

Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

CBL & ASSOCIATES PROPERTIES INC  
Form 8-K  
October 30, 2002

Securities Exchange Act of 1934 -- Form 8-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

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

Date of Report:  
October 30, 2002

---

CBL & ASSOCIATES PROPERTIES, INC.

---

(Exact name of registrant as specified in its charter)

Delaware	1-12494	62-1545718
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

---

2030 Hamilton Place Boulevard, Chattanooga, TN 37421

---

(Address of principal executive offices)

Registrant's telephone number, including area code:

---

(423) 855-0001

1

CBL & ASSOCIATES PROPERTIES, INC.  
Conference Call, Third Quarter 2002  
October 30, 2002 @ 10:00 a.m. EDT

Thank you and good morning. We appreciate your participation in today's call to discuss our results for the third quarter of 2002. With me today is John Foy, the Company's Vice Chairman and Chief Financial Officer, and Charlie Willett, Senior Vice President of Finance, who will first read our Safe Harbor disclosure.

This conference call contains "forward-looking" statements within the

## Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

meaning of the federal securities laws. Such statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and otherwise, may differ materially from the events and results discussed in the forward-looking statements. During our discussion today, references made to per share are based upon a fully diluted converted share. We direct you to the Company's various filings with the Securities and Exchange Commission including, without limitation, the Company's Annual Report on Form 10-K and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference therein, for a discussion of such risks and uncertainties.

I would like to note that our dividend has increased substantially. And that a transcript of today's comments including the preliminary balance sheet, detailed debt schedule, development schedule and leasing information will be filed today as a form 8-K and will be available upon request. This call is also available for replay on the Internet through a link on our website at [cblproperties.com](http://cblproperties.com). This conference call is the property of CBL & Associates Properties, Inc. Any redistribution, retransmission or rebroadcast of this call without the express written consent of CBL is strictly prohibited.

Thank you, Charlie.

As our earnings release stated, the third quarter was a very successful one for our company in a number of respects. We are pleased to be able to report 12.3% FFO growth year to date and an 18% dividend increase. We have a number of exciting accomplishments to discuss on today's call. Let's start with our development program.

### DEVELOPMENTS

Two weeks ago we held the very successful Grand Opening of Parkway Place Mall in Huntsville, AL. This mall was developed with our 50/50 joint venture partner Colonial Properties Trust. Parkway Place represents the complete redevelopment of an older urban mall the venture purchased in 1998, demolished and rebuilt in phases. Parkway Place has 630,000 square feet and is anchored by two flagship department stores; Parisian that opened last fall and Dillard's that opened with the mall on October 16. The mall opened 75% leased and committed and we expect that the mall will reach 85% occupancy by the fourth quarter of 2003. We have an excellent lineup of tenants that are new to the Huntsville market including Williams Sonoma, Chico's, Jos A. Bank and Hollister. The initial yield for the project after development and management fees is 8.5% with a stabilized yield of 10%.

2

During the third quarter we commenced construction on The Mall of South Carolina at Myrtle Beach, SC, a 50/50 joint venture with Burroughs and Chapin, that contributed the land to the venture. The mall will be anchored by Belk, Dillard's and Sears and will contain a Bed, Bath & Beyond, a Border's Bookstore and Dick's Sporting Goods as junior anchors. In addition we have more than 60% of the mall shop space committed, which is encouraging to us given that the mall will not open until March 2004. Upon the opening of this mall the older, undersized Myrtle Square Mall, which is owned by our partner, will close.

Including the Myrtle Beach mall, we have a total of 2.4 million square feet under construction. This includes two associated centers: The Shoppes at Hamilton Place, Chattanooga, TN, and Parkdale Crossing, Beaumont, TX, and two community centers, Waterford Commons, Waterford, CT and Cobblestone Village, St. Augustine, FL. We have several other projects in the development pipeline, which

## Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

is driven by retailers who direct us to markets in which they are seeking to expand. We will continue to be conservative as we consider new development opportunities.

Our proforma share of the total investment of the new projects currently under construction is approximately \$169.6 million, of which \$47.6 million has been invested as of September 30, 2002. Construction loans or credit facilities are in place for the remaining costs. Initial unleveraged yields on these developments are expected to range from 9% to 10%, after management and development fees, with stabilized yields ranging from 10-11%.

