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ENTERTAINMENT PROPERTIES TRUST

Form 10-K/A

August 23, 2001

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

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

For the fiscal year ended December 31, 2000

COMMISSION FILE NUMBER 1-13561

ENTERTAINMENT PROPERTIES TRUST
(Exact name of registrant as specified in its charter)

MARYLAND 43-1790877
(State or other jurisdiction (I.R.S. Employer Identification No.)
of incorporation or organization)

30 PERSHING ROAD, UNION STATION SUITE 201 64108
KANSAS CITY, MISSOURI (Zip Code)
(Address of principal executive office)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (816) 472-1700

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Class -----	Name of each exchange on which registered -----
Common Shares of Beneficial Interest, par value \$.01 per share	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None.

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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, AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES |X| NO |_|

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS

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FORM 10-K.

THE AGGREGATE MARKET VALUE OF THE COMMON SHARES OF BENEFICIAL INTEREST OF THE REGISTRANT HELD BY NON-AFFILIATES ON MARCH 9, 2001, WAS \$217,020,764 (BASED ON THE CLOSING SALES PRICE PER SHARE ON THE NEW YORK STOCK EXCHANGE ON MARCH 9, 2001 OF \$14.74). AT MARCH 9, 2001, THERE WERE 14,723,254 COMMON SHARES OF BENEFICIAL INTEREST OUTSTANDING.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2001 Annual Meeting of Shareholders to be filed with the Commission pursuant to Regulation 14A are incorporated by reference in Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

Investors are encouraged to review the Risk Factors commencing on page 4 of this Report for a discussion of risks that may impact our financial condition, business or share price.

GENERAL

Entertainment Properties Trust (the "Company") was formed on August 22, 1997 as a Maryland real estate investment trust ("REIT") to capitalize on the opportunities created by the development of destination entertainment and entertainment-related properties, including megaplex movie theatre complexes. The Company completed an initial public offering ("IPO") of its common shares of beneficial interest ("Shares") on November 18, 1997. The Company is the first publicly-traded REIT formed exclusively to invest in entertainment-related properties.

The Company is a self-administered REIT. As of December 31, 2000, the Company's real estate portfolio was comprised primarily of 26 megaplex theatre properties, including joint venture properties, located in eleven states, one entertainment-themed retail center ("ETRC") development property located in Westminster, Colorado, and land parcels leased to restaurant operators and related properties adjacent to several of its theatre properties. The Company's theatre properties are leased to leading theatre operators, including American Multi-Cinema, Inc. ("AMC"), a subsidiary of AMC Entertainment, Inc. ("AMCE"), Muvico Entertainment LLC ("Muvico"), Edwards Theatre Circuits, Inc. ("Edwards"), Consolidated Theatres ("Consolidated") and Loews Cineplex Entertainment ("Loews").

The Company believes entertainment is an important sector of the retail real estate industry and that, as a result of the Company's focus on properties in this sector and the industry relationships of its management, it has a competitive advantage in providing capital to operators of these types of properties. The principal business strategy of the Company is to continue acquiring high-quality properties leased to entertainment and entertainment-related business operators, generally under long-term triple-net leases that require the tenant to pay substantially all expenses associated with the operation and maintenance of the property.

Megaplex theatres typically have at least 14 screens with stadium-style seating

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(seating with elevation between rows to provide unobstructed viewing) and are equipped with amenities that significantly enhance the audio and visual experience of the patron. The Company believes the development of megaplex theatres has accelerated the obsolescence of many existing movie theatres by setting new standards for moviegoers, who, in the Company's experience, have demonstrated their preference for the more attractive surroundings, wider variety of films and superior customer service typical of megaplex theatres (see "Operating risks in the entertainment industry may affect the ability of our tenants to perform under their leases" and "Market prices for our Shares may be affected by perceptions about the financial health or share value of our tenants or the performance of REIT stocks generally" under "Risk Factors").

The Company expects the development of megaplex theatres to continue in the United States and abroad for the foreseeable future. As a result of the significant capital commitment involved in building these properties and the experience and industry relationships of the Company's management, the Company believes it will continue to have opportunities to provide capital to businesses that seek to develop and operate these properties but would prefer to lease rather than own the properties. The Company believes its ability to finance these properties will enable it to continue to grow and diversify its asset base. See Item 7 -- "Management's Discussion and Analysis" for a discussion of capital requirements necessary for the Company's continued growth.

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BUSINESS OBJECTIVES AND STRATEGIES

The Company's business objectives are to continue to enhance shareholder value by achieving predictable and increasing Funds From Operations ("FFO") per Share (defined as net income plus depreciation divided by the number of Shares outstanding) through the acquisition of high-quality properties leased to entertainment and entertainment-related business operators. The Company intends to achieve these objectives by continuing to execute the Growth Strategies, Operating Strategies and Capitalization Strategies described below:

GROWTH STRATEGIES

- Purchase additional properties pursuant to existing agreements between the Company and leading theatre operators.
- Enter into joint ventures with other developers or investors in real estate.
- Develop or acquire additional megaplex theatre properties and lease those properties to qualified theatre exhibitors.
- Develop or acquire, and lease to qualified operators or master tenants, entertainment-themed retail centers ("ETRCs") and single-tenant, out-of-home, location-based entertainment and entertainment-related properties.

FUTURE PROPERTIES. The Company intends to pursue acquisitions of high-quality entertainment related properties from operators with a strong market presence. Pursuant to agreements with AMCE, Muvico and Real Estate Innovations LLC, the Company has the right to acquire and lease back to the operator a number of existing and future megaplex theatre properties. See "Tenants and Leases" and "Additional Property Acquisitions" in Item 2 -- "Properties" for a discussion of these agreements.

OPERATING STRATEGIES

- Purchase single-tenant properties supported by long-term leases or multi-tenant properties that are substantially leased to minimize the risks inherent in initial leasing.

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- Structure leases, where possible, on a triple-net or similar basis under which the tenants bear substantially all operational expenses connected with the properties.
- Structure leases for contractual increases in rent and/or percentage rent based upon a percentage of a tenant's gross sales over a pre-determined level.
- Develop and maintain long-term working relationships with theatre, restaurant, retail and other entertainment-related business operators and developers.
- Diversify the Company's asset base by property type, geographic location and tenant.

LEASE RISK MINIMIZATION. To avoid initial lease-up risks and produce a predictable income stream, the Company typically acquires single-tenant properties that are leased under long-term leases. The Company believes its willingness to make long-term investments in properties offers tenants financial flexibility and allows tenants to allocate capital to their core businesses.

LEASE STRUCTURE. The Company typically structures leases on a triple-net basis under which the tenants bear the principal portion of the financial and operational responsibility for the properties. During each lease term and any renewal periods, the leases typically provide for periodic increases in rent and/or percentage rent based upon a percentage of the tenant's gross sales over a pre-determined level.

TENANT RELATIONSHIPS. The Company intends to continue developing and maintaining long-term working relationships with theatre, restaurant and other entertainment-related business operators and developers by providing capital for multiple properties on a national or regional basis, thereby enhancing efficiency and value to those operators and to the Company.

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PORTFOLIO DIVERSIFICATION. The Company will endeavor to further diversify its asset base by property type, geographic location and tenant. In pursuing this diversification strategy, the Company will target theatre, restaurant, retail and other entertainment-related business operators which management views as leaders in their market segments and which have the financial strength to compete effectively and perform under their leases with the Company.

CAPITALIZATION STRATEGIES

- Employ leverage to fund additional acquisitions.
- Pursue joint venture opportunities and other arrangements to fund additional property acquisitions.
- Maintain a debt to total capitalization ratio consistent with prudent management and market expectations.
- Pay regular distributions and periodically increase distributions to shareholders to the extent expected increases in FFO and Cash Available for Distribution (net earnings plus depreciation and amortization minus capital expenditures and principal payments on indebtedness) are realized.

USE OF LEVERAGE; DEBT TO TOTAL CAPITALIZATION. The Company seeks to enhance shareholder return through the use of leverage (see "Risk Factors -- We must obtain new financing in order to grow" and "Liquidity and Capital Resources" and "Capital Requirements for Additional Acquisitions and Future Growth" in Item 7 -- "Management's Discussion and Analysis"). In addition, the Company may in the future seek to issue additional equity as circumstances warrant and opportunities to do so become available. The Company expects to maintain a debt to total capitalization ratio (i.e., total debt of the Company as a percentage of shareholder's equity plus total debt) of approximately 50%.

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JOINT VENTURES. The Company will examine and pursue potential joint venture opportunities with institutional investors or developers if they are considered to add value to the shareholders. The Company may employ higher leverage in joint ventures (See "Risk Factors -- Joint Ventures may limit flexibility with jointly held investments").

PAYMENT OF REGULAR DISTRIBUTIONS. The Company has paid and expects to continue paying quarterly dividend distributions to its shareholders. Among the factors the Board of Trustees considers in setting the distribution rate are the Company's results of operations, including FFO per Share, and the Company's Cash Available for Distribution. The Company expects to periodically increase distributions as FFO and Cash Available for Distribution increase and as other considerations and factors warrant. See "Risk Factors -- We cannot assure you we will continue paying dividends at historical rates" in Item 7 of this Form 10-K.

COMPETITION

The Company competes for real estate financing opportunities with other companies that invest in real estate, as well as traditional financial sources such as banks and insurance companies. While the Company was the first publicly traded REIT formed to specialize in entertainment-themed properties, other REITs may seek to finance entertainment properties as new megaplex theatres, ETRCs and related restaurant and retail properties are developed.

EMPLOYEES

As of December 31, 2000, the Company had six full time employees.

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RISK FACTORS

There are many factors that can affect our future business, financial performance or share price. Some of these are beyond our control. Here is a brief description of some of the important factors, which could cause our future business, operating results, financial condition or share price to be materially different than our expectations. This discussion includes a number of forward-looking statements. You should refer to the description of the qualifications and limitations on forward-looking statements on page 15 of this report.

