

TEJON RANCH CO  
Form 10-Q  
August 07, 2014

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q  
(Mark One)

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

For the quarterly period ended June 30, 2014  
Or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 1-7183

TEJON RANCH CO.  
(Exact name of Registrant as specified in its charter)

Delaware 77-0196136  
(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification No.)

P.O. Box 1000, Lebec, California 93243  
(Address of principal executive offices)

Registrant's telephone number, including area code: (661) 248-3000

---

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

The number of the Company's outstanding shares of Common Stock on July 31, 2014 was 20,591,480.

---

TEJON RANCH CO. AND SUBSIDIARIES  
INDEX

Page No.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Unaudited Consolidated Statements of Operations for the Six Months Ended June 30, 2014 and 2013 3

Unaudited Consolidated Statements of Comprehensive Income for the Six Months ended June 30, 2014 and 2013 4

Consolidated Balance Sheets as of June 30, 2014 (unaudited) and December 31, 2013 5

Unaudited Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2014 and 2013 6

Unaudited Consolidated Statements of Equity for the Six Months Ended June 30, 2014 7

Notes to Unaudited Consolidated Financial Statements 8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 21

Item 3. Quantitative and Qualitative Disclosures About Market Risk 29

Item 4. Controls and Procedures 31

PART II. OTHER INFORMATION

Item 1. Legal Proceedings 31

Item 1A. Risk Factors 31

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 31

Item 3. Defaults Upon Senior Securities 31

Item 4. Mine Safety Disclosures 31

Item 5. Other Information 31

Item 6. Exhibits 31

SIGNATURES

## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

TEJON RANCH CO. AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended		
	June 30		June 30		
	2014	2013	2014	2013	
Revenues:					
Real estate - commercial/industrial	\$2,553	\$2,825	\$5,495	\$5,547	
Real estate - resort/residential	228	234	587	471	
Mineral resources	2,441	2,765	4,705	5,631	
Farming	2,786	1,651	4,366	5,586	
Total revenues	8,008	7,475	15,153	17,235	
Costs and Expenses:					
Real estate - commercial/industrial	3,336	3,141	6,647	6,254	
Real estate - resort/residential	918	1,265	1,573	1,574	
Mineral resources	152	65	227	225	
Farming	1,197	1,179	2,870	3,436	
Corporate expenses	2,608	658	6,032	4,489	
Total expenses	8,211	6,308	17,349	15,978	
Operating income (loss)	(203	) 1,167	(2,196	) 1,257	
Other Income:					
Income from water sales	177	—	3,179	—	
Investment income	185	238	383	513	
Other income	20	14	47	17	
Total other income	382	252	3,609	530	
Income from operations before equity in earnings of unconsolidated joint ventures	179	1,419	1,413	1,787	
Equity in earnings of unconsolidated joint ventures, net	1,148	1,270	1,586	1,679	
Income before income tax expense	1,327	2,689	2,999	3,466	
Income tax expense	479	686	1,020	833	
Net income	848	2,003	1,979	2,633	
Net loss attributable to non-controlling interest	(26	) (81	) (8	) (66	)
Net income attributable to common stockholders	\$874	\$2,084	\$1,987	\$2,699	
Net income per share attributable to common stockholders, basic	\$0.04	\$0.10	\$0.10	\$0.13	
Net income per share attributable to common stockholders, diluted	\$0.04	\$0.10	\$0.10	\$0.13	

See accompanying notes.

TEJON RANCH CO. AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(In thousands)