (1962)	Other Long Term Assets	20.0 71.6	68 1	60.5			30.1	70.0	70.6	73.7	72.6	71.6	70.0	75.0			89.2	69.3	69.5		
The series and the series and ser																					_
Inches Control 100		1,02010	0,100.0	4,000	4,00	0,000	.,	0,010.0	1,000.0	1,01010	7,120.	9.01.2	4	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	4,100	4.02.0	4,	1,10010	1,100.0	1,1000	
Sementificants 1120 1936 180 190 190 190 190 190 190 190 190 190 19	ccounts Payable				121.1		147.1			141.1				142.4	171.3		157.7		145.7		
The Control publishes	Short Term Debt	0.0	0.0			0.0					0.0									0.0	
Part Company																					
The proper in the property of																					
The section of the se	Current Liabilites	112.1	129.6	127.2	121.1	131.2	147.1	147.0	136.8	141.1	174.0	181.2	166.7	142.4	171.3	164.5	157.7	165.6	145.7	138.9	
The section of the se																					
International 10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	ong Term Debt																				
The Landshee 40, 10, 17, 313 470 530 340 540																					
Fig. Processing 1988 1978 1																					
Secondary Seco																					_
Part	TOTAL ENDINOS	2,223.5	7,568.6	2,122.7	2,098.6	2,076.3	2,071.9	2,070.2	2,2212	2,257.9	2,282.9	2,290.6	2,248.7	2,217.5	2,291.9	2,128.8	2,100.7	2,200.8	1,891.1	1,897.6	
Part	Shareholder Equity	1,802.4	1,799.3	1,730.8	1,762.8	1,823.6	1,824.7	1,843.4	1,808.4	1,785.9	1,845.2	1,906.6	1,869.7	1,880.7	1,879.0	2,054.1	2,046.7	2,166.8	2,567.1	2,591.3	
Section Control of Section																					
weetenses	Total Liabilities and Equity	4,025.9	3,798.0	3,853.5	3,861.4	3,899.9	3,896.6	3,913.5	4,035.6	4,043.8	4,128.1	4,197.2	4,118.4	4,098.3	4,170.9	4,182.9	4,147.4	4,436.6	4,458.3	4,488.9	
Card Siales 17.4 15.8 15.7 17.1 13.2 14.8 19.8 19.7 17.1 13.2 14.8 19.8 19.8 19.8 19.8 19.5 19.5 19.5 19.5 19.5 19.5 19.5 19.5	Statement																				
Goos Profel 100.3 90.8 90.7	tevenues	126.8	115.6	110.8	120.4	122.3	120.3	126.0	133.3	134.9	133.6	136.2	140.4	141.1	142.1	146.2	149.6	152.4	152.8	159.6	
SEAM Expenses 14.0 15.6 16.0 16.										19.5							22.7		23.4		
Research and Development								106.4													
## Profession Super-Discovery Contracting 1971 1972 1972 1972 1972 1973 1974																					
Depression A-front 193	Research and Development																				
Bif (Queening secones) 296																					
Toel Interest Exp (rep)																					_
Other Expressionary (1981) 4-80 4-80 4-80 4-80 4-80 4-80 4-80 4-80																					
The Proof Below Tay 1																					
File Started Shares Customériq																			11.1		_
Vis Efforcie Rane 0.45 1.50 4.73 1.74 2.14 1.34 3.06 1.16 1.29 2.25 4.84 1.28 1.41 2.01 1.36 1.15 1.16 0.21 2.26 vertage Divised Shares Constranding 89.5 89.7 90.1 90.2 92.7 80.2 92.2 82.1 40.1 10.6 61.1 Vertage Divised Shares Constranding 89.5 89.6 90.0 90.3 91.4 92.0 92.1 92.2 92.0 92.1 92.2 92.0 92.1 93.3 93.9 94.5 94.6 96.0 97.9 98.2 104.3 10.4 PER 2.0 90.1 90.2 91.5 92.2 92.0 92.1 92.2 92.0 92.2 93.3 93.9 94.5 94.6 96.0 97.9 98.2 104.5 104.5 PES 2.0 0.1 2.0 0.2 0.0 0.2 0.0 0.0 0.0 0.0								0.0			0.0										