Risks That May Impact Our Financial Condition or Performance

WE COULD BE ADVERSELY AFFECTED BY A TENANT'S BANKRUPTCY

If a tenant becomes bankrupt or insolvent, that could diminish the income we expect from that tenant's leases. We may not be able to evict a tenant solely because of its bankruptcy. On the other hand, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that might be substantially less than the remaining rent owed under the leases. In addition, any claim we have for unpaid past rent would likely not be paid in full.

The development of megaplex movie theatres has rendered many older multiplex theatres obsolete. To the extent our tenants own a substantial number of multiplexes, they may be required to take significant charges against earnings resulting from this obsolescence. Megaplex theatre operators could also be adversely affected by any overbuilding of megaplex theatres in their markets and

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the cost of financing, building and leasing megaplex theatres. During 2000, we believe these trends and other events had an adverse impact on the movie theatre exhibition industry as a whole.

During 2000, several movie exhibition companies filed for reorganization under bankruptcy protection, including one of our tenants, Edwards Theatres. Although our two leases with Edwards have been affirmed in the bankruptcy process and we did not suffer any loss of rental income, if any other of our tenants should file for bankruptcy, or otherwise default on a lease, our ability to recover our investment in the property would be uncertain.

OPERATING RISKS IN THE ENTERTAINMENT INDUSTRY MAY AFFECT THE ABILITY OF OUR TENANTS TO PERFORM UNDER THEIR LEASES

The ability of our tenants to operate successfully in the entertainment industry and remain current on their lease obligations depends on a number of factors, including the availability and popularity of motion pictures, the performance of those pictures in tenants' markets, the allocation of popular pictures to tenants and the terms on which the pictures are licensed. Neither we, nor our tenants control the operations of motion picture distributors. Megaplex theatres represent a greater capital investment, and generate higher rents, than the previous generation of multiplex theatres. For this reason, the ability of our tenants to operate profitably and perform under their leases could be dependent on their ability to generate higher revenues per screen than multiplex theatres typically produce.

The success of "out-of-home" entertainment venues such as megaplex theatres and entertainment-themed retail centers also depends on general economic conditions and the willingness of consumers to spend time and money on out-of-home entertainment.

A SINGLE TENANT REPRESENTS A SUBSTANTIAL PORTION OF OUR LEASE REVENUES

Approximately 69% of our megaplex theatre properties are leased to AMC, one of the nation's largest movie exhibition companies. AMCE has guaranteed AMC's performance under the leases. We have diversified and expect to continue to diversify our real estate portfolio by entering into lease transactions with a number of other leading theatre operators. Nevertheless, our revenues and our continuing ability to

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pay shareholder dividends remain substantially dependent on AMC's performance under its leases and AMCE's performance under its guaranty. We believe AMC occupies a stronger position when compared with other theatre operators and we intend to continue acquiring and leasing back AMC theatres. However, if for any reason AMC failed to perform under its lease obligations and AMCE did not perform under its guaranty, we could be required to reduce or suspend our shareholder dividends and may not have sufficient funds to support operations until substitute tenants are obtained. If that happened, we cannot predict when or whether we could obtain substitute quality tenants on acceptable terms. Peter C. Brown, the Chairman of our Board of Trustees, is Chairman of AMCE. Mr. Brown does not participate in discussions with AMC regarding acquisition or lease terms.

THERE IS RISK IN USING DEBT TO FUND PROPERTY ACQUISITIONS We have used leverage to acquire properties and expect to continue to do so in the future. Although the use of leverage is common in the real estate industry, our use of debt to acquire properties does expose us to some risks. If a significant number of our tenants fail to make their lease payments and we don't have sufficient cash to

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pay principal and interest on the debt, the debt could go into default. Our debt financing is secured by mortgages on most of our properties. If we fail to meet our mortgage payments, the lenders could declare a default and foreclose on those properties. Although it has been our policy that total debt represent approximately 50% of our total capitalization, we may utilize higher leverage in the future if we believe it is reasonable to do so.

A PORTION OF OUR SECURED DEBT HAS "HYPER-AMORTIZATION" PROVISIONS WHICH MAY REQUIRE US TO REFINANCE THE DEBT OR SELL THE PROPERTIES SECURING THE DEBT PRIOR TO MATURITY

As of December 31, 2000, we had approximately \$102 million outstanding under secured mortgage arrangements, which contain "hyper-amortization" features, in which the principal payment schedule is rapidly accelerated, and our principal payments are substantially increased, after a period of time but prior to the maturity date of the loan. We undertook this debt on the assumption that we can refinance the debt when these hyper-amortization payments become due. If we cannot obtain acceptable refinancing at the appropriate time, the hyper-amortization payments will require substantially all of the revenues from those properties securing the debt to be applied to the debt repayment.

WE MUST OBTAIN NEW FINANCING IN ORDER TO GROW

As a REIT, we are required to distribute at least 95% of our net income to shareholders in the form of dividends. Effective January 1, 2001, this requirement falls to 90% of our net income. This means we are limited in our ability to use internal capital to acquire properties and must continually raise new capital in order to continue to grow and diversify our real estate portfolio. Our ability to raise new capital depends in part on factors beyond our control, including conditions in equity and credit markets, conditions in the cinema exhibition industry and the performance of real estate investment trusts generally. Our ability to raise cash by selling new shares to the public has been limited by covenants in our loan agreements and our share price, although our share price has increased during the first quarter of 2001 and the loan agreements with the restrictive covenants have been refinanced. We continually consider and evaluate a variety of potential transactions to raise additional capital, but we cannot assure that attractive alternatives will always be available to us, nor that our share price will increase or remain at a level that will permit us to raise equity capital privately or publicly.

IF WE FAIL TO QUALIFY AS A REIT WE WOULD BE TAXED AS A CORPORATION, WHICH WOULD SUBSTANTIALLY REDUCE FUNDS AVAILABLE FOR PAYMENT OF DIVIDENDS TO OUR SHAREHOLDERS

If we fail to qualify as a REIT for federal income tax purposes, we will be taxed as a corporation. We are organized and believe we qualify as a REIT, and intend to operate in a manner that will allow us to continue to qualify as a REIT. However, we cannot assure you that we will remain qualified in the future. This is because qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code on which there are only limited judicial and administrative

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interpretations, and depends on facts and circumstances not entirely within our control. In addition, future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws, the application of the tax laws to our qualification as a REIT or the federal income tax consequences of that qualification.

If we fail to qualify as a REIT we will face tax consequences that will substantially reduce the funds available for payment of dividends:

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- We would not be allowed a deduction for dividends paid to shareholders in computing our taxable income and would be subject to federal income tax at regular corporate rates
- We could be subject to the federal alternative minimum tax and possibly increased state and local taxes
- Unless we are entitled to relief under statutory provisions, we could not elect to be treated as a REIT for four taxable years following the year in which we were disqualified

In addition, if we fail to qualify as a REIT, we will no longer be required to pay dividends. As a result of these factors, our failure to qualify as a REIT could adversely affect the market price for our shares.

RISKS THAT APPLY TO OUR REAL ESTATE BUSINESS

THERE ARE RISKS ASSOCIATED WITH OWNING AND LEASING REAL ESTATE

Although our lease terms obligate the tenants to bear substantially all of the costs of operating the properties, investing in real estate involves a number of risks, including:

- The risk that tenants will not perform under their leases, reducing our income from the leases or requiring us to assume the cost of performing obligations (such as taxes, insurance and maintenance) that are the tenant's responsibility under the lease
- The risk that changes in economic conditions or real estate markets may adversely affect the value of our properties
- The risk that local conditions (such as oversupply of megaplex theatres or other entertainment-related properties) could adversely affect the value of our properties
- We may not always be able to lease properties at favorable rates
- We may not always be able to sell a property when we desire to do so at a favorable price
- Changes in tax, zoning or other laws could make properties less attractive or less profitable

If a tenant fails to perform on its lease covenants, that would not excuse us from meeting any debt obligation secured by the property and could require us to fund reserves in favor of our lenders, thereby reducing funds available for payment of dividends. We cannot be assured that tenants will elect to renew their leases when the terms expire. If a tenant does not renew its lease or if a tenant defaults on its lease obligations, there is no assurance we could obtain a substitute tenant on acceptable terms. If we cannot obtain another quality movie exhibitor to lease a megaplex theatre property, we may be required to modify the property for a different use, which may involve a significant capital expenditure.

SOME POTENTIAL LOSSES ARE NOT COVERED BY INSURANCE

Our leases require the tenants to carry comprehensive liability, casualty, workers' compensation, extended coverage and rental loss insurance on our properties. We believe the required coverage is of the type, and amount, customarily obtained by an owner of similar properties. We believe all of our properties are adequately insured. However, there are some types of losses, such as catastrophic acts of nature, for which we or our tenants cannot obtain insurance at an acceptable cost. If there is an uninsured loss or a loss in excess of insurance limits, we could lose both the revenues generated by the affected property and the capital we have invested in the property. We would, however, remain obligated to repay any mortgage indebtedness or other obligations related to the property.

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JOINT VENTURES MAY LIMIT FLEXIBILITY WITH JOINTLY OWNED INVESTMENTS

We may acquire or develop properties in joint ventures with third parties when those transactions appear desirable. We would not own the entire interest in any property acquired by a joint venture. If we have a dispute with a joint venture partner, we may feel it necessary or become obligated to acquire the partner's interest in the venture. However, we cannot assure you that the price we would have to pay or the timing of the acquisition would be favorable to us.

WE FACE ADDITIONAL RISKS IF WE DEVELOP PROPERTIES

Our entertainment-themed retail center development in Westminster, Colorado and similar properties we may seek to develop in the future will involve risks not typically encountered in the purchase and lease-back of megaplex theatres which are developed by the operator. The development of retail centers could expose us to the risk that a sufficient number of suitable tenants may not be found to enable the center to operate profitably and provide a return to us. Retail centers are also subject to fluctuations in occupancy rates, which could affect our operating results.

