

Intu shares drop 4% as rental income falls

By [Andries Mahlangu](#)

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Intu Properties' shares dropped just more than 4% in early trade on the JSE on Thursday, 27 July, after it posted a drop in first-half rental income, and forecast zero growth in the second half.



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Intu owns some of the largest malls in the UK, which is beset with political and economic uncertainty over Brexit.

Intu and other JSE-listed companies with UK exposure have had a volatile ride since the UK voted to leave the EU a little more than a year ago.

Releasing its results for the six months to June on Thursday, the company said like-for-like net rental income dropped 1.5% due to non-recurring rental items in the first half of 2016, and the effect of the closure of British Home Stores (BHS).

Underlying earnings for the period dropped to £98.5m, from £99.5m, reflecting the drop in net rental income.

"Our guidance for full year like-for-like net rental income is around 0%, at the bottom end of the previously announced range of 0%-2%," Intu said in the results statement.

"As previously stated, the precise outcome will be dependent on the timing of letting some of the larger units."

The share price was down 4.34% at R45.32 in midmorning trade on the JSE, valuing the company at R61.6bn.

Source: BDpro

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