

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20509

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**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) May 11, 2006

**Tejon Ranch Co.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

**1-7183**  
(Commission File Number)

**77-0196136**  
(IRS Employer Identification No.)

**P. O. Box 1000, Lebec, California**  
(Address of Principal Executive Offices)

**93243**  
(Zip Code)

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

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(Former Name or Former Address, if Changed Since Last Report)

**Not applicable**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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[Table of Contents](#)

**TABLE OF CONTENTS**

Item 2.02	<a href="#">Results of Operations and financial Condition</a>	3
Item 9.01	<a href="#">Financial Statements, Pro Forma Financial Information and Exhibits</a>	3
	<a href="#">Signatures</a>	4

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[Table of Contents](#)

**Item 2.02 Results of Operations and Financial**

On May 5, 2006, the Company issued a press release announcing its results of operations for the three months ended March 31, 2006. A copy of this press release is attached as Exhibit 99.1. The information contained in this report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specified otherwise.

**Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits.**

(c) Exhibits (Furnished Pursuant to Item 12).

99.1 Press Release of the Company dated May 5, 2006, announcing the Company’s results of operations for the three months ended March 31, 2006.

**SIGNATURES**

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

Date: May 11, 2006

TEJON RANCH CO.

By: /s/ ALLEN E. LYDA

Name: Allen E. Lyda

Title: Vice President, and Chief Financial Officer



**TEJON RANCH CO. REPORTS  
FIRST QUARTER RESULTS OF OPERATIONS – 2006**

**TEJON RANCH, Calif., May 5, 2006** – Tejon Ranch Company today announced both an improvement in net operating results and higher revenues from operations for the first quarter of 2006 as compared to the first quarter of 2005. For the first quarter of 2006, the Company had a net loss of \$102,000, or \$0.01 per common share, compared to the net loss of \$984,000, or \$0.06 per common share during the first quarter of 2005. Revenue from operations for the first quarter of 2006 was \$5,719,000 compared to \$3,560,000 of revenue during the first quarter of 2005.

The growth in revenue during the first quarter of 2006 is due to increases in revenue from the Company's commercial/industrial real estate and farming operations. Commercial/industrial real estate revenue grew \$773,000 due to a \$626,000 increase in oil and mineral royalty income, an improvement in returns from the Calpine lease, and generally higher commercial lease revenue. Farming revenues increased \$1,386,000 primarily due to the sale of 2005 crop almonds that were inventoried at year-end and to the collection of additional grape revenue related to the 2005 grape crop. The sale of 2005 crop almonds in the first three months of 2006 accounted for \$1,976,000 of farming revenue compared to farming revenue of \$732,000 in the first quarter of 2005 from the sale of 2004 crop almonds.

The improvement in operations during 2006 is due to the growth in revenues described above being partially offset by increased expenses. Commercial/industrial real estate expenses increased \$237,000 during the first quarter of 2006 due to increased corporate allocations and higher compensation and staffing costs. Resort/residential real estate costs increased \$150,000 due largely to higher compensation costs and increased spending on our public outreach campaign. Farming expenses grew \$474,000 during the first quarter of 2006 due to higher cultural costs related to the cost of sales for 2005 crop almonds and higher staffing costs. Corporate general and administrative costs increased \$382,000 during 2006 due to higher

compensation costs that were partially offset by increased corporate allocations to operating segments. The increase in compensation cost within the Company is primarily due to higher stock compensation costs. Stock compensation cost includes expenses related to stock options and stock grants. Total stock compensation cost for the first quarter of 2006 was \$952,000 compared to \$650,000 of cost during the same period of 2005.

As we move forward with our real estate vision, we will continue to see an increase in costs related to professional service fees, planning costs, entitlement costs, and staffing costs. These real estate activities and related costs could continue over several years as we develop a modest percentage of our land holdings. The actual timing and completion of entitlement and any development related activities are difficult to predict due to the uncertainties of the approval process and market factors.

The results of the first three months of each fiscal year are generally not indicative of the results to be expected for the full year due to the nature of the Company's business segments. Future real estate sales and leasing activity are dependent on market circumstances and specific opportunities and therefore are difficult to predict from period to period. The Company also recognizes a significant amount of revenues in the third and fourth quarters of each year due to the seasonal nature of our agribusiness activities.

Tejon Ranch Co. is a diversified real estate development and agribusiness company, whose principal asset is its 270,000-acre land holding located approximately 60 miles north of Los Angeles and 30 miles south of Bakersfield.

More information about Tejon Ranch Co. can be found online at <http://www.tejonranch.com>.

The statements contained herein, which are not historical facts, are forward-looking statements based on economic forecasts, strategic plans and other factors, which by their nature involve risk and uncertainties. In particular, among the factors that could cause actual results to differ materially are the following: business conditions and the general economy, future commodity prices and yields, market forces, the ability to obtain various governmental entitlements and permits, interest rates and other risks inherent in real estate and agriculture businesses. For further information on factors that could affect the Company, the reader should refer to the Company's filings with the Securities and Exchange Commission.

TEJON RANCH CO.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
FIRST QUARTER ENDED MARCH 31  
(In thousands, except earnings per share)  
(Unaudited)

	2006	2005
Revenues		
Real estate - commercial/industrial	\$ 3,521	\$ 2,748
Farming	2,198	812
Revenue from continuing operations	5,719	3,560
Operating income (loss)		
Real estate - commercial/industrial	1,115	579
Real estate - resort/residential	(748)	(598)
Farming	897	(15)
Income (loss) from operating segments	1,264	(34)
Interest income	623	581
Other income	16	9
Corporate expense	(2,197)	(1,815)
Operating loss from continuing operations before equity in earnings (losses) of unconsolidated joint ventures	(294)	(1,259)
Equity in earnings (losses) of unconsolidated joint ventures	121	(458)
Operating loss before income tax benefit	(173)	(1,717)
Income tax benefit	(71)	(733)
Net loss	\$ (102)	\$ (984)
Net loss per share, basic	\$ (0.01)	\$ (0.06)
Net loss per share, diluted	\$ (0.01)	\$ (0.06)
Weighted average number of shares outstanding:		
Common stock	16,543,663	16,429,505
Common stock equivalents - stock options	977,550	442,470
Diluted shares outstanding	17,521,213	16,871,975

For the three months ended March 31, 2006 and 2005, diluted net loss per share is based on the weighted average number of shares of common stock outstanding, because the impact of common stock equivalents is antidilutive.