Also during this quarter, many exciting development activities were announced at our properties:

- |X| Rich's, a division of Federated, will open as the fifth department store at Arbor Place Mall in Atlanta, GA in the fall of 2004.
- |X| At Parkdale Mall, Foley's department store held an August grand opening of their 170,000 square foot department store that replaced a closed Montgomery Ward's. Also under construction in the mall is a 26,000 square foot Linens-n-Things that will open in the summer of 2003. The total renovation of Parkdale Mall commenced in August and will be completed in August 2003.
- |X| At Meridian Mall, in Lansing, Michigan, Gaylan's opened their new 80,000 square foot store in August and last month Younkers announced they will open next spring in the closed Jacobson's store.
- |X| Dillard's opened two new department stores: one at Randolph Mall, Asheboro, NC, which replaced a closed Rose's and the other at Asheville Mall, Asheville, NC replacing a vacated Montgomery Ward's.
- |X| Dillard's will also be opening their expanded store at Jefferson Mall in Louisville, KY in November.
- |X| During the quarter, we added a 10,000 square foot David's Bridal to the Springdale Mall, Mobile, AL.

3

We are renovating seven malls at this time and five of these will be completed for the holiday season. We continue to see strong results at our malls, and believe that their updated look is a big part of this success with the retailers and customers.

### LEASING & OCCUPANCY

-----

As of the third quarter, we increased the total portfolio's occupancy to 92.8%, a 170 basis point improvement over the second quarter's occupancy and a 60 basis point improvement over the same quarter one year ago. These increases indicate the fundamental stability of our properties as well as the success of our pro-active leasing strategy. We expect that the occupancy levels at year-end will be slightly higher than in the third quarter.

During the third quarter we executed over 300,000 square feet of new leases and renewed 204,000 square feet of existing tenants for a total of approximately 504,000 square feet.

For the quarter, average renewal base rents, as compared to prior base rents increased 15.2% in the malls, 6.7% in the associated centers, and 4.6% in the community centers. On new leases, the average base rents increased 22.4% over the rent paid by the prior tenant. For the first nine months of 2002, we had 158,000 square feet of bankruptcies compared to 368,000 square feet for the first nine months of 2001. Our 8-K filing will include a schedule detailing the leasing of new and renewal tenants.

## Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

### DISPOSITIONS/ACQUISITIONS

-----

During the third quarter there was no disposition or acquisition activity. Subsequent to the quarter we sold a community center property, Salem Crossing in Virginia Beach, VA, which will be reflected in the fourth quarter results. We continue to look at acquisition opportunities where we can enhance the value of the property through our aggressive hands-on approach to leasing, specialty leasing and management.

I will now turn the call over to John Foy to discuss the financial results for the quarter.

### INCOME STATEMENT REVIEW

-----

The third quarter results reflected improved operating performance. Let me briefly review the financial results:

1. FFO per share increased 6.2% over the prior year. Of this increase, 40% was a result of the addition of The Lakes Mall, Muskegon, Michigan, the acquisition of the remaining partnership interest in Columbia Place, Columbia, SC, and the acquisition of Panama City Mall, Panama City, FL and Richland Mall, Waco, TX. The other 60% of our growth was attributable to increases in occupancy, base rents and interest savings.
  2. Our cost recovery ratio was 93.1% for the nine months compared to 98% for the same period a year ago. The cost recovery ratio trended down as a result of bankruptcies, store closings and new lease negotiations with certain tenants. We anticipate that our cost recovery ratio will be approximately 93% to 94% for the full year 2002.
- 4
3. For the quarter, outparcel sales would have increased FFO by \$0.01 per share to \$1.04. Before consideration of outparcel sales, our dividend payout ratio for the quarter was 53.9% based on a fully diluted, converted share count. Including outparcel sales, the payout ratio was 53.4%.
  4. As announced, we are increasing the dividend for the fourth quarter by 18% to \$0.655 per share and we expect to have an annualized dividend of at least \$2.62 through 2003. We will continue to maintain a conservative dividend payout ratio.

Also, a good indication of the strength of our balance sheet is the fact that, considering available extension options, we do not have any debt maturities in the next fifteen months other than normal principal amortization.

