

Putprop plans rights issue

By [Marc Hasenfuss](#)

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Low-key property firm Putprop - whose biggest tenant is the subsidised bus company Putco - will embark on a concerted diversification drive after a surprise announcement of a R100m rights issue this week.

The rights issue is significant, representing 50% of Putprop's current market capitalisation, and will be underwritten by long-time majority shareholder, Carleo Enterprises.

The mechanics of the offer means Putprop will offer 15,9m new shares at 630c/share - representing a decent discount on the last traded price of 700c on the JSE. Existing shareholders will be offered 55,1 new shares for every 100 Putprop shares already held.



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The funds will be used to acquire commercial or industrial properties to counter the company's dependence on rental income from its anchor tenant, Putco.

Putprop directors noted the company's investment committee was already mulling a shortlist of properties with blue chip, national tenants. The current portfolio comprises 16 mainly industrial properties in the Johannesburg and Pretoria metropolitan areas with a total market value of R315m and a total gross lettable area of 77,000m².

Source: Financial Mail

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