FAILURE TO COMPLY WITH THE AMERICANS WITH DISABILITIES ACT AND OTHER LAWS COULD RESULT IN SUBSTANTIAL COSTS

Our theatres must comply with the Americans with Disabilities Act (ADA). The ADA requires that public accommodations reasonably accommodate individuals with disabilities and that new construction or alterations be made to commercial facilities to conform to accessibility guidelines. Failure to comply with the ADA can result in injunctions, fines, damage awards to private parties and additional capital expenditures to remedy noncompliance. Our leases require the tenants to comply with the ADA, and we believe our theatres provide disabled access in compliance with the ADA.

Our properties are also subject to various other federal, state and local regulatory requirements. We believe our properties are in material compliance with all applicable regulatory requirements. However, we do not know whether existing requirements will change or whether compliance with future requirements will involve significant unanticipated expenditures. Although these expenditures would be the responsibility of our tenants, if tenants fail to perform these obligations, we may be required to do so.

POTENTIAL LIABILITY FOR ENVIRONMENTAL CONTAMINATION COULD RESULT IN SUBSTANTIAL COSTS

Under federal, state and local environmental laws, we may be required to investigate and clean up any release of hazardous or toxic substances or petroleum products at our properties, regardless of our knowledge or actual responsibility, simply because of our current or past ownership of the real estate. If unidentified environmental problems arise, we may have to make substantial payments, which could adversely affect our cash flow and our ability to make distributions to our shareholders. This is so because:

- As owner we may have to pay for property damage and for investigation and clean-up costs incurred in connection with the contamination
- The law may impose clean-up responsibility and liability regardless of whether the owner or operator knew of or caused the contamination
- Even if more than one person is responsible for the contamination, each person who shares legal liability under environmental laws may be held responsible for all of the clean-up costs
- Governmental entities and third parties may sue the owner or operator of a contaminated site for damages and costs

These costs could be substantial and in extreme cases could exceed the value of the contaminated property. The presence of hazardous substances or petroleum products or the failure to properly remediate contamination may adversely affect

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our ability to borrow against, sell or lease an affected property. In addition, some environmental laws create liens on contaminated sites in favor of the government for damages and costs it incurs in connection with a contamination.

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Our leases require the tenants to operate the properties in compliance with environmental laws and to indemnify us against environmental liability arising from the operation of the properties. We believe all of our properties are in material compliance with environmental laws. However, we could be subject to strict liability under environmental laws because we own the properties. There is also a risk that tenants may not satisfy their environmental compliance and indemnification obligations under the leases. Any of these events could substantially increase our cost of operations, require us to fund environmental indemnities in favor of our lenders and reduce our ability to service our debt and pay dividends to shareholders.

REAL ESTATE INVESTMENTS ARE RELATIVELY NON-LIQUID

We may desire to sell a property in the future because of changes in market conditions or poor tenant performance or to avail ourselves of other opportunities. We may also be required to sell a property in the future to meet debt obligations or avoid a default. Specialty real estate projects such as megaplex theatres cannot always be sold quickly, and we cannot assure you that we could always obtain a favorable price. We may be required to invest in the restoration or modification of a property before we can sell it.

RISKS THAT MAY AFFECT THE MARKET PRICE OF OUR SHARES

WE CANNOT ASSURE YOU WE WILL CONTINUE PAYING DIVIDENDS AT HISTORICAL RATES

Our ability to continue paying dividends at historical rates or to increase our dividend rate will depend on a number of factors, including our financial condition and results of future operations, the performance of lease terms by tenants, our ability to acquire, finance and lease additional properties at attractive rates, and provisions in our loan covenants. If we do not maintain or increase our dividend rate, that could have an adverse effect on the market price of our shares.

MARKET INTEREST RATES MAY HAVE AN EFFECT ON THE VALUE OF OUR SHARES

One of the factors that investors may consider in deciding whether to buy or sell our shares is our dividend rate as a percentage of our share price, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher dividend on our shares or seek securities paying higher dividends or interest.

MARKET PRICES FOR OUR SHARES MAY BE AFFECTED BY PERCEPTIONS ABOUT THE FINANCIAL HEALTH OR SHARE VALUE OF OUR TENANTS OR THE PERFORMANCE OF REIT STOCKS GENERALLY.

To the extent any of our tenants or other movie exhibitors report losses or slower earnings growth or take charges against earnings resulting from the obsolescence of multiplex theatres, the market price for our shares could be adversely affected. The market price for our shares could also be affected by any weakness in movie exhibitor stocks generally. We believe these trends had an adverse impact on our share price in 2000 and could have an adverse impact in the future if those trends persist in the cinema exhibition industry.

LIMITS ON CHANGES IN CONTROL MAY DISCOURAGE TAKEOVER ATTEMPTS WHICH MAY BE BENEFICIAL TO OUR SHAREHOLDERS

There are a number of provisions in our Declaration of Trust, Maryland law and agreements we have with others, which could make it more difficult for a party to make a tender offer for our shares or complete a takeover of EPR, which is

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not approved by our Board of Trustees. These include:

- A staggered Board of Trustees that can be increased in number
- A limit on beneficial ownership of our shares, which acts as a defense against a hostile takeover or acquisition of a significant or controlling interest in addition to preserving our REIT status
- The ability of the Board of Trustees to issue preferred shares or reclassify preferred or common shares without shareholder approval
- Limits on the ability of shareholders to remove trustees without cause

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- Requirements for advance notice of shareholder proposals at annual shareholder meetings
- Provisions of Maryland law restricting business combinations and control share acquisitions not approved by the Board of Trustees
- AMCE's ability to terminate a Right to Purchase Agreement for additional megaplex theatre properties if there is a change in control of EPR
- Provisions of Maryland law limiting a court's ability to scrutinize the trustees' exercise of their business judgment in the event of a hostile takeover
- Provisions in loan or joint venture agreements putting EPR in default upon a change in control
- Provisions of employment agreements with our officers calling for share purchase loan forgiveness upon a hostile change in control

Any or all of these provisions could delay or prevent a change in control of EPR, even if the change was in our shareholders' interest or offered a greater return to our shareholders.

ITEM 2. PROPERTIES

As of December 31, 2000, the Company's real estate portfolio consisted of 26 megaplex theatre properties (including joint ventures), one entertainment-themed retail center ("ETRC"), and six restaurant locations. Except as otherwise noted, all of the real estate investments listed below are owned or ground leased directly by the Company. The following table lists the Company's properties, their locations, acquisition dates, number of theatre screens, number of seats, gross square footage, and the tenant.

Property	Location	Acquisition Date	Screens	Seats	Building (gross sq. ft)
MEGAPLEX THEATRE PROPERTIES					
Grand 24 (3)	Dallas, TX	11/97	24	5,067	98,175
Mission Valley 20 (1) (3)	San Diego, CA	11/97	20	4,361	84,352
Promenade 16 (3)	Los Angeles, CA	11/97	16	2,860	129,822
Ontario Mills 30 (3)	Los Angeles, CA	11/97	30	5,469	131,534
Lennox 24 (1) (3)	Columbus, OH	11/97	24	4,412	98,261
West Olive 16 (3)	St. Louis, MO	11/97	16	2,817	60,418
Studio 30 (3)	Houston, TX	11/97	30	6,032	136,154
Huebner Oaks 24 (3)	San Antonio, TX	11/97	24	4,400	96,004
First Colony 24 (1)	Houston, TX	11/97	24	5,098	107,690

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Oakview 24 (1)	Omaha, NE	11/97	24	5,098	107,402
Leawood Town Center 20	Kansas City, MO	11/97	20	2,995	75,224
Gulf Pointe 30 (2)	Houston, TX	2/98	30	6,008	130,891
South Barrington 30	Chicago, IL	3/98	30	6,210	130,891
Cantera 30 (2) (6)	Chicago, IL	3/98	30	6,210	130,757
Mesquite 30 (2)	Dallas, TX	4/98	30	6,008	130,891
Hampton Town Center 24	Norfolk, VA	6/98	24	5,098	107,396
Raleigh Grand 16 (4)	Raleigh, NC	8/98	16	2,596	51,450
Pompano 18 (4)	Pompano Beach, FL	8/98	18	3,424	73,637
Paradise 24	Davie, FL	11/98	24	4,180	96,497
Boise Stadium (1) (4)	Boise, ID	12/98	20	4,734	140,300
Aliso Viejo 20	Los Angeles, CA	12/98	20	4,352	98,557
Westminster 24 (5)	Westminster, CO	6/99	24	4,812	107,000
Woodridge 18 (2)	Woodridge, IL	6/99	18	4,343	80,600
Tampa Palms 20	Tampa, FL	6/99	20	4,200	83,000
Palm Promenade 24(1)	San Diego, CA	1/00	24	4,577	88,610

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Crossroads 20	Raleigh, NC	1/00	20	3,936	
			---	-----	----
Subtotal Megaplex Theatres			600	119,297	2,6
OTHER PROPERTIES					
Westminster Promenade (5)	Westminster, CO	10/98	--	--	
Pompano Kmart	Pompano Beach, FL	11/98	--	--	
Nickels Restaurant	Pompano Beach, FL	11/98	--	--	
On-The-Border	Dallas, TX	1/99	--	--	
Bennigan's	Houston, TX	5/00	--	--	
Bennigan's	Dallas, TX	5/00	--	--	
Texas Land & Cattle	Houston, TX	5/00	--	--	
Roadhouse Grill	Atlanta, GA	8/00	--	--	
			---	-----	----
TOTAL			600	119,297	2,7

- (1) Third party ground leased property. Although the Company is the tenant under the ground leases and has assumed responsibility for performing the obligations thereunder, pursuant to the Leases, the theatre tenants are responsible for performing the Company's obligations under the ground leases.
- (2) In addition to the theatre property itself, the Company has acquired land parcels adjacent to the theatre property, which the Company has or intends to ground lease or sell to restaurant or other entertainment themed operators.
- (3) Property is included as security for a \$105 million mortgage facility.
- (4) Property is included as security for a \$20 million mortgage facility.
- (5) Property is included in the Westminster ETRC joint venture.
- (6) Property is included in the Atlantic-EPR joint venture.