As we stated in our news release, same-center NOI growth was a positive 1.4% for the total portfolio, driven by increased rents and occupancy levels. The breakdown for the third quarter by property type is as follows:

1. The same-center mall NOI increased 1.4% with lease termination fees, and 2.0% without, as lease termination fees were less this quarter than in the same period last year.
2. NOI for the associated centers increased by 9% due to releasing of space vacated last year as a result of bankruptcies.

## Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

3. Same-center community center NOI decreased 1.8% for the quarter. The vacancies resulting from the bankruptcy of both Home Place at Kingston Overlook in Knoxville, TN and Quality Stores at Sattler Square in Big Rapids, MI, continued to impact community center results. The space at Sattler Square has been released to two tenants, both of which are under construction and scheduled to open within the next few months. The Kingston Overlook property has a lease under negotiation for the entire vacant space and we expect that lease will become operative in the first half of 2003.

### CAPITAL EXPENDITURES

-----

Year to date we have spent \$19.1 million on tenant allowances, which include deferred leasing costs of \$1.2 million, \$10.5 million on revenue neutral capital expenditures and \$44.4 million on revenue enhancing capital expenditures. Year-to-date, the revenue neutral expenditures included the following: \$4.0 million spent on resurfacing and the improved lighting of parking lots, \$6.4 million for roof repairs and replacements, and a small portion of this amount was included in the renovation costs. Revenue neutral capital expenditures are billed to the tenants as common area maintenance expense and the vast majority is recovered over a five to fifteen year period. Revenue enhancing capital expenditures are for remodeling and upgrades of our malls of which approximately 30% are recoverable from tenants.

5

In 2002, for the total portfolio, we are projecting to spend \$25 million on tenant allowances, \$35 million in revenue neutral and \$62 million on revenue enhancing capital expenditures.

### RETAIL SALES

-----

Based upon the criteria of including only stores of 10,000 square feet and less for mall stores, same store sales year to date decreased 1.5% for those tenants reporting. Total mall shop sales volume decreased to \$1.867 billion for the first nine months compared to \$1.951 billion for the same period in 2001.

Occupancy cost as a percentage of sales at our malls was 13.8% for the nine months ending September 30, 2002 compared to 12.8% for the same period one year ago. Occupancy cost as a percentage of sales has increased due to the relatively flat sales results reported by the retailers, while certain operating expenses and other recoverable costs have increased.

### CORPORATE GOVERNANCE

-----

At the recommendation of the Audit Committee, the Board of Directors stated that effective January 1, 2003 the Company will begin expensing stock options granted after that date. In anticipation of new rules being considered by the SEC and the New York Stock Exchange, the Company is actively involved in updating the charters for all of its committees. We have also formed a Nominating/Corporate Governance Committee.

### CONCLUSION

-----

Based on our third quarter results and barring any further disruptions from unforeseen economic events, we are comfortable with the current First Call consensus estimate of \$4.31 for 2002 and \$4.58 for 2003.

Before we open the call for Q&A I would like to share our thoughts on the following:

## Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

- [X] At CBL, we continuously challenge ourselves to improve upon our results and performance. Our sound and disciplined management approach to our business has resulted in sustained success for the Company and our shareholders.
- [X] Despite the difficult economy, our properties continue to perform well as evidenced by our improved occupancy and relatively stable sales.
- [X] Not only the state of our portfolio is important to us, but also the strength of our balance sheet. As of September 30, 2001 our debt to market capitalization was 62.3%. As of September 30, 2002 our debt to market capitalization was 50.3%. Granted, last year we had the tragic events of September 11, 2001 which impacted our stock price. Since that time we have done a common offering, which raised \$115M, completed a preferred offering which raised \$100M and closed a 10-year fixed rate CMBS transaction of \$407M. All of this was accomplished and we were still able to show a growth in our FFO on a per share basis for the nine months of 12.3%

6

- [X] Given the strength of our balance sheet, we have the flexibility to make acquisitions and pursue other growth opportunities as they arise. We have and will continue to look at new markets where we can further geographically diversify our portfolio.

We appreciate the confidence and support. Thank you again for joining us today and we welcome the opportunity to show you our newest development Parkway Place in Huntsville, Alabama. We also look forward to seeing many of you next week at NAREIT. Stephen and I will now be happy to answer your questions that you have.

