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Equity One, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Craig Schmidt – Bank of America Merrill Lynch.

Craig Schmidt – Bank of America Merrill Lynch

I noticed in [Gazets] annual report that given some of the loans that they have an operating covenant that you need to operate at a ratio of EBITDA to interest expense of 1.9. I'm wondering where you would be following your equity offering and does that leave you enough wiggle room to be let's say more aggressive in terms of acquisitions as you look for some of these distressed value plays.

Thomas A. Caputo

I can't specifically comment on [Gazets] covenants Craig but they're obviously a public company and you can evaluate their financial position much like you do ours. I mean, we drive our business based on what we think is the best thing for Equity One and going forward I mean our strategy is to maintain a company with relatively low leverage levels but I would not at all that any of their covenants would have any impact on our business strategy whatsoever.

Craig Schmidt – Bank of America Merrill Lynch

I guess my reading in to it and it may be wrong, because they gave you some loans you were held to a covenant, you meaning Equity One, of a level of EBITA to interest expense of 1.9.

Thomas A. Caputo

Because they gave us some loans?

Craig Schmidt – Bank of America Merrill Lynch

Yes, some of loans and credit facilities granted to Equity One and its wholly owned subsidiary require compliance with covenants.

Thomas A. Caputo

They have not granted us any loans Craig.

Craig Schmidt – Bank of America Merrill Lynch

I guess the bigger issue is following the equity offering do you feel like you have enough room now to be more aggressive on the acquisitions.

Jeffery S. Olson

We do Craig if we find an attractive enough opportunity.

Operator

Your next question comes from Paul Morgan – Morgan Stanley.

Paul Morgan – Morgan Stanley

Now that you're consolidating the DIM portfolio I just wanted to maybe get a little bit of color about how you see the relative NOI growth in that portfolio? I mean you had commented kind of in prior quarters that there was upside there. Do you think it can outperform the rest of the portfolio over the next year or so? Or, is it kind of just flat or down side or what?

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