OFFICE LOCATION. The Company's executive office is located in Kansas City, Missouri and is leased from a third party landlord. The office occupies approximately 5,200 square feet with annual rentals of \$107,856.

TENANTS AND LEASES

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The Company's existing leases on megaplex theatres provide for aggregate annual rentals of approximately \$51.6 million (on a consolidated basis, excluding joint ventures), or an average annual rental of approximately \$2.2 million per property. The Leases have an average remaining base term lease life of 14 years and may be extended for predetermined extension terms at the option of the tenant. The Leases are typically triple-net leases that require the tenant to pay substantially all expenses associated with the operation of the Properties, including taxes, other governmental charges, insurance, utilities, service, maintenance and any ground lease payments.

ADDITIONAL PROPERTY ACQUISITIONS

The following table lists the megaplex theatre properties acquired during 2000:

PROPERTY -----	LOCATION -----	OPERATOR -----
Palm Promenade 24	San Diego, CA	AMC
Crossroads 20	Raleigh, NC	Consolidated

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The following table sets forth, for the quarterly periods indicated, the high and low sales prices per Share for the Company's Shares on the New York Stock Exchange under the trading symbol "EPR" and the distributions declared.

	Share Price -----		Declared Distribution -----
	High ----	Low ---	
2000			

Fourth Quarter	\$12.25	\$10.5625	\$0.44
Third Quarter	\$14.625	\$10.4375	0.44
Second Quarter	\$15.00	\$12.50	0.44
First Quarter	\$14.4375	\$11.1275	0.44
1999			

Fourth Quarter	\$14.3125	\$12.75	\$0.42
Third Quarter	\$18.00	\$14.625	0.42
Second Quarter	\$19.9375	\$16.25	0.42
First Quarter	\$17.4375	\$15.625	0.42

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1998			

Fourth Quarter	\$18.9375	\$16.00	\$0.40
Third Quarter	\$18.875	\$14.00	0.40
Second Quarter	\$19.8125	\$18.25	0.40
First Quarter	\$20.00	\$19.1875	0.40

At March 26, 2001, there were approximately 7,174 holders of record of the Company's Shares.

The Company declared quarterly distributions to shareholders aggregating \$1.76 per Share in 2000 and \$1.68 per Share in 1999.

On March 14, 2001, the Company declared a dividend of \$0.45 per Share for the first quarter of 2001, payable April 17, 2001 to shareholders of record as of March 30, 2001.

While the Company intends to continue paying regular quarterly dividends, future dividend declarations will be at the discretion of the Board of Trustees and will depend on the actual cash flow of the Company, its financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and other factors the Board of Trustees deems relevant. The actual cash flow available to pay dividends may be affected by a number of factors, including the revenues received from rental properties, the operating expenses of the Company, interest expense on Company borrowings, the ability of lessees to meet their obligations to the Company and any unanticipated capital expenditures (See "Liquidity and Capital Resources" in Item 7 -- "Management's Discussion and Analysis").

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ITEM 6. SELECTED FINANCIAL DATA

	Year Ended December 31, 2000	Year Ended December 31, 1999	Year End December 1998
	-----	-----	-----
Rental revenue	\$53,287	\$48,319	\$35,0
Income from joint venture	2,104	333	
	-----	-----	-----
Total revenues	55,391	48,652	35,0
Depreciation and amortization	10,460	9,982	7,2
Income from operations	43,081	36,491	25,6
Interest expense (income)	18,909	13,278	6,4
Net income	24,172	23,213	19,2
Net income per common Share:			
Basic	\$1.63	\$1.60	\$1.

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Diluted	1.63	1.60	1.
Weighted average number of common Shares outstanding			
Basic	14,786	14,516	13,8
Diluted	14,810	14,552	13,8
Funds from operations	\$34,909	\$32,618	\$26,2
Cash dividends declared per common Share	\$1.76	\$1.68	\$1.

	December 31, 2000 -----	December 31, 1999 -----	December 1998 -----
Net real estate investments	\$472,795	\$478,706	\$455,9
Total assets	513,534	516,291	464,3
Dividends payable	6,479	6,273	5,5
Long-term debt	244,547	238,737	206,0
Total liabilities	252,915	249,904	215,8
Shareholders' equity	260,619	266,387	248,5

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto of the Company included in this Annual Report on Form 10-K. The forward-looking statements included in this discussion and elsewhere in this Form 10-K involve risks and uncertainties, including anticipated financial performance, business prospects, industry trends, shareholder returns and other matters, which reflect management's best judgment based on factors currently known. Actual results and experience could differ materially from the anticipated results and other expectations expressed in the Company's forward-looking statements as a result of a number of factors, including but not limited to those discussed in this Item and in Item 1 "Business -- Risk Factors".

RESULTS OF OPERATIONS

This discussion of the results of operations compares the year ended December 31, 2000 with the year ended December 31, 1999 and the year ended December 31, 1999 with the year ended December 31, 1998.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

Total revenues increased \$6.7 million, or 14%, to \$55.4 million for the year ended December 31, 2000, as compared to \$48.7 million for the year ended

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December 31, 1999. This increase resulted from the combined effect of (i) the acquisition of 2 properties in 2000 providing incremental revenues of \$3.3 million, (ii) the full-year impact of 2 properties acquired in mid-1999 providing incremental revenues of \$2.3 million, (iii) restaurant pad sites commencing operation in 2000 and rent adjustments as provided under some leases (\$0.8 million), and (iv) the net impact of joint ventures (including the effect of non-consolidation) of \$0.3 million.

General and administrative expense decreased \$0.3 million to \$1.9 million for the year ended December 31, 2000 as compared to \$2.2 million for the year ended December 31, 1999. The decrease during 2000 was due primarily to reduced acquisition activity in 2000 and reductions in costs related to the closing of the Company's California office.

Depreciation and amortization expense increased \$0.5 million to \$10.5 million for the year ended December 31, 2000 as compared to \$10.0 million for the year ended December 31, 1999. The increase was a result of additional property acquisitions during 2000 and 1999 as previously mentioned.

Net interest expense increased \$5.6 million to \$18.9 million for the year ended December 31, 2000, as compared to \$13.3 million for the year ended December 31, 1999. The increase in interest expense during 2000 was primarily attributable to overall increases in market interest rates and increases in the spread costs of outstanding advances under the Company's \$127 million Bank Credit Facility.

Net income for the year ended December 31, 2000 increased \$1.0 million to \$24.2 million or \$1.63 per diluted Share. For the year ended December 31, 1999, net income was \$23.2 million or \$1.60 per diluted Share.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

Total revenues increased \$13.6 million, or 39%, to \$48.7 million for the year ended December 31, 1999, as compared to \$35.0 million for the year ended December 31, 1998. This increase resulted from the combined effect of (i) the full year impact of 9 properties acquired in 1998 providing incremental revenues of \$10.0 million, (ii) the acquisition of 3 properties in 1999 providing incremental revenues of \$2.6 million, (iii) annual rent adjustments as provided under some leases (\$0.7 million) and (iv) income from a joint venture formed in June 1999 (\$0.3 million).

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General and administrative expense increased \$0.1 million to \$2.2 million for the year ended December 31, 1999 as compared to \$2.1 million for the year ended December 31, 1998. The increase during 1999 was due primarily to increases in personnel costs and costs related to the growth of the Company.

Depreciation and amortization expense increased \$2.7 million to \$10.0 million for the year ended December 31, 1999 as compared to \$7.3 million for the year ended December 31, 1998. The increase was a result of additional property acquisitions during 1999 and 1998.

Net interest expense increased \$6.8 million to \$13.3 million for the year ended December 31, 1999, as compared to \$6.5 million for the year ended December 31, 1998. The increase in interest expense during 1999 was primarily attributable to the increase in outstanding advances under the Company's \$150 million Bank Credit Facility.

Net income for the year ended December 31, 1999 increased \$4.0 million to \$23.2

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million or \$1.60 per diluted Share. For the year ended December 31, 1998, net income was \$19.2 million or \$1.39 per diluted Share.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2000, the Company had \$5.9 million in cash and cash equivalents, secured mortgage indebtedness of approximately \$125.5 million, and indebtedness of \$119 million under the Bank Credit Facility. The \$244.5 million aggregate principal amount of indebtedness had a weighted average interest rate of 8.2% as of December 31, 2000.

As of December 31, 2000, the Company had drawn \$119 million under the Bank Credit Facility. The Bank Credit Facility was repaid and retired on February 14, 2001 upon completion and issuance of \$125 million in mortgage debt secured by nine megaplex theatre properties. The Company is in the process of negotiating a new credit facility to be utilized to acquire additional entertainment properties, invest in joint ventures and to fund operations, if needed. (See "Risk Factors -- We must obtain new financing in order to grow").

The Company anticipates that its cash from operations will provide adequate liquidity to conduct its operations, fund administrative and operating costs and interest and principal payments on its debt, and allow distributions to the Company's shareholders and avoidance of corporate level federal income or excise tax in accordance with Internal Revenue Code requirements for qualification as a REIT.

CAPITAL REQUIREMENTS FOR ADDITIONAL ACQUISITIONS AND FUTURE GROWTH

The ability of the Company to continue to increase FFO and, thereby, increase distributions to its shareholders will depend on the Company's ability to grow its portfolio by making additional property acquisitions, which in turn will depend on the Company's continued access to additional financing in the capital markets.

As opportunities are presented for property acquisitions consistent with the Company's investment objectives, the Company intends to consider: (i) entering into joint ventures with other investors to acquire or develop properties, (ii) issuing Company securities in exchange for properties, and/or (iii) conducting a public offering or direct placement of the Company's securities designed to raise capital for acquisitions. There can be no assurance these objectives can be achieved (See "We must obtain new financing in order to grow", "Joint ventures may limit flexibility with jointly owned investments" and "Risks that may affect the market price of our Shares" under "Risk Factors").