7

### PROPERTIES UNDER RENOVATION AS OF SEPTEMBER 30, 2002

Property	Location	Est. Total Cost (in millions)	Cost To Date (in millions)	Comp
Columbia Mall	Columbia, SC	\$10.9	\$10.4	Octobe
Kentucky Oaks	Paducah, KY	0.8	0	Novemb
Hickory Hollow	Nashville, TN	8.6	8.4	Novemb
Stroud Mall	Stroudsburg, PA	3.0	3.8	Novemb
Hanes Mall	Winston-Salem, NC	18.2	17.4	Novemb
St. Clair Square	Fairview Heights, IL	12.3	1.6	April
Parkdale Mall	Beaumont, TX	13.2	1.3	April
Other Centers			1.5	

Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

TOTAL 44.4

Detail of roof and parking lot capital expenditures for the nine months ended September

	Revenue Neutral	Revenue
	-----	-----
Other Capital expenditures	\$ 5,587	\$ 38
Parking lot and parking lot lighting	1,029	2
Roof repairs and replacement	3,890	2
	-----	-----
Total	\$ 10,506	\$ 44
	=====	=====

Detail of Defferred Leasing as of September 30,2002 (in thousands)

Deferred Leasing				
Costs (000's)	Q1	Q2	Q3	YTD
-----	-----	-----	-----	-----
2002	\$ 45	\$ 466	\$ 710	\$1,221
2001	887	85	673	1,645

The capital expenditures that we incur for maintenance such as parking lots repairs, parking lot lighting and roofs are classified as revenue neutral. These expenditures are billed to the tenants as common area maintenance expense and the vast majority is recovered over a five to fifteen year period. Revenue enhancing capital expenditures are for remodelings and upgrades for enhancing our competitive position in the market area. A portion of these expenditures covering items such as new floor coverings, painting, lighting and new seating areas are also recovered through tenant billings. The costs of other items such as new entrances, new ceilings and skylights are not recovered from tenants. We estimate that 30% of our revenue enhancing expenditures are recoverable from our tenants over a ten to fifteen year period of time. The third category of capital expenditures is tenant allowances, sometimes made to third-generation tenants. Tenant allowances are recovered in minimum rents from the tenants over the life of the lease.

8

RENEWAL LEASING, THIRD QUARTER ENDED SEPTEMBER 30, 2002

Property Type	Prior PSF Base Rent	New PSF Base Rent-Initial	New PSF Base Rent-Avg.	% Change Initial	% Change Average
-----	-----	-----	-----	-----	-----
Stabilized Malls	\$23.91	\$26.85	\$27.55	12.3%	15.2%
Associated Centers	18.81	20.08	20.08	6.7%	6.7%
Community Centers	11.49	11.84	12.02	3.0%	4.6%

Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

Stabilized Malls	Sq. FT.	Prior PSF Base Rent	New PSF Base Rent-Initial	New PSF Base Rent-Avg.	% Change Initial	% Change Average
New Leases	157,000	\$23.47	\$27.78	\$28.74	18.3%	22.4%
Renewal Leases	110,000	24.22	26.21	26.72	8.2%	10.3%

TOTAL LEASING COMPARED TO TENANTS VACATING  
THIRD QUARTER ENDED SEPTEMBER 30, 2002

Property Type	Leased Sq. Ft.	Avg. Base Rent	Vacated Sq. Ft.	Avg. Base Rent
Malls	430,510	\$25.91	93,381	\$26.11
Associated Centers	63,453	12.25	20,805	10.74
Community Centers	9,863	20.36	5,000	18.75
	----- 503,826 =====		----- 119,186 =====	

9

DEVELOPMENT SCHEDULE FOR NEW PROJECTS UNDER  
CONSTRUCTION AS OF SEPTEMBER 30, 2002

Property	Location	GLA	CBL's Cost or Share of ProForma Cost (in millions)	Cost Spent Date (in millions)
NEW MALL DEVELOPMENT				
Mall of South Carolina*, (50/50 JV)	Myrtle Beach, SC	1,500,000	\$72.5*	\$4.7
ASSOCIATED CENTERS				
Parkdale Crossing	Beaumont, TX	87,000	\$12.2	\$9.1
The Shoppes at Hamilton Place	Chattanooga, TN	130,000	\$16.6	\$7.1
COMMUNITY CENTERS				



Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

Waterford Commons**, (75/25 JV)	Waterford, CT	354,900	\$29.4	\$10.4
Cobblestone Village	St. Augustine, FL	305,000	\$34.9	\$13.9
EXPANSIONS				
Bonita Crossing	Meridian, MS	17,600	\$1.8	\$0.6
Westgate Mall, Tweeter's	Spartanburg, SC	17,245	\$2.2	\$1.8
Total		2,411,500	\$169.60	\$47.6

10

CBL & Associates Properties, Inc.  
Notes Payable And Interest Rate  
AS OF September 30, 2002 (in thousands excepte per share amounts)

PROPERTY		MATURITY DATE	Interest Rate	BALANCE 9/30/02	Balance Fixed	Floati
Albemarle, NC	Northwoods Plaza	Jun-12	9.750%	\$ 1,072	\$ 1,072	
Ashboro, NC	Randolph Mall	Aug-12	6.500%	15,658	15,658	
Asheville, NC	Asheville Mall	Sep-11	6.980%	70,523	70,523	
Beaumont, TX	Parkdale Mall	Jun-03	3.170%	45,000	-	45
Brookfield, IL	Brookfield Square	May-05	7.498%	73,940	73,940	
Burnsville, MN	Burnsville Center	Aug-10	8.000%	72,377	72,377	
Cary, NC	Cary Towne Ctr	Mar-09	6.850%	89,538	89,538	
Charleston, SC	Citadel Mall	May-07	7.390%	32,736	32,736	
Chattanooga, TN	CBL Center	Aug-12	6.250%	14,986	14,986	
Chattanooga, TN	Hamilton Corner	Aug-11	10.125%	2,757	2,757	
Chattanooga, TN	Hamilton Place	Mar-07	7.000%	67,573	67,573	
Chattanooga, TN	Perimeter Place	Jan-08	10.625%	1,127	1,127	
Cincinnati, OH	Eastgate Mall	Dec-03	3.375%	41,750	-	41
Cincinnati, OH	Eastgate Crossing	Apr-07	6.380%	10,626	10,626	
Columbia, SC	Columbia Mall	Jun-03	3.170%	35,444	-	35
Cortlandt, NY	Cortlandt Towne Center	Aug-08	6.900%	50,179	50,179	
Dalton, GA	Walnut Square	Feb-08	10.125%	596	596	
Douglasville, GA	Arbor Place Mall	Aug-12	6.510%	81,282	81,282	
Douglasville, GA	Cosby Station	Sep-14	8.500%	3,672	3,672	
Douglasville, GA	The Landing At Arbor	Aug-12	6.510%	9,175	9,175	
Fairview Heights, IL	St. Claire Square	Apr-09	7.000%	70,726	70,726	
Hattiesburg, MS	Turtle Creek Mall	Mar-06	7.400%	31,875	31,875	
Henderson, NC	Henderson Square	Apr-14	7.500%	5,796	5,796	
Highpoint, NC	Oak Hollow Mall	Feb-08	7.310%	47,569	47,569	
Hudson, NY	Greenport Towne Ctr	Sep-14	9.000%	3,874	3,874	
Huntsville, AL	Madison Plaza	Feb-04	10.125%	706	706	
Jackson, TN	Old Hickory Mall	Aug-12	6.510%	35,904	35,904	

Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

Janesville WI	Janesville Mall	Apr-16	8.375%	15,040	15,040
Knoxville, TN	Cedar Bluff Xing	Aug-07	10.625%	920	920
Knoxville, TN	Suburban Plaza	Jan-09	7.875%	8,177	8,177
Lansing MI	Meridian Mall	Aug-03	2.931%	29,017	-
Lansing MI Swap rate	Meridian Mall	Aug-03	6.955%	80,000	-
Lexington KY	Fayette Mall	Jul-11	7.000%	96,832	96,832
Lexington KY	Fayette Mall Developme	Dec-04	3.370%	8,550	-
Louisville, KY	Jefferson Mall	Aug-12	6.510%	45,279	45,279
Louisville KY	Springhurst Towne Cent	Aug-18	6.650%	21,272	21,272
Meridian, MS	Bonita Lakes Crossing	Oct-09	6.820%	8,773	8,773
Meridian, MS	Bonita Lakes Mall	Oct-09	6.820%	27,939	27,939

11

CBL & Associates Properties, Inc.