werge Dialed Shares Outstanding 88 5 89 7 90 1 90 4 91 5 90 90 90 90 90 90 91 92 1043 1045 1059 105	% Effective Rate	0.45	1.80	-4.73	1.74	2.14	1.94	3.56	1.16	1.29	2.35	4.84	1.28	1.41	2.01	1.36	1.45	1.18	0.21	2.26	_
wering Base-Sween Centerarding 89 8 90 90 93 914 920 921 922 936 93 915 977 1037 1045 FS 92 938 921 939 939 931 938 941 942 93 975 1045 FS 92 938 941 942 939 938 945 947 1045 FS 93 947 947 947 947 948 948 948 948 948 948 948 948 948 948	let Profit	11.1	19.6	-31.9	20.8	37.1	40.3	51.6	24.7	30.7	53.2	78.8	30.4	37.7	59.0	22.9	53.1	40.1	10.6	61.1	
wering Base-Sween Centerarding 89 8 90 90 93 914 920 921 922 936 93 915 977 1037 1045 FS 92 938 921 939 939 931 938 941 942 93 975 1045 FS 92 938 941 942 939 938 945 947 1045 FS 93 947 947 947 947 948 948 948 948 948 948 948 948 948 948																					
PS Estimated PS						91.5		92.1				93.3									
Communication Communicatio	verage Basic Shares Outstanding	89.5	89.6	90.0	90.3	91.4	92.0	92.1	92.2	92.0	92.3	93.3	93.8	94.1	94.2	95.3	97.5	97.7	103.7	104.5	
Committee Comm	200	0.42	0.22	0.26	0.22	0.41	0.44	0.56	027	0.22	0.60	0.04	0.22	0.40	0.62	024	0.54	0.44	0.10	0.50	
PS Base 0.12 0.22 0.35 0.23 0.41 0.44 0.06 0.27 0.33 0.08 0.04 0.22 0.40 0.03 0.24 0.54 0.41 0.10 0.09																					
Therence 0.12 0.2 0.35 0.25 0.21 0.41 0.44 0.56 0.27 0.33 0.25 0.45 0.32 0.46 0.32 0.40 0.22 0.15 0.48 0.30 0.45 0.36 0.45 0.30 0.45 0.30 0.45 0.30 0.45 0.30 0.45 0.30 0.45 0.30 0.45 0.45 0.45 0.45 0.45 0.45 0.45 0.4																					
Internation																					
unds from Operations \$ 3.378 \$ 4.302 \$ 0.264 \$ 0.077 \$ 48.05 \$ 4.101 \$ 0.107 \$ 0.22 \$ 5.066 \$ 0.415 \$ 10077 \$ 61.42 \$ 0.09 \$ 8.677 \$ 3.861 \$ 6.051 \$ 0.025 \$ 5.142 \$ 4.772 \$ 6.042 \$ 0.001 \$ 0	PS Estimates																				
FOSTMent S 0.38 S 0.48 S 0.70 S 0.56 S 0.45	Merence	0.12	0.22	-0.35	0.23	0.41	0.44	0.56	0.27	0.33	0.58	0.84	0.32	0.40	0.62	-1.15	-0.85	-0.98	-1.29	-0.86	
FOSTMent S 0.38 S 0.48 S 0.70 S 0.56 S 0.45	unds from Operations	\$ 33.76	43.02	S 62.64		\$ 48.55	\$ 41.61	51.97	\$ 62.25	\$ 56.66	84.15	106.71	61.42	62.09 5	96.77 \$	38.61 5	66.51 S	69.35 S	51.82 S	47.75	\$
Missenschish \$ 400 8 477 8 5000 8 4129 8 427 8 5000 8 4129 8 422 8 423 8	FO/Share	\$ 0.38	0.48	\$ 0.70	\$ 0.56	\$ 0.53	\$ 0.45	0.56	\$ 0.68	\$ 0.62	0.91	1.14	0.65	0.66 \$	1.02 \$	0.40 \$	0.68 \$	0.71 \$	0.50 \$	0.46	\$
your Ratio 12% 95% 65% 81% 87% 10% 95% 95% 95% 95% 95% 95% 95% 95% 95% 95				\$ 50.90	\$ 41.29	\$ 47.27				\$ 48.25	48.38		5 50.54	50.62 \$							
The control of the co																	0.50 \$	0.49 \$	0.50 \$	0.50	\$
refrescrive 1.1 19.6 -3.19 20.8 27.1 40.3 51.6 32.7 30.7 52.2 78.8 30.4 37.7 59.0 22.9 33.1 40.1 10.6 61.1	,	122%	95%	66%	81%	87%	102%	81%	69%	76%	51%	41%	74%	73%	47%	118%					
DAA 29 29 929 323 323 329 318 375 370 360 384 377 800 382 370 378 387 03 407 426 Deferred Taxes 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.																					