FUNDS FROM OPERATIONS

The Company believes that to facilitate a clear understanding of the historical consolidated operating results, FFO should be examined in conjunction with net income as presented in the Consolidated Financial Statements. FFO is considered by management as an appropriate measure of the performance of an equity REIT because it is predicated on cash flow analysis, which management believes is more reflective of the value of real estate companies, such as the Company, rather than a measure predicated on net income, which includes non-cash expenses, such as depreciation. FFO is generally defined as net income plus certain non-cash items, primarily depreciation of real estate properties. Comparison of our presentation of FFO, using the definition adopted by the National Association of Real Estate Investment Trusts (NAREIT), to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

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The following table summarizes the Company's FFO for the years ended December 31, 2000 and December 31, 1999 (in thousands except per Share data):

	Year ended December 31, 2000 -----	Year ended December 31, 1999 -----
Net Income	\$24,172	\$ 23,213
Real estate depreciation	10,737	9,405
	-----	-----
FFO	\$34,909	\$ 32,618
	=====	=====

INFLATION

Investments by the Company are financed with a combination of equity and secured mortgage indebtedness. During inflationary periods, which are generally accompanied by rising interest rates, the Company's ability to grow may be adversely affected because the yield on new investments may increase at a slower rate than new borrowing costs.

All of the Company's megaplex theatre leases provide for base and participating rent features. To the extent inflation causes tenant revenues at the Company's properties to increase over baseline amounts, the Company would participate in those revenue increases through its right to receive annual percentage rent. The Company's leases also provide for escalation in base rents in the event of increases in the Consumer Price Index, with a limit of 2% per annum, or fixed periodic increases.

All of the Company's theatre leases are triple-net leases requiring the lessees to pay substantially all expenses associated with the operation of the properties, thereby minimizing the Company's exposure to increases in costs and operating expenses resulting from inflation.

FORWARD LOOKING INFORMATION

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

WITH THE EXCEPTION OF HISTORICAL INFORMATION, THIS REPORT ON FORM 10-K CONTAINS FORWARD-LOOKING STATEMENTS AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND IDENTIFIED BY SUCH WORDS AS "WILL BE," "INTEND," "CONTINUE," "BELIEVE," "MAY," "EXPECT," "HOPE," "ANTICIPATE," "GOAL," "FORECAST," OR OTHER COMPARABLE TERMS. THE COMPANY'S ACTUAL FINANCIAL CONDITION, RESULTS OF OPERATIONS OR BUSINESS MAY VARY MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD LOOKING STATEMENTS AND INVOLVE VARIOUS RISKS AND UNCERTAINTIES, INCLUDING BUT NOT LIMITED TO THOSE DISCUSSED UNDER "BUSINESS -- RISK FACTORS." INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risks, primarily relating to potential losses due to changes in interest rates. The Company seeks to mitigate the effects of fluctuations in interest rates by matching the term of new investments with new

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long-term fixed rate borrowings whenever possible.

The Company is subject to risks associated with debt financing, including the risk that existing indebtedness may not be refinanced or that the terms of such refinancing may not be as favorable as the terms of current indebtedness. The majority of the Company's borrowings are subject to mortgages or contractual agreements which limit the amount of indebtedness the Company may incur. Accordingly, if the Company is unable to raise additional equity or borrow money due to these limitations, the Company's ability to acquire additional properties may be limited.

The following table presents the principal amounts, weighted average interest rates, and other terms required by year of expected maturity to evaluate the expected cash flows and sensitivity to interest rate changes as of December 31:

Expected Maturities (in millions)

DECEMBER 31, 2000 -----	2001	2002	2003	2004	2005	The
-----	----	----	----	----	----	----
Fixed rate debt	\$4.8	\$1.6	\$1.8	\$1.9	\$20.5	
Average interest rate	7.0%	7.0%	7.0%	7.0%	7.0%	
Variable rate debt	\$119	\$--	\$--	\$--	\$--	
Average interest rate (as of December 31, 2000)	9.5%	--	--	--	--	
DECEMBER 31, 1999 -----	2000	2001	2002	2003	2004	The
-----	----	----	----	----	----	----
Fixed rate debt	\$1.2	\$4.6	\$1.4	\$1.5	\$1.6	
Average interest rate	6.8%	6.8%	6.8%	6.8%	6.8%	
Variable rate debt	\$--	\$132.0	\$--	\$--	\$--	
Average interest rate (as of December 31, 1999)	--	7.2%	--	--	--	

On February 14, 2001, the Company completed the issuance of \$125 million in mortgage financing secured by nine megaplex theatre properties, with a maturity date of March 2006. The proceeds from the financing were used to repay the \$119 million in loans outstanding under the Bank Credit Facility.

As the table incorporates only those exposures that existed as of December 31, 2000, it does not consider exposures or positions that could arise after that date.

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Report of Independent Auditors

The Board of Trustees
Entertainment Properties Trust

We have audited the accompanying consolidated balance sheets of Entertainment Properties Trust (the Company) as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2000. Our audits also included the financial statement schedule listed in the Index at Item 14(d). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Entertainment Properties Trust at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

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Ernst & Young LLP

Kansas City, Missouri
January 19, 2001

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Entertainment Properties Trust
Consolidated Balance Sheets
(In thousands except share and per share data)

	DECEMBER 31	
	2000	1999
	-----	-----
ASSETS		
Rental properties, net	\$ 460,537	\$ 466,406
Land held for development	12,258	12,300
Investment in joint ventures	27,391	9,117
Cash and cash equivalents	5,948	22,265
Notes receivable	434	406
Other assets	6,966	5,797
	-----	-----
Total assets	\$ 513,534	\$ 516,291
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,499	\$ 1,538
Dividends payable	6,479	6,273
Unearned rents	390	3,356
Long-term debt	244,547	238,737
	-----	-----
Total liabilities	252,915	249,904
Commitments and contingencies	--	--
Shareholders' equity		
Common shares, \$.01 par value; 50,000,000 shares authorized; 15,195,926 and 15,091,051 shares issued in 2000 and 1999, respectively	152	151
Preferred shares, \$.01 par value; 5,000,000 shares authorized; no shares issued or outstanding	--	--
Additional paid-in-capital	278,574	277,126
Treasury stock, at cost: 472,200 and 155,200 shares in 2000 and 1999, respectively	(6,533)	(2,136)
Loans to shareholders	(3,525)	(2,400)
Non-vested shares	(575)	(805)
Distributions in excess of net income	(7,474)	(5,549)
	-----	-----
Shareholders' equity	260,619	266,387
	-----	-----
Total liabilities and shareholders' equity	\$ 513,534	\$ 516,291

=====

See accompanying notes.

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Entertainment Properties Trust
 Consolidated Statements of Income
 (In thousands except per share data)

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	-----	-----	-----
Rental revenue	\$53,287	\$48,319	\$35,031
General and administrative expense	1,850	2,179	2,052
Depreciation and amortization	10,460	9,982	7,280
	-----	-----	-----
Income from operations	40,977	36,158	25,699
Interest expense	18,909	13,278	6,461
Equity in income from joint venture	2,104	333	--
	-----	-----	-----
Net income	\$24,172	\$23,213	\$19,238
	=====	=====	=====
Basic and diluted net income per common share	\$ 1.63	\$ 1.60	\$ 1.39
	=====	=====	=====
Shares used for computation:			
Basic	14,786	14,516	13,802
Diluted	14,810	14,552	13,880

See accompanying notes.

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ENTERTAINMENT PROPERTIES TRUST
 CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 (In thousands)

COMMON

ADDITIONAL

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	STOCK SHARES	PAR	PAID-IN CAPITAL	TREASURY STOCK	LOANS TO SHAREHOLDERS	NON-VESTED SHARES
Balance at December 31, 1997	13,860	\$139	\$ 255,720	\$ --	\$ (2,400)	\$ (1,180)
Issuance of common stock	2	--	36	--	--	--
Amortization of stock grant		--	--	--	--	240
Net income		--	--	--	--	--
Dividends to common shareholders (\$1.60 per share)		--	--	--	--	--
Balance at December 31, 1998	13,862	139	255,756	--	(2,400)	(940)
Issuance of common stock	1,200	12	20,905	--	--	--
Shares issued to Directors	3	--	54	--	--	--
Issuance of stock grant	18	--	298	--	--	(238)
Amortization of stock grant		--	--	--	--	373
Net income		--	--	--	--	--
Shares issued through Dividend Reinvestment Plan	8	--	113	--	--	--
Purchase of treasury stock		--	--	(2,136)	--	--
Dividends to common shareholders (\$1.68 per share)		--	--	--	--	--
Balance at December 31, 1999	15,091	151	277,126	(2,136)	(2,400)	(805)
Loans to officers	80	1	1,124	--	(1,125)	--
Issuance of stock grant	21	--	265	--	--	(220)
Amortization of stock grant	--	--	--	--	--	450
Net income	--	--	--	--	--	--
Purchase of treasury stock	--	--	--	(4,397)	--	--
Shares issued to Directors	4	--	59	--	--	--
Dividends to common shareholders (\$1.76 per share)		--	--	--	--	--
Balance at December 31, 2000	15,196	\$152	\$ 278,574	\$ (6,533)	\$ (3,525)	\$ (575)

See accompanying notes

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Entertainment Properties Trust
Consolidated Statements of Cash Flows
(In thousands)

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	----	----	----
OPERATING ACTIVITIES			
Net income	\$ 24,172	\$ 23,213	\$ 19,238
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	10,460	9,982	7,280