Notes Payable And Interest Rate

AS OF September 30, 2002 (in thousands excepte per share amounts)

PROPERTY		MATURITY DATE	Interest Rate	BALANCE 9/30/02	Balance Fixed	Balance Floating
Midland MI	Midland Mall	Jun-03	3.370%	35,000	-	35,000
Morristown, TN	College Square	Sep-13	6.750%	13,372	13,372	-
N Charleston SC	Northwoods Mall	Aug-12	6.510%	64,826	64,826	-
Nashua, NH	Willow Springs Plaza	Aug-07	9.750%	3,638	3,638	-
Nashville, TN	Coolsprings Galleria	Sep-10	8.290%	62,262	62,262	-
Nashville, TN	Courtyard At Hickory	Aug-08	6.770%	4,255	4,255	-
Nashville, TN	Hickory Hollow Mall	Aug-08	6.770%	91,394	91,394	-
Nashville, TN	Rivergate Mall	Aug-08	6.770%	73,864	73,864	-
Nashville, TN	Village At Rivergate	Aug-08	6.770%	3,489	3,489	-
North Haven, CT	North Haven Xing	Oct-08	9.550%	5,694	5,694	-
Oakridge, TN	Briarcliff Square	Feb-13	10.375%	1,434	1,434	-
Panama City, FL	Panama City Mall	Aug-12	7.300%	40,624	40,624	-
Plant City, FL	Collins Park Commons	Oct-10	10.250%	641	641	-
Portland, ME	Bj'S Plaza	Dec-11	10.400%	2,821	2,821	-
Roanoke, VA	Shenandoah Crossing	Aug-10	10.250%	453	453	-
Racine, WI	Regency Mall	Aug-12	6.510%	35,505	35,505	-
Rockford, IL	Cherryvale Mall	Jul-06	7.375%	47,247	47,247	-
Saginaw, MI	Fashion Square	Aug-12	6.510%	62,233	62,233	-
Salem, VA	Valley Commons	Oct-10	10.250%	790	790	-
Spartanburg, SC	Westgate Crossing	Jul-10	8.420%	9,757	9,757	-
Spartanburg, SC	Westgate Mall	Aug-12	6.500%	56,249	56,249	-
St. Petersburg, FL	34Th St Crossing	Dec-10	10.625%	1,292	1,292	-
Stroud, PA	Stroud Mall	Dec-10	8.420%	32,121	32,121	-
Uvalde, TX	Uvalde Plaza	Feb-08	10.625%	545	545	-
Waco, Tx	Richland Mal	May-03	4.750%	9,500	-	9,500
Walterboro, SC	Colleton Square	Aug-10	9.375%	799	799	-
Wausau WI	Wausau Center	Dec-10	6.700%	14,010	14,010	-
Winston-Salem NC	Hanes Mall	Jul-08	7.310%	114,581	114,581	-
York, PA	York Galleria	Dec-10	8.340%	51,382	51,382	-
SUBTOTAL				2,098,037	1,813,776	284,261
Weighted average interest rate						
CONSTRUCTION LOANS						
Beaumont, TX	Parkdale Crossing	Nov-04	3.440%	2,281	-	2,281
St Augustine FL	Cobblestone Vilage	Jun-05	3.370%	5,740	-	5,740
Waterford, CT	Waterford Commons	Jun-04	4.750%	268	-	268
SUBTOTAL				8,289	-	8,289

12

CBL & Associates Properties, Inc.

## Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

### Notes Payable And Interest Rate

AS OF September 30, 2002 (in thousands excepte per share amounts)