Deferred Taxes																					
Seck option experse 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0																					
Charge in evaluation (Appendix of the Charges) 1.1																					
Other Agricultures (Acquistrons). Net 25.4 13.1 66.9 14.4 3.1 6.4 22.4 5.1 8.8 17.2 4.18 11.2 30 22.4 19.8 5.5 5.5 0.5 16.2 16.2 16.2 16.2 16.2 16.2 16.2 16.2																					
And Powerforce (Registrow) 68.1 64.8 612 413 68.1 91.2 90.2 90.3 97.3 98.2 95.9 545 73.0 88.4 98.9 78.8 65.5 74.0 72.0 Cupic (Longia International Computations) 70.0 10.2 10.3 10.3 10.3 10.3 10.3 10.3 10.3 10.3																					
Cupies 48.0 95.2 146.0 92.2 78.5 79.2 192.0 12.6 47.8 95.4 97.8 95.6 94.1 94.8 95.4 94.8 95.1 94.8 95.0 10.0 10.0 10.0 10.0 10.0 10.0 10.0 1	ash Flow from Operations	68.1	84.8									59.9			89.4				74.0		
Ne D'hestres (Acquetores) 0.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0																					
Change in Investmenter 105 283 243 40 41 28 2125 26 136 532 604 12 206 89 135 281 33 391 283 NR OPEN CHANGE		-48.0		-145.0						-47.6		-91.8	-55.0	-54.1			-54.8			-87.8	
No Cifer Curroge 4.4 17.1 9.0 11.2 91.0 17.3 59.9 6.0 15.6 8.5 7.4 1.3 11.9 3.3 9.6 18.6 6.7 28.6 4.5 4.5 11.0 1.0 1.0 11.0 11.0 11.0 11.0 11.0				0.0				0.0			0.0										
And Protein Investing								212.5													
Nel Delt Essance 3 18 2428 1980 189 342 251 84 700 227 4.5 314 259 4.6 7.4 1998 289 1492 3482 158 Common Capyly Essat Professed 0 0 21,7 4.1 518 447 1.5 0.0 0.0 0.0 483 51.2 1.0 0.0 0.0 1975 5.2 145.5 39.8 4.6 Professed Sock Professed P																					_
Common Equiy bessed (Purchased) 0.0 21.7							-													-	
Common Equiy bessed (Purchased) 0.0 21.7 0.1 51.8 46.7 1.5 0.0 0.0 0.0 43 53.2 1.0 0.0 0.1 197.5 5.2 14.5 39.8 0.6 Perferred Sock Physical Purchased Physical Physical Purchased Physical Purchased Physical Phy	Net Debt Issuance																				
Common Dock Dividends 48.1 47.8 49.9 41.3 47.3 52.8 47.5 48.2 48.2 48.4 48.1 49.5 49.6 53.2 48.4 53.9 53.7 49.6 54.2 67.0 67.5 54.2 54.2	Common Equity Issued (Purchased)					46.7													399.8		
Other -1.5 68.8 -5.4 -2.6 -4.9 -2.6 3.1 -2.2 -4.7 -6.0 4.5 -1.2 -4.4 -0.4" -13.4" -1.7" -0.9" -12.5" -5.4"						0.0				0.0	0.0	0.0					0.0	0.0	0.0		
ash Howtrom Financing -18.0 -274.7 51.6 -11.1 -39.7 -79.0 -52.8 19.3 -20.2 -10.6 -22.9 -76.7 -60.7 -60.9 -14.9 -79.2 240.0 -19.5 -44.6																					
	ash How from Financing	-18.0	-274.7	51.6	-11.1	-39.7	-79.0	-52.8	19.3	-20.2	-10.6	-22.9	-76.7	-60.7	-60.9	-14.9	-79.2	240.0	-19.5	-44.6	



Annual Financial Statements

	CY2007	CY2008	CY2009	CY2010	CY2011	CY2012	CY2013	CY2014	CY2015	CY20
ce	64.49	46.70	35.06	42.24	37.62	47.12	46.30	63.78	68.12	68.9
	04.43	40.70	33.00	42.24	37.02	47.12	40.30	05.70	00.12	00.