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Compensation pertaining to common shares issued to trustees and employees	104	114	36
Increase in other assets	(1,253)	(374)	(5,642)
(Decrease) increase in other liabilities	165	318	(2,826)
(Decrease) increase in unearned rent	(2,966)	195	1,286
	-----	-----	-----
Net cash provided by operating activities	30,682	33,448	19,372
 INVESTING ACTIVITIES			
Acquisition of rental properties	(37,027)	(36,741)	(231,511)
Net proceeds from contribution of rental properties to joint venture	13,867	--	--
Proceeds from sale of equity interest in joint venture	1,428	--	--
Acquisition of development properties	(789)	(4,490)	(17,649)
	-----	-----	-----
Net cash used in investing activities	(22,521)	(41,231)	(249,160)
 FINANCING ACTIVITIES			
Issuance of common shares, net of costs	--	21,029	--
Proceeds from long-term debt	20,175	34,000	206,459
Principal payments on long-term debt	(14,365)	(1,145)	(422)
Purchase of treasury stock	(4,397)	(2,136)	--
Distribution to shareholders	(25,891)	(24,041)	(19,128)
	-----	-----	-----
Net cash provided by (used in) financing activities	(24,478)	27,707	186,909
	-----	-----	-----
 Net increase (decrease) in cash and cash equivalents	 (16,317)	 19,924	 (42,879)
Cash and cash equivalents at beginning of period	22,265	2,341	45,220
	-----	-----	-----
Cash and cash equivalents at end of period	\$ 5,948	\$ 22,265	\$ 2,341
	=====	=====	=====
 SUPPLEMENTAL SCHEDULE OF NONCASH ACTIVITY			
Declaration of dividend to common shareholders	\$ 6,479	\$ 6,273	\$ 5,545
	=====	=====	=====
Transfer of land held for development to rental property	\$ 831	\$ 722	\$ --
	=====	=====	=====
Contribution of rental properties to joint ventures	\$ 33,568	\$ 8,658	\$ --
	=====	=====	=====
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid for interest	\$ 18,048	\$ 14,229	\$ 5,738
	=====	=====	=====

See accompanying notes

Entertainment Properties Trust
Notes to Consolidated Financial Statements
December 31, 2000, 1999 and 1998

1. ORGANIZATION

Entertainment Properties Trust (the Company) is a Maryland real estate investment trust (REIT) organized on August 29, 1997. The Company was formed to

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acquire and develop entertainment properties including megaplex theatres and entertainment-themed retail centers.

In November 1997, the Company completed an initial public offering of 13,860,000 common shares, the proceeds of which were used to acquire theatre properties in accordance with its business plan.

2. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Entertainment Properties Trust and its wholly-owned subsidiaries, EPT DownREIT, Inc. and EPT DownREIT II, Inc. All significant intercompany transactions have been eliminated.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ significantly from such estimates and assumptions.

RENTAL PROPERTIES

Rental properties are carried at cost less accumulated depreciation. Costs incurred for the acquisition of the properties are capitalized. Accumulated depreciation is computed over the estimated useful lives of the assets, which generally are estimated to be 40 years for buildings and improvements. Expenditures for ordinary maintenance and repairs are charged to operations in the period incurred. Significant renovations and improvements which improve or extend the useful life of the asset are capitalized and depreciated over its estimated useful life.

In accordance with Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," the Company would record impairment losses on long-lived assets if events and circumstances indicate that the carrying value of an asset might not be fully recoverable. In such an event, the undiscounted cash flows estimated to be generated by those assets are compared to the carrying amounts of those assets and if less, the Company will recognize an impairment loss in the amount by which the carrying amount exceeds fair value. The Company believes that no material impairment exists at December 31, 2000.

OPERATING SEGMENT

The Company aggregates the financial information of all its properties into one reportable segment because the properties all have similar economic characteristics and provide similar services to similar types and classes of customers.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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REVENUE RECOGNITION

All leases contain provisions for periodic escalation in base rent (base rent escalation). In addition, tenants are subject to additional rents if gross revenues of the properties exceed certain thresholds defined in the lease agreements (percentage rents). Base rents are recognized on a straight-line basis over the term of the lease, and the base rent escalation are recognized when earned. Percentage rents are recognized at the time when specific triggering events occur as provided by the lease agreements.

INCOME TAXES

The Company operates in a manner intended to enable it to qualify as a REIT under the Internal Revenue Code (the Code). A REIT which distributes at least 95% of its taxable income to its shareholders each year and which meets certain other conditions is not taxed on that portion of its taxable income, which is distributed to its shareholders. The Company intends to continue to qualify as a REIT and distribute substantially all of its taxable income to its shareholders. Accordingly, no provision has been made for income taxes.

Earnings and profits, which will determine the taxability of distributions to shareholders, will differ from that reported for financial reporting purposes due primarily to differences in the basis of the assets and the estimated useful lives used to compute depreciation.

SHARE BASED COMPENSATION

The Company has elected to follow Accounting Principles Board Opinion No. 25 (APB 25), "Accounting for Stock Issued to Employees," and related interpretations in accounting for its employee Share options rather than the alternative fair value accounting provided for under SFAS No. 123, "Accounting and Disclosure for Stock Based Compensation." Under APB 25, because the exercise price of the Company's employee share options equals the market price of the underlying shares at the date of grant, no compensation expense is recognized.

CONCENTRATION OF RISK

American Multi-Cinema, Inc. (AMC) is the lessee of a substantial portion (65%) of the megaplex theatre rental properties held by the Company at December 31, 2000 as a result of a series of sale leaseback transactions pertaining to a number of AMC megaplex theatres. A substantial portion (approximately 67%) of the Company's revenues, and its ability to make distributions to its shareholders, will depend on rental payments by AMC under the leases, or its parent, AMC Entertainment, Inc. (AMCE), as the guarantor of AMC's obligations under the leases. AMC Entertainment, Inc. is a publicly held company (AMEX:AEN) and accordingly, their financial information is publicly available.

RECENTLY ISSUED ACCOUNTING STANDARD

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which is required to be adopted on January 1, 2001. Management has stated that the adoption of the new statement has not had a significant effect on earnings or the financial position of the Company.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Company to estimate the fair value of each class of financial instrument presented as of December 31, 2000 and 1999.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents: The carrying amount of cash and cash equivalents

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approximates fair value due to the short term maturities of these financial instruments.

Long term debt: The fair value of long-term debt at December 31, 2000 and 1999, which is estimated as the present value of future cash flows, discounted at market interest rates of debt instruments with similar terms and remaining maturities, approximates its carrying value.

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Entertainment Properties Trust Notes to Consolidated Financial Statements (continued)

CASH EQUIVALENTS

Cash equivalents include demand deposits and shares of a money market mutual fund for which cost approximates market value.

3. RENTAL PROPERTIES

The following table summarizes the carrying amounts of rental properties as of December 31, 2000, 1999 and 1998 (in thousands);

	2000	1999	1998
	-----	-----	-----
Buildings and improvements	\$ 400,183	\$ 396,779	\$ 368,429
Land	83,874	84,432	77,553
	-----	-----	-----
	484,057	481,211	445,982
Accumulated depreciation	(23,520)	(14,805)	(7,634)
	-----	-----	-----
Total	\$ 460,537	\$ 466,406	\$ 438,348
	=====	=====	=====

Depreciation expense on rental properties was \$10.2 million, \$9.4 million and \$7.0 for the years ended December 31, 2000, 1999 and 1998, respectively.

4. REAL ESTATE JOINT VENTURES

On May 11, 2000, the Company completed the formation of a joint venture with Atlantic of Hamburg, Germany ("Atlantic"), whereby the Company contributed the AMC Cantera theatre with a carrying value of \$33.5 million in exchange for cash proceeds from mortgage financing of \$17.85 million and a 100% interest in the venture. The Company subsequently sold to Atlantic an 8% initial interest in exchange for \$1.4 million in cash. It is expected that Atlantic will acquire up to an additional 72% interest in the joint venture by selling securities to investors, with the proceeds of those sales to be contributed to the venture and then paid to the Company in reduction of its interest. The Company accounts for its investment in the real estate joint venture under the equity method of accounting as it's majority ownership is deemed to be temporary. The joint venture is structured as a limited partnership (LP).

On June 30, 1999, the Company finalized a joint venture with Excel Legacy Corp.

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(Amex: XLG), whereby the Company contributed certain undeveloped land parcels with a carrying value of \$8.7 million in exchange for a 50% interest in the real estate joint venture, comprised of the undeveloped land parcels and the Westminster AMC 24 screen theatre in Westminster, Colorado. The joint venture intends to develop the properties as an entertainment-themed retail center. The Company accounts for its investment in the real estate joint venture under the equity method of accounting. The joint venture is structured as a limited liability company (LLC).

5. OPERATING LEASES

The Company's rental properties are leased under operating leases with expiration dates ranging from 13 to 20 years. Future minimum rentals on non-cancelable tenant leases at December 31, 2000 are as follows (in thousands):

2001	\$55,958
2002	55,697
2003	55,697

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Entertainment Properties Trust Notes to Consolidated Financial Statements (continued)

2004	55,697
2005	56,556
Thereafter	520,433

	\$800,038
	=====

6. LONG TERM DEBT

Long term debt at December 31 consists of the following (in thousands):

	2000	1999
	-----	-----
Mortgage note payable, 6.77%, due July 11, 2008	\$102,262	\$103,433
Mortgage note payable, 8.18%, due February 1, 2005	\$ 19,981	--
Revolving line of credit, Libor plus 275 basis points (9.50% at December 31, 2000), due March 2, 2001	119,000	132,000
Mortgage note payable, 7.00%, due December 28, 2001	3,304	3,304
	-----	-----
Total	\$244,547	\$238,737
	=====	=====

The Company's mortgage note payable due July 11, 2008 is collateralized by eight megaplex theatre properties, which had a net book value of approximately \$154.5

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million at December 31, 2000.

The Company's mortgage note payable due February 1, 2005 is collateralized by three megaplex theatre properties, which had a net book value of approximately \$42.4 million at December 31, 2000.

The Company's mortgage note payable due December 28, 2001 is collateralized by three undeveloped land parcels, which had a net book value of approximately \$4.9 million at December 31, 2000.

The Company's revolving line of credit provides for borrowing up to \$127 million. Amounts available under this line of credit at December 31, 2000 totaled \$8 million. Payments due on long term debt subsequent to December 31, 2000 are as follows (in thousands):

2001	\$123,843
2002	1,651
2003	1,773
2004	1,879
2005	20,542
Thereafter	94,859

Total	\$244,547
	=====

7. SHARE INCENTIVE PLAN

The Company maintains a Share Incentive Plan (the Plan) under which options to purchase up to 1,500,000 of the Company's common Shares, subject to adjustment in the event of certain corporate events, may be granted. These options provide the right to purchase Shares at a price not less than the fair

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Entertainment Properties Trust Notes to Consolidated Financial Statements (continued)

market value of the Shares at the date of grant. The options may be granted for any reasonable term, not to exceed 10 years.

