

Kunovský is 100% owner of Central Group again

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Dušan Kunovský, the founder of Central Group, who sold ten per cent stake in his company to Swiss investors four years ago, has made a deal with the same investors that he would take over 100% ownership of the whole group again. Central Group is the largest residential developer in the Czech Republic with more than one-third market share of new housing in Prague. The group, which apart from the parent company, comprises more than 30 subsidiaries and an investment fund, is preparing for transformation due to simplification and optimization of its capital structure. Central Group, the original parent company of the group, will be transformed into service organization for its subsidiary companies and into an investment fund. The transformation will take place this year. Central Group as such will not carry out any development projects. These will be performed by individual subsidiaries and by the investment fund.

The group is also preparing expansion abroad, particularly in Slovakia, Russia and other Eastern European countries. This is also why there will be a new holding company of the group, CENTRAL GROUP DEVELOPMENT INTERNATIONAL, based in Cyprus. This Cypriot company will be owned and fully controlled by Dušan Kunovský. Many major Czech business groups, such as PPF, Penta, J&T, Seznam.cz, KKCG, RPG, and others already operate through financing and holding Cyprus-based companies.

According to E15 magazine, the current owner of 10% stake in Central Group - Swiss-based company Global Property Capital - is in bankruptcy. Central Group reportedly gained about a billion crowns from this transaction. The group has some problems at home currently too - its former executive director Aleš Novotný has been charged with tax evasion. The question is whether and how his possible conviction will influence his "parent company."

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