Cash & Cash Equivalents	18.7	21.5	99.5	22.5	11.4	22.3	80.7	113.8	36.9	1;
Accounts Receivable	0.0	0.0	40.9	36.6	37.7	26.6	77.5	87.4	79.3	8
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Current Assets	120.0	135.2	77.0	81.2	90.0	80.2	20.9	19.5	30.7	2
Total Current Assets	138.7	156.8	217.4	140.2	139.1	129.2	179.1	220.7	146.8	129
Net Fixed Assets	3,467.8	3,487.9	3,292.0	3,288.3	3,310.3	3,127.2	3,181.7	3,476.2	3,502.1	3,80
Non-consolidated Investments	401.9	383.4	326.2	428.6	408.6	442.9	385.5	361.3	335.3	32
Other Long-Term Assets	36.4	43.9	69.9	35.2	31.8	42.2	52.5	15.1	26.9	3
Goodwill & Intangibles Other Long Term Assets	17.2 52.8	12.9 57.5	10.0 58.4	18.2 63.2	27.1 70.2	42.5 69.5	44.8 70.0	52.4 71.5	105.4 66.4	11
Total Assets	4,114.8	4,142.4	3,973.8	3,973.6	3,987.1	3,853.5	3,913.5	4,197.2	4,182.9	4,48
Accounts Payable	0.0	0.0	0.0	0.0	0.0	127.2	147.0	181.2	164.5	13
Short Term Debt Accrued Expenses	0.0 154.6	0.0 141.4	0.0 99.1	0.0 101.0	0.0 101.9	0.0	0.0	0.0	0.0	
Other Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Liabilites	154.6	141.4	99.1	101.0	101.9	127.2	147.0	181.2	164.5	13
Long Torm Dobt	4.040.0	10450	1 000 4	2.004.5	1.000.4	1.000.0	1 05 4 7	2.004.4	1 004 2	4.0
Long Term Debt Deferred Tax	1,810.3 0.0	1,845.8 0.0	1,886.4 0.0	2,094.5 -0.9	1,982.4 2.4	1,962.2 13.7	1,854.7 0.0	2,021.4	1,864.3 0.0	1,64
Deferred Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Liabilities	307.0	459.1	113.1	77.6	92.0	19.6	68.4	88.0	100.0	1
Total Liabilities	2,272.0	2,446.3	2,098.6	2,272.2	2,178.7	2,122.7	2,070.2	2,290.6	2,128.8	1,89
Shareholder Equity	1,842.8	1,696.1	1,875.2	1,701.4	1,808.4	1,730.8	1,843.4	1,906.6	2,054.1	2,59
Ondrenoue: Equity	1,042.0	1,030.1	1,070.2	1,701.4	1,000.4	1,730.0	1,040.4	1,500.0	2,004.1	2,00
Total Liabilities and Equity	4,114.8	4,142.4	3,973.8	3,973.6	3,987.1	3,853.5	3,913.5	4,197.2	4,182.9	4,48
ome Statement										
Revenues	436.6	494.9	488.1	468.2	470.4	473.9	489.0	537.9	569.8	6
Cost of Sales	54.2	73.8	74.2	67.5	68.5	66.7	71.0	77.8	83.0	
Gross Profit	382.4	421.1	413.9	400.7	401.9	407.2	418.0	460.1	486.8	5
SG&A Expenses	50.6	49.5	54.1	61.5	56.1	61.7	61.2	60.2	65.6	
Research and Development EBITDA	0.0 280.3	0.0	0.0 218.4	0.0 266.3	0.0	0.0 300.6	0.0 299.3	0.0 415.1	0.0 381.1	2/
Depreciation & Amort	91.6	319.3 107.8	118.0	123.9	299.6 133.8	127.8	134.5	147.8	146.8	36 10
EBIT (Operating Income)	0.0	211.4	100.5	142.4	165.9	172.8	164.9	267.3	234.2	20
Total Interest Exp (net)	-82.4	-92.8	-109.2	-125.3	-123.6	-112.1	-109.0	-109.5	-102.6	-6
Other Expenses/(Income)	82.4	-4.7	-3.8	-2.4	-2.4	-1.7	-1.6	-1.2	-1.6	4