Pro forma information regarding net income and earnings per share is required by SFAS No. 123 and has been determined as if the Company had accounted for its employee stock options under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions for the periods ended December 31, 2000, 1999 and 1998, respectively: risk-free interest rate of 5.0%, 5.0% and 4.7%, dividend yield of 8%, volatility factors of the expected market price of the Company's common Shares of 0.35, 0.18 and 0.37 and an expected life of the options of eight years.

For the purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options vesting period. The Company's pro forma information for each of the years ended December 31, 2000, 1999 and 1998 is as follows (in thousands except for earnings per Share information):

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	2000 ----	1999 ----	1998 ----
Net income:			
As reported	\$24,172	\$23,213	\$19,238
Pro forma	24,041	23,174	19,231
Basic earnings per Share:			
As reported	\$1.63	\$1.60	\$1.39
Pro forma	1.63	1.59	1.39

A summary of the Company's stock option activity and related information is as follows:

	NUMBER OF SHARES -----	OPTIONS PRICE PER SHARE -----	WEIGHTED AVERAGE EXERCISE PRICE -----
Outstanding at December 31, 1997	90,000	\$20.00	\$20.00
Exercised	--	\$--	\$ --
Granted	135,999	\$14.81-\$19.50	\$17.97
Canceled/Expired	(25,000)	\$19.50	\$19.50

Outstanding at December 31, 1998	200,999	\$14.81-\$20.00	\$18.69
Exercised	--	\$--	\$ --
Granted	9,999	\$19.12	\$19.12
Canceled/Expired	--	\$--	\$ --

Outstanding at December 31, 1999	210,998	\$14.81-\$20.00	\$18.71
Exercised	--	\$--	\$ --
Granted	240,000	\$14.13	\$14.13
Canceled/Expired	43,000	\$19.50-\$20.00	\$19.97

Outstanding at December 31, 2000	407,998	\$14.13-\$20.00	\$15.88

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Entertainment Properties Trust
Notes to Consolidated Financial Statements (continued)

The following table summarizes outstanding and exercisable options at December 31, 2000:

OPTIONS OUTSTANDING -----	OPTIONS EXERCISABLE -----
WEIGHTED-	

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EXERCISE PRICES	NUMBER OUTSTANDING	AVERAGE EXERCISE PRICE	NUMBER OUTSTANDING
\$14.13	240,000	\$14.13	--
\$14.81	30,000	\$14.81	12,000
\$18.19	50,000	\$18.19	20,000
\$19.12	9,999	\$19.12	9,999
\$19.31	9,999	\$19.31	9,999
\$19.50	18,000	\$19.50	7,200
\$20.00	50,000	\$20.00	42,000

During 2000 and 1999, the Company issued 20,694 and 18,044, respectively restricted Shares for bonus compensation to executives and other employees of the Company. The holders of these restricted Shares have voting rights and are eligible to receive dividends from the date of grant. These shares vest in various increments over a period of three years from the date of grant. The Company records compensation expense pertaining to these restricted Shares ratably over the period of vesting. Compensation expense related to the restricted shares recorded during 2000 and 1999 amounted to \$179,750 and \$238,286 respectively.

8. RELATED PARTIES

In 2000, the Company loaned an aggregate of \$3,525,000 to executives within the Company. The loans were made in order for the executives to purchase shares of the Company's stock at the market value of the shares on the date of the loan, as well as to repay borrowings on certain amounts previously loaned. The loans bear interest at 6.24% and are due on January 1, 2011. The Company has adopted a Loan Forgiveness Program, under which the Compensation Committee may forgive a portion of the above referenced indebtedness after application of proceeds from the sale of shares, following a change in control of the Company. The Compensation Committee may also forgive the debt incurred upon termination of employment by reason of death, disability, normal retirement or without cause.

9. EARNINGS PER SHARE

The following table sets forth the computation of the basic and diluted earnings per Share for the years ended December 31, 2000, 1999, and 1998 (dollars in thousands except Share information):

	2000 ----	1999 ----
Numerator for basic and diluted earnings per Share - net income available to common shareholders	\$24,172 =====	\$23,213 =====

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Denominator:		
Denominator for basic earnings per Share -- weighted-average Shares	14,786,263	14,515,619
Effect of dilutive securities:		
Employee Share options	--	--
Non-vested Share grants	24,000	36,000
	-----	-----
Dilutive potential common Shares	24,000	36,000
	-----	-----
Denominator for diluted earnings per Share -- adjusted weighted-average Shares	14,810,263	14,551,619
	=====	=====
Basic and diluted net income per Share	\$1.63	\$1.60
	=====	=====

10. DERIVATIVES

In 1998, the Company entered into a forward contract in connection with a long-term debt agreement due July 2008 to essentially fix the base rate of interest on a notional amount of \$105,000,000. The forward contract settled on June 29, 1998, the closing date of the long-term debt issuance, and the Company recorded a loss of \$1,442,000. This loss is being amortized as an increase to interest expense over the term of the long-term debt and will result in an effective interest rate of 6.84%.

11. SUBSEQUENT EVENTS

In February 14, 2001, the Company completed a \$125 million five year, fixed rate secured financing which is collateralized by nine properties. Proceeds from the financing were used primarily to repay borrowings of \$119 million under the Bank Credit Facility.

12. QUARTERLY RESULTS (unaudited)

2000 Quarterly Consolidated Statements of Income (In thousands except per Share data)

	3/31/00	6/30/00	9/30/00	12/31/00
	-----	-----	-----	-----
Rental revenue	\$13,700	\$13,429	\$13,084	\$13,074
Income from joint venture	176	750	576	602
	-----	-----	-----	-----
Total revenue	13,876	14,179	13,660	13,676
General and administrative expense	494	495	393	468
Depreciation and amortization	2,696	2,619	2,571	2,574
	-----	-----	-----	-----
Income from operations	10,686	11,065	10,696	10,634
Interest expense	4,438	4,619	4,840	5,012
	-----	-----	-----	-----
Net income	\$ 6,248	\$ 6,446	\$ 5,856	\$ 5,622

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	=====	=====	=====	=====
Basic net income per common Share	\$ 0.42	\$ 0.43	\$ 0.40	\$ 0.38
	=====	=====	=====	=====
Diluted net income per common Share	\$ 0.42	\$ 0.43	\$ 0.40	\$ 0.38
	=====	=====	=====	=====

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Entertainment Properties Trust
Notes to Consolidated Financial Statements (continued)

1999 Quarterly Consolidated Statements of Income
(Dollars in thousands except per Share data)

	3/31/99	6/30/99	9/30/99	12/31/99
	-----	-----	-----	-----
Rental revenue	\$11,497	\$12,006	\$12,325	\$12,491
Income from joint venture	--	--	177	156
	-----	-----	-----	-----
Total revenue	11,497	12,006	12,502	12,647
General and administrative expense	582	611	520	466
Depreciation and amortization	2,325	2,447	2,524	2,686
	-----	-----	-----	-----
Income from operations	8,590	8,948	9,458	9,495
Interest expense	3,152	3,431	3,270	3,425
	-----	-----	-----	-----
Net income	\$ 5,438	\$ 5,517	\$ 6,188	\$ 6,070
	=====	=====	=====	=====
Basic net income per common Share	\$ 0.39	\$ 0.39	\$ 0.41	\$ 0.41
	=====	=====	=====	=====
Diluted net income per common Share	\$ 0.39	\$ 0.39	\$ 0.41	\$ 0.40
	=====	=====	=====	=====

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Entertainment Properties Trust
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2000

Description	Market	Encumbrance	Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	
			Land	Buildings and Improvements	Improvements	Carrying Costs
			-----	-----	-----	-----

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Grand 24	Dallas, TX	\$ 11,688	\$ 3,060	\$ 15,540		\$ 3
Mission Valley 20	San Diego, CA	10,215		16,300		6
Promenade 16	Los Angeles, CA	17,924	6,021	22,479		6
Ontario Mills 30	Los Angeles, CA	15,913	5,521	19,779		5
Lennox 24	Columbus, OH	8,084		12,900		4
West Olive 16	St. Louis, MO	11,207	4,985	12,815		4
Studio 30	Houston, TX	16,608	6,023	20,377		6
Huebner Oaks 24	San Antonio, TX	10,623	3,006	13,894		3
First Colony 24	Houston, TX			19,100		
Oakview 24	Omaha, NE			16,700		
Leawood 20	Kansas City, MO		3,714	12,086		3
Gulf Pointe 30	Houston, TX		4,304	21,496		4
South Barrington 30	Chicago, IL		6,577	27,723		6
Mesquite 30	Dallas, TX		2,912	20,288		2
Hampton Town						
Center 24	Norfolk, VA		3,822	24,678		3
Pompano 18	Pompano Beach, FL	7,923	6,376	9,898	2,426	6
Raleigh Grand 16	Raleigh, NC	4,135	2,919	5,839		2
Paradise 24	Miami, FL		2,000	13,000	8,519	2
Pompano Kmart	Pompano Beach, FL		600	2,423		
Nickels Restaurant	Pompano Beach, FL		200	800		
Aliso Viejo 20	Los Angeles, CA		8,000	14,000		8
Bosie Stadium 20	Boise, ID	7,923		16,000		
Woodridge 18	Chicago, IL			8,922		
Cary Crossroads 20	Cary, NC		3,352	11,653		3
Tampa Palms 20	Tampa, FL		6,000	12,809		6
Palms Promenade	San Diego, CA			17,750		
On The Border	Dallas, TX		674			205
Bennigan's	Dallas, TX		565		1,001	163
Bennigan's	Houston, TX		511		750	141
Texas Land & Cattle	Houston, TX		511		814	193
Roadhouse Grill	Atlanta, GA		751			117
In Development	Various	3,304	10,467			1,791
Acquisition Costs		--	--	312	--	--
TOTAL		\$125,547	\$92,871	\$389,561	\$13,510	\$2,610
		=====	=====	=====	=====	=====

