

# FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

A nighttime photograph of a city harbor, likely Copenhagen, featuring illuminated buildings, a bridge, and several boats docked in the water. The scene is lit with warm yellow and blue lights, creating a vibrant urban atmosphere.

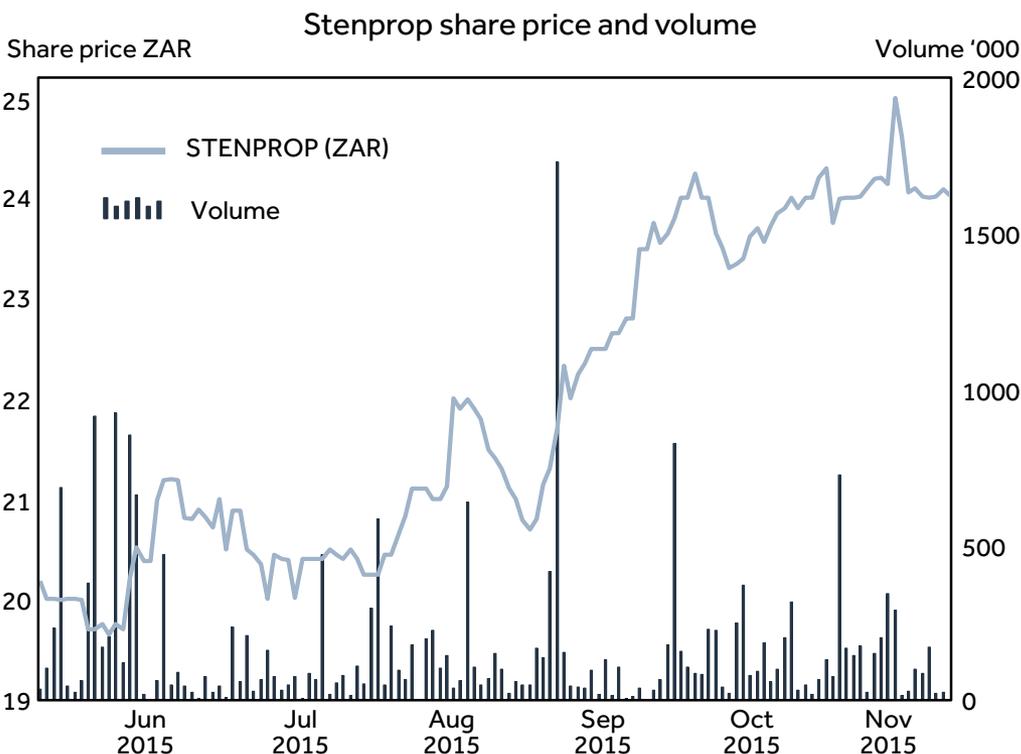
**STENPROP**

SUSTAINABLE BALANCED GROWTH

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- Diversified income producing portfolio invested in European real estate, focused on the United Kingdom, Germany and Switzerland
- Dual primary listing on BSX and Main Board of the JSE
- Expect to enter SAPY in December at number 16