Net Profit Before Tax Income Tax	0.0 0.0	113.9 0.0	-12.5 0.0	14.7 -1.3	39.8 3.0	59.0 13.2	54.3 0.0	156.6 -1.0	130.0 0.0	11
% Effective Rate	#DIV/0!	0.00	0.00	-0.09	0.08	0.22	0.00	-0.01	0.00	-
Net Profit	203.7	136.2	-36.7	8.8	51.4	25.9	149.8	187.4	150.1	16
Average Diluted Shares Outstanding	69.3	70.1	80.8	83.3	89.6	90.1	92.1	93.3	96.0	10
Average Basic Shares Outstanding	69.2	70.1	80.5	81.2	89.6	90.0	92.1	93.3	95.3	1
EPS	2.94	1.94	-0.45	0.11	0.57	0.29	1.63	2.01	1.56	
Normalized EPS EPS Basic	1.43 2.94	1.51 1.94	0.28 -0.46	0.02 0.11	0.30 0.57	0.30 0.29	0.70 1.63	0.92 2.01	1.06 1.57	
2. 0 2000	2.07	1.01	0.10	0.77	0.07	0.20	7.00	2.07	1.07	
EPS Estimates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.39	
Difference					0.57	0.29	1.63	2.01	0.17	
Funds from Operations	\$ - \$	221.8 \$	105.4 \$	138.6 \$	173.6 \$	186.8 \$	188.7 \$	304.4 \$	276.9 \$	2
NAREIT FFO/Share	\$ - \$	3.18 \$	1.37 \$	1.68 \$	1.97 \$	2.08 \$	2.06 \$	3.29 \$	2.92 \$	2
Dividends	57.35	42.07	41.76	42.69	47.16	50.90	47.51	49.12	48.37	5
Dividends/Share Payout Ratio	0.65	0.71	0.45	0.45	0.46	0.46	0.46	0.47	0.47	
•										
sh Flow										
Net Income	203.7	136.2	-36.7	8.8	51.4	25.9	149.8	187.4	150.1	1
D&A Deferred Taxes	91.58 0.0	107.85 0.0	117.98 0.0	123.93 -0.9	133.76 2.4	127.84 13.7	134.45 0.0	147.79 0.0	146.83 0.0	16.
Stock option expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in working capital	-31.1	-61.7	-32.0	-26.0	-34.9	-4.7	-17.1	-12.3	-32.0	
Other Adjustments, Net Cash Flow from Operations	-46.0	36.8	144.6	32.5	65.0	94.5	-16.5	-45.2	10.7	
Cash Flow Horn Operations	218.2	219.2	193.9	138.5	217.6	257.2	250.7	277.7	275.6	2
CapEx	-682.4	-388.8	-143.0	-90.5	-152.7	-320.6	-321.1	-350.4	-248.1	-5
Net Divestitures (Acquisitions)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Investments	270.2	283.0	188.7	-94.3	-113.8	286.2	196.6	102.7	85.2	
Net Other Changes Cash Flow from Investing	0.0 -412.2	0.0 -105.8	0.0 * 45.7	0.3 * -184.5	188.7 -77.7	38.0 * 3.6	114.7 -9.8	37.4 -210.3	23.5 -139.3	-4
Cash i low non investing	-412.2	-100.0	45.7	-104.0	-//./	3.0	-9.0	-210.3	-138.3	-
Net Debt Issuance	389.7	125.5	-321.2	143.7	-172.7	-63.7	-86.6	65.8	-189.6	-2
Common Equity Issued (Purchased)	2.4	1.0	345.8	1.4	217.5	21.9	99.8	102.5	198.5	5
Preferred Stock Payments	0.0	0.0	0.0	0.0	0.0	-323.1	0.0	-0.3	0.0	
Common Stock Dividends Other	-208.9 -4.5	-222.9 -14.1	-183.1 -3.2	-172.0 -5.9	-183.9 -6.4	-188.1 303.1	-188.8 -6.9	-194.0 -8.4	-202.8 -19.4	-2
Cash Flow from Financing	178.6	-110.5	-161.6	-32.8	-145.6	-249.9	-182.6	-34.4	-213.2	_