Description	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation in Latest Income Statement is Computed
Grand 24	\$ 957	5/95	11/97 (1)	40 years
Mission Valley 20	1,003	12/95	11/97 (1)	40 years
Promenade 16	1,383	3/96	11/97 (1)	40 years
Ontario Mills 30	1,217	12/96	11/97 (1)	40 years
Lennox 24	794	12/96	11/97 (1)	40 years
West Olive 16	788	4/97	11/97 (1)	40 years
Studio 30	1,253	5/97	11/97 (1)	40 years
Huebner Oaks 24	855	6/97	11/97 (1)	40 years
First Colony 24	1,476	12/97	11/97	40 years
Oakview 24	1,287	2/98	11/97	40 years
Leawood 20	932	12/97	11/97	40 years
Gulf Pointe 30	1,568	1/98	2/98	40 years
South Barrington 30	1,964	3/98	3/98	40 years
Mesquite 30	1,353	4/98	4/98	40 years
Hampton Town				

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Center 24	1,543	6/98	6/98	40 years
Pompano 18	729	8/98	8/98	40 years
Raleigh Grand 16	353	5/98	8/98	40 years
Paradise 24	978	11/98	11/98	40 years
Pompano Kmart	122	6/77	11/98	40 years
Nickels Restaurant	40	9/98	11/98	40 years
Aliso Viejo 20	700	4/98	12/98	40 years
Bosie Stadium 20	800	12/97	12/98	40 years
Woodridge 18	334	3/99	6/99	40 years
Cary Crossroads 20	291	11/99	6/99	40 years
Tampa Palms 20	346	11/99	6/99	40 years
Palms Promenade	407	11/99	6/99	40 years
On The Border		1/99	11/97	
Bennigan's	7	5/00	11/97	10 years
Bennigan's	14	5/00	11/97	10 years
Texas Land & Cattle		7/00	11/97	
Roadhouse Grill		8/00	3/99	
In Development				
Acquisition Costs	28	Various	Various	Various

TOTAL	\$23,520			
	=====			

(1) Properties initially acquired in November 1997 were transferred to wholly owned subsidiary in June 1998 at net book value.

RECONCILIATION:

		Real Estate

Balance at beginning of the period		\$ 495,745
Additions during the period	\$32,650	
Improvements	2,617	
Other	303	35,570

Deductions during period -- transfer of property to joint venture		35,000
Balance at Close of period		\$ 496,315
		=====

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Entertainment Properties Trust
Schedule III - Real Estate and Accumulated Depreciation
December 31, 1999

Initial Cost to Company	Costs Capitalized Subsequent to Acquisition
-----	-----
Buildings	-----

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Description	Market	Encumbrance	Land	Improvements	Improvements	Carrying Costs	L
Grand 24	Dallas, TX	\$ 11,822	\$ 3,060	\$15,540			\$3,
Mission Valley 20	San Diego, CA	10,332		16,300			6,
Promenade 16	Los Angeles, CA	18,129	6,021	22,479			6,
Ontario Mills 30	Los Angeles, CA	16,096	5,521	19,779			5,
Lennox 24	Columbus, OH	8,176		12,900			
West Olive 16	St. Louis, MO	11,336	4,985	12,815			4,
Studio 30	Houston, TX	16,798	6,023	20,377			6,
Huebner Oaks 24	San Antonio, TX	10,744	3,006	13,894			3,
First Colony 24	Houston, TX			19,100			
Oakview 24	Omaha, NE			16,700			
Leawood 20	Kansas City, MO		3,714	12,086			3,
Gulf Pointe 30	Houston, TX		4,304	21,496			4,
South Barrington 30	Chicago, IL		6,577	27,723			6,
Cantera 30	Chicago, IL		7,513	27,487			7,
Mesquite 30	Dallas, TX		2,912	20,288			2,
Hampton Town Center 24	Norfolk, VA		3,822	24,678			3,
Pompano 18	Pompano Beach,		6,376	9,898	2,426		6,
Raleigh Grand 16	Raleigh, NC		2,919	5,839			2,
Paradise 24	Miami, FL		2,000	13,000	8,519		2,
Pompano Kmart	Pompano Beach,		600	2,423			
Nickels Restaurant	Pompano Beach, FL		200	800			
Aliso Viejo 20	Los Angeles, CA		8,000	14,000			8,
Bosie Stadium 20	Boise, ID			16,000			
Woodridge 18	Chicago, IL			8,922			
Tampa Palms 20	Tampa, FL		6,000	12,809			6,
On The Border	Dallas, TX		674			205	
In Development	Various	3,304	11,278			1,022	12,
Acquisition Costs		--	--	738	--	--	
TOTAL		\$106,737	\$95,505	\$388,071	\$10,945	\$1,227	\$96,

Description	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation in Latest Income Statement is Computed
Grand 24	\$ 832	5/95	11/97 (1)	40 years
Mission Valley 20	873	12/95	11/97 (1)	40 years
Promenade 16	1,203	3/96	11/97 (1)	40 years
Ontario Mills 30	1,059	12/96	11/97 (1)	40 years
Lennox 24	691	12/96	11/97 (1)	40 years
West Olive 16	686	4/97	11/97 (1)	40 years
Studio 30	1,091	5/97	11/97 (1)	40 years
Huebner Oaks 24	744	6/97	11/97 (1)	40 years
First Colony 24	995	12/97	11/97	40 years
Oakview 24	870	2/98	11/97	40 years
Leawood 20	629	12/97	11/97	40 years
Gulf Pointe 30	1,030	1/98	2/98	40 years
South Barrington 30	1,271	3/98	3/98	40 years
Cantera 30	1,202	3/98	3/98	40 years
Mesquite 30	845	4/98	4/98	40 years
Hampton Town Center 24	925	6/98	6/98	40 years
Pompano 18	308	8/98	8/98	40 years

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Raleigh Grand 16	146	5/98	8/98	40 years
Paradise 24	440	11/98	11/98	40 years
Pompano Kmart	61	6/77	11/98	40 years
Nickels Restaurant	20	9/98	11/98	40 years
Aliso Viejo 20	350	4/98	12/98	40 years
Bosie Stadium 20	400	12/97	12/98	40 years
Woodridge 18	111	3/99	6/99	40 years
Tampa Palms 20	27	11/99	6/99	40 years
On The Border		1/99	11/97	
In Development				
Acquisition Costs	231	Various	Various	Various

TOTAL	\$14,805			
	=====			

(1) Properties initially acquired in November 1997 were transferred to wholly owned subsidiary in June 1998 at net book value.

RECONCILIATION:

	Real Estate

Balance at beginning of the period	\$ 463,631
Additions during the period	
Improvements	\$31,753
Other	8,519
	960

	41,232
Deductions during period	
transfer of property to joint venture	9,117
transfer of property to subsidiary (1)	2,235
Balance at Close of period	\$ 493,511
	=====

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Company's definitive Proxy Statement for its Annual Meeting of Shareholders to be held on [MAY 23], 2001 (the "Proxy Statement"), contains under the captions "Election of Trustee", "Officers", and "Section 16(a) Beneficial Ownership Reporting Compliance" the information required by Item 10 of Form 10-K, which information is incorporated herein by this reference.

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ITEM 11. EXECUTIVE COMPENSATION

The Proxy Statement contains under the captions "Election of Trustee -- Compensation of Trustees", "Executive Compensation", "Compensation Committee" and "Company Performance" the information required by Item 11 of Form 10-K, which information is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Proxy Statement contains under the caption "Share Ownership" the information required by Item 12 of Form 10-K, which information is incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Proxy Statement contains under the caption "Transactions Between the Company and Trustees, Officers or their Affiliates" the information required by Item 13 of this Form 10-K, which information is incorporated herein by this reference.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Exhibits, Financial Statements and Financial Statement Schedules:

Financial Statements:

Report of Independent Auditors
Consolidated Balance Sheets as of December 31, 2000 and 1999.
Consolidated Statements of Income for the three years ended December 31, 2000, 1999 and 1998.
Consolidated Statements of Changes in Shareholders' Equity for the three years ended December 31, 2000, 1999 and 1998.
Consolidated Statements of Cash Flows for the three years ended December 31, 2000, 1999 and 1998.
Notes to Consolidated Financial Statements

(b) Reports on Form 8-K: none

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(c) Exhibits

- 10.18* Mezzanine Loan Agreement dated February 14, 2001, between Megaplex Holdings, Inc. and istar Funding, LLC
- 10.19* Loan Agreement dated February 14, 2001, between Megaplex Nine, Inc. and Bear Stearns Funding, Inc.
- 21* Subsidiaries of the Company
- 23* Consent of Independent Auditors

* Previously filed.

(d) Financial Statement Schedules

Schedule III - Real Estate and Accumulated Depreciation

No other schedules meet the requirement for disclosure.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ENTERTAINMENT PROPERTIES TRUST

Dated: August 22, 2001

By /s/ Fred L. Kennon

Fred L. Kennon, Vice President --
Chief Financial Officer
Treasurer and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

SIGNATURE AND TITLE -----	DATE ----
/s/ Peter C. Brown ----- Peter C. Brown, Chairman of the Board	August 22, 2001
/s/ David M. Brain ----- David M. Brain, Chief Executive Officer and Trustee	August 22, 2001
/s/ Robert J. Druten ----- Robert J. Druten, Trustee	August 22, 2001
/s/ Scott H. Ward ----- Scott H. Ward, Trustee	August 22, 2001
/s/ Danley K. Sheldon -----	August 22, 2001

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Danley K. Sheldon, Trustee

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Entertainment Properties Trust
Notes to Consolidated Financial Statements
December 31, 2000, 1999 and 1998

INDEX OF EXHIBITS

Exhibit No. -----	Description -----
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