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Equity One Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Michael Mueller from JPMorgan. Please proceed.

Joe Dazzio - JPMorgan

First question-- Was the \$0.03 debt extinguishment gain considered in the prior guidance?

Greg Andrews

It was not explicitly considered in the prior guidance although we knew that we were going to have proceeds from our dispositions. We knew that we would be applying those in some form of investment in the current year.

Joe Dazzio - JPMorgan

Would you look at that as offsetting some of the dilution from the asset sales? Is it some sort of reinvestment?

Greg Andrews

Well, there was a presumption in your question, Joe, about dilution. The way I would say it is that the joint venture that we've entered into is going to free up significant amount of cash that we're applying in a variety of areas in our business. This includes our development pipeline, our redevelopment pipeline, as well as some investments in new assets perhaps in other joint ventures, as well as de-leveraging of our balance sheet. It's a mix of all of that activity and the timing of that activity that will result in what kind of return that we get on the proceeds generated from the contribution to the joint venture.

Joe Dazzio - JPMorgan

Okay. I guess on a similar theme, I believe you said you've paid down \$45 million of debt this quarter or I guess in second quarter follow the GRI JV. Is there any other investments that you've either done or any other uses of cash you've already identified or have put to work that you can speak of at this point?

Greg Andrews

No, there's nothing else to comment on at this point.

Joe Dazzio - JPMorgan

Okay. And last question-- Given the new JV's, is there any update on the likelihood of using that as a form of a way to slowly move into other markets?

Jeff Olson

I think we absolutely would use it to enter into other markets, most notably, the Northeast, the West Coast, and the Mid-Atlantic region.

Joe Dazzio - JPMorgan

Okay. Thank you.

Operator

Ladies and gentlemen, please, as a reminder, please limit your question to one with one follow-up and you can please get back in the queue if you have additional questions. Your next question comes from the line of Paul Adornato from BMO Capital Markets. Please proceed.

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