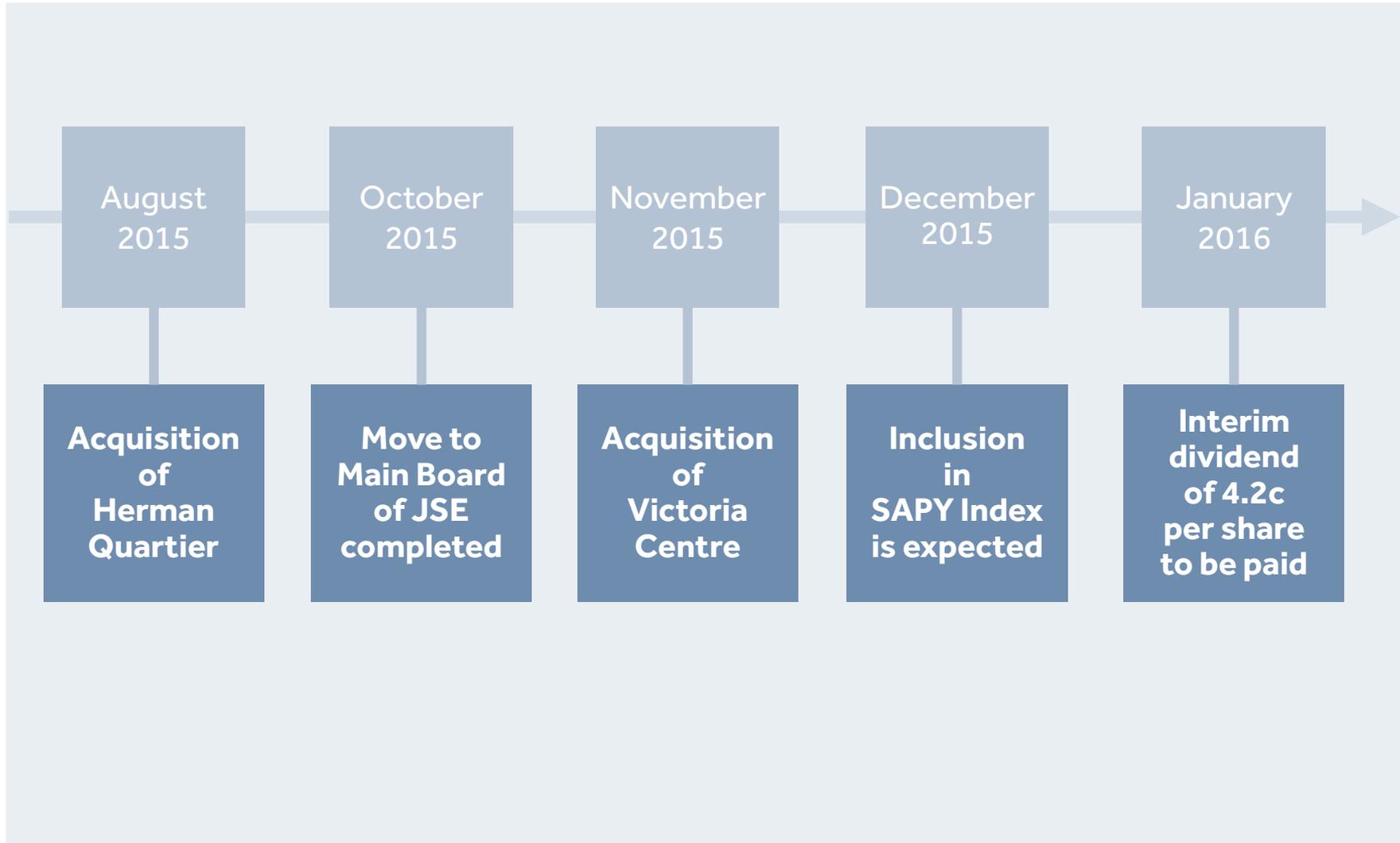
Market Data		
As at 25 November 2015	ZAR	EUR
Share price	24.0	1.60
Shares in issue (m)	279.7	
Market cap	6.7b	450m
EUR:ZAR exchange rate	15.0	



Source: Thomson Reuters Datastream

Financial Summary			
€	FY15 Actual	HY 16 Actual	FY16 Forecast
EPRA NAV per share	1.65	1.68	-
IFRS EPS (cents)	14.03	9.86	-
Adj. EPRA EPS (cents)	9.81	5.17	10.32
DPS (cents)	4.20 (half year)	4.20 (half year)	8.50

Shareholdings	
Total Shareholders	c. 2,900
Directors and employee holdings	4.41%
Largest Shareholder (Peregrine)	6.45%
Holding Bermuda register	77.3%
Holding SA register	22.7%



## Operational environment

- Favourable interest rate environment, with ability to lock in rates at well below property yields
- Strong capital and debt markets for investment into commercial real estate
- Strengthening occupier demand as Western European countries begin to see growth
- Inflation outlook still low
- Rising prices and falling yields spreading from prime to secondary market

## Stenprop

- Continue to seek out earnings enhancing acquisitions
- Maintain focus on asset management initiatives to deliver future growth
- Opportunistic investment in markets and properties likely to show growth
- Opportunity to re-finance near term debt in German and Swiss portfolios on favourable terms

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# FINANCIAL RESULTS



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EPRA NAV

**€1.68**

per share

**5.17 cents**

Diluted adjusted

**EPRA earnings**

per share

for 6 months

Portfolio value

**€907m\***

EPRA

**NAV**

increase of

**1.8%**

since year-end

**5.5%**

Increase on the  
pro forma

diluted adjusted

**EPRA EPS**

at 2 October 2014

Increase in

like for like

property values

**€18m**

since year-end

*\* Includes Stenprop's share of the properties held within the associate and joint venture investments and the Victoria Centre, Berlin which completed on 24 November 2015*

