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Equity One Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Vincent Chow - Deutsche Bank.

Vincent Chow - Deutsche Bank

Just a quick question on the guidance, so if we take out the gain on the extinguishment debt and the land sales, we are talking about 110 to 120. The ex-gain sort of run rate Q4 is \$0.27, so at the low end it seems like there's still a projection of some growth. I just want to make sure I understand where that's coming from.

It seems property NOI is supposed to be down. Is that increase driven primarily by the increased investment in DIM Vastgoed or in any combination of that and maybe operating expense control or G&A expense controls?

Greg Andrews

Yes, Vincent, that's a good question and expense control clearly is one of the most important initiatives that we have going into 2009. So we do anticipate at the corporate level a lot of effort to control our cost. To some of that pickup that you reference relates -- also you have to realize that when you are comparing the fourth quarter to a full-year there is some seasonality, we get percentage rents in the first quarter that aren't very large in the fourth quarter, so you would need to factor that in. Then of course there's no income from DIM in the fourth quarter, but there is going to be income from DIM recognized during 2009.

Vincent Chow - Deutsche Bank

Can you give us a sense what you expect to be in '09 for DIM?

Greg Andrews

We can give you a sense of it, but not anything really precise. The company's properties are very stable and we expect that stability to continue into 2009. So we anticipate that the run rate of NOI and therefore our share of that would be roughly consistent with what it has been in the past.

So I think for 2008, they had indicated essentially when you convert from their accounting which is international financial reporting standards to the kind of our accounting which is FFO, they indicated that the FFO is about \$1 and we anticipate something in the range of that going into 2009.

Vincent Chow - Deutsche Bank

That dollar was for the full Company?

Greg Andrews

That dollar is per share of DIM and so we own over 5 million shares, so something along that range. We will however incur some additional G&A costs related to the integration, but that puts a little bit of a parameter around it for you.

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