

## Capital & Regional sees NAV rise of 8.1%

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Capital & Regional has set out its future priorities with its half-year results to the end of June, including plans to convert to a REIT this December.

The specialist property company plans to acquire remaining minority holdings in The Mall, in which it has a 91.8% stake, and restructure the fund

It also set out plans for further sales of non-core assets in UK and Germany to reduce leverage and meet a medium-term loan-to-value target of 40%-50%, and the delivery of previously announced development and asset management initiatives.

Highlights during the six months included the acquisition of a controlling stake in The Mall in July at a discount of 5.4% to the June 2014 valuation; associated £165m capital raising which enhanced liquidity for shareholders; completion of £375m five-year refinancing of The Mall debt at an initial cost of 3.37% and the disposal by German joint venture of Lübeck Retail Park for €47.9m (£38.1m).

Capital & Regional reported £11.7m pretax profit, up from £3.7m last time and proforma net asset value and proforma EPRA net asset value per share of 53p, an 8.1% increase on proforma basic NAV equivalent as of last December.

John Clare, chairman, said: "The successful acquisition of a controlling stake in The Mall is transformational for Capital & Regional. The acceleration of our exciting development and asset management initiatives is underpinned by a strong investment market and improving retail and consumer environment which, combined, ensure we are well placed to deliver attractive and growing returns to shareholders."

Hugh Scott-Barrett, chief executive, said the company was entering "a very exciting period" in which the group would benefit from its enlarged stake in the Mall and significant asset management initiatives at a time when retailer interest in both upsizing and taking new space in well-located town centre schemes was increasing.

"The initiatives generate very attractive returns and are central to the investment case presented to shareholders at the time of the capital raise. The continuing strength of investment markets is also expected to provide support for a further uplift in valuations during the rest of this year," he said.

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