PROPERTY	Maturity	Interest	BALANCE		Balance	
			9/30/02	Fixed		
DATE	Rate				Floati	
LINES OF CREDIT			2.841%	104,000	-	104
TOTAL BALANCE SHEET				2,210,326	1,813,776	396
Weighted average interest rate				6.5579%	7.1353%	3.9167
Plus CBL Share Of Equities						
Clarksville, TN	Governors Square	Nov-02	8.230%	15,869	15,869	
Del Rio, TX	Plaza Del Sol	Feb-12	9.150%	2,218	2,218	
Ft Smith AR	Massard Crossing	Feb-12	7.540%	597	597	
Houston, TX	Willowbrook Plaza	Jun-00	7.540%	3,055	3,055	
Huntsville, AL	Parkway Place	Jan-07	3.350%	25,997	-	25
Madison WI	East Towne Mall	Jan-07	8.010%	18,633	18,633	
Madison WI	West Towne Mall	Jun-07	8.010%	28,807	28,807	
Paducah, KY	Kentucky Oaks	Feb-12	9.000%	16,500	16,500	
Vicksburg, MS	Pemberton Plaza	Jan-00	7.540%	204	204	
TOTAL				111,880	85,883	25
LESS MINORITY INTEREST						
Chattanooga, TN	Hamilton Corner		10.125%	(276)	(276)	
Chattanooga, TN	Hamilton Place		7.000%	(6,757)	(6,757)	
Uvalde, TX	Uvalde Plaza		10.625%	(136)	(136)	
Highpoint, NC	Oak Hollow Mall		7.310%	(11,892)	(11,892)	
				(19,062)	(19,062)	
TOTAL OBLIGATIONS				2,303,144	1,880,597	422
Weighted average interest rate				6.5789%	7.1849%	3.8818
EQUITY						
		Number	At			
		Of Shares	09/30/2002			
			Stock Price			
Common Stock And Units		54,479	\$38.75	2,111,061		
Preferred Stock Series A		2,675	\$25.00	66,875		
Preferred Stock Series B		2,000	\$50.00	100,000		
Total Market Equity				2,277,936	2,303	
Total Debt and Market equity				4,581,080		
Debt to Market value				50.3%		
Total Joint Venture Debt						
Clarksville, TN	Governors Square	Sep-16	8.230%	33,408	33,408	
Del Rio, TX	Plaza Del Sol	Aug-10	9.150%	4,435	4,435	
Ft Smith, AR	Massard Crossing	Feb-12	7.540%	5,971	5,971	
Houston, TX	Willowbrook Plaza	Feb-12	7.540%	30,551	30,551	
Huntsville, AL	Parkway Place	Dec-03	3.350%	51,994	-	51
Madison WI	East Towne Mall	Jan-07	8.010%	28,666	28,666	
Madison WI	West Towne Mall	Jan-07	8.010%	44,318	44,318	
Paducah, KY	Kentucky Oaks	Jun-07	9.000%	33,001	33,001	

Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

Vicksburg, MS	Pemberton Plaza	Feb-12	7.540%	2,040	2,040	
				-----		
TOTAL				234,385	182,391	51
Weighted average interest rate				7.0913%	8.1578%	3.3500

13

CBL & Associates Properties, Inc.  
 Consolidated Summary Balance Sheets  
 Preliminary As of September 30, 2002  
 (In thousands)

	September 30, 2002	De
ASSETS		
LAND	\$ 547,598	
BUILDINGS AND IMPROVEMENTS	3,070,141	
	-----	
	3,617,739	
LESS: ACCUMULATED DEPRECIATION	(407,173)	
	-----	
	3,210,566	
DEVELOPMENTS IN PROGRESS	110,008	
	-----	
NET INVESTMENT IN REAL ESTATE ASSETS	3,320,574	
CASH, RESTRICTED CASH AND CASH EQUIVALENTS	18,745	
RECEIVABLES: TENANT AND OTHER	40,855	
MORTGAGE NOTES RECEIVABLE	14,645	
INVESTMENT IN UNCONSOLIDATED AFFILIATES	110,821	
OTHER ASSETS	42,015	
	-----	
	\$ 3,547,655	
	=====	
LIABILITIES AND SHAREHOLDERS' EQUITY		
MORTGAGE AND OTHER NOTES PAYABLE	\$ 2,210,391	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	105,065	
	-----	
Total liabilities	2,315,456	
MINORITY INTERESTS	487,715	
SHAREHOLDERS' EQUITY:		
Total shareholders' equity	744,484	
	-----	
	\$ 3,547,655	
	=====	

The balance sheet above is preliminary as of the date of this report. Please refer the Company's filing on Form 10-Q when filed for a complete balance sheet as of September 30, 2002

14

SIGNATURE

Edgar Filing: CBL & ASSOCIATES PROPERTIES INC - Form 8-K

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CBL & ASSOCIATES PROPERTIES, INC.

/c/ John N. Foy

-----  
John N. Foy  
Vice Chairman,  
Chief Financial Officer and Treasurer  
(Authorized Officer of the Registrant,  
Principal Financial Officer and  
Principal Accounting Officer)

Date: October 30, 2002