EPRA  
Net Asset Value  
**€469.5m**

Shares in issue  
**279.7m**

Annualised rent roll as  
at 30 September 2015  
**±€59.3m**  
per annum\*

Total debt \*  
**€477m**

Interim dividend  
declared  
**4.2 cents**  
per share

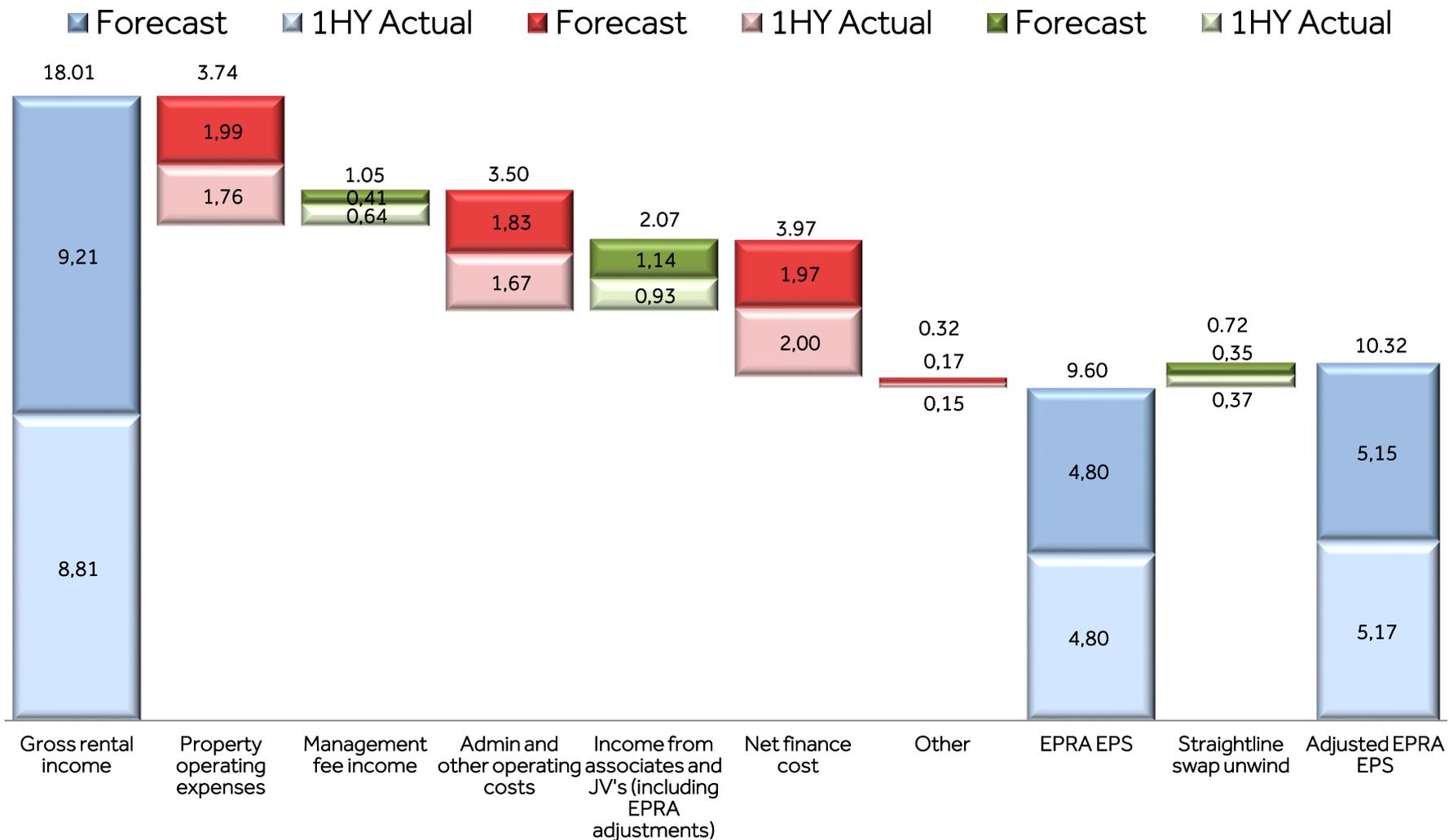
Number  
of  
properties\*  
**56**

\* Includes Stenprop's share of the properties held within the associate and joint venture investments and the Victoria Centre, Berlin which completed on 24 November 2015

	Six months ended 30 September 2015 €m	Pro forma six months ended 2 October 2014 €m
Net rental income	19.6	16.4
Management fee income	1.8	-
Operating costs	(4.6)	(2.6)
<b>Net operating income</b>	<b>16.8</b>	<b>13.8</b>
Income from Investment in associates/joint ventures (excl. fair value gains)	2.6	2.4
Net finance costs	(5.6)	(5.0)
EPRA adjustments and other items	0.5	1.0
<b>Pro forma adjusted EPRA earnings</b>	<b>14.3</b>	<b>12.2</b>
Pro forma diluted adjusted EPRA earnings per share	5.17 cents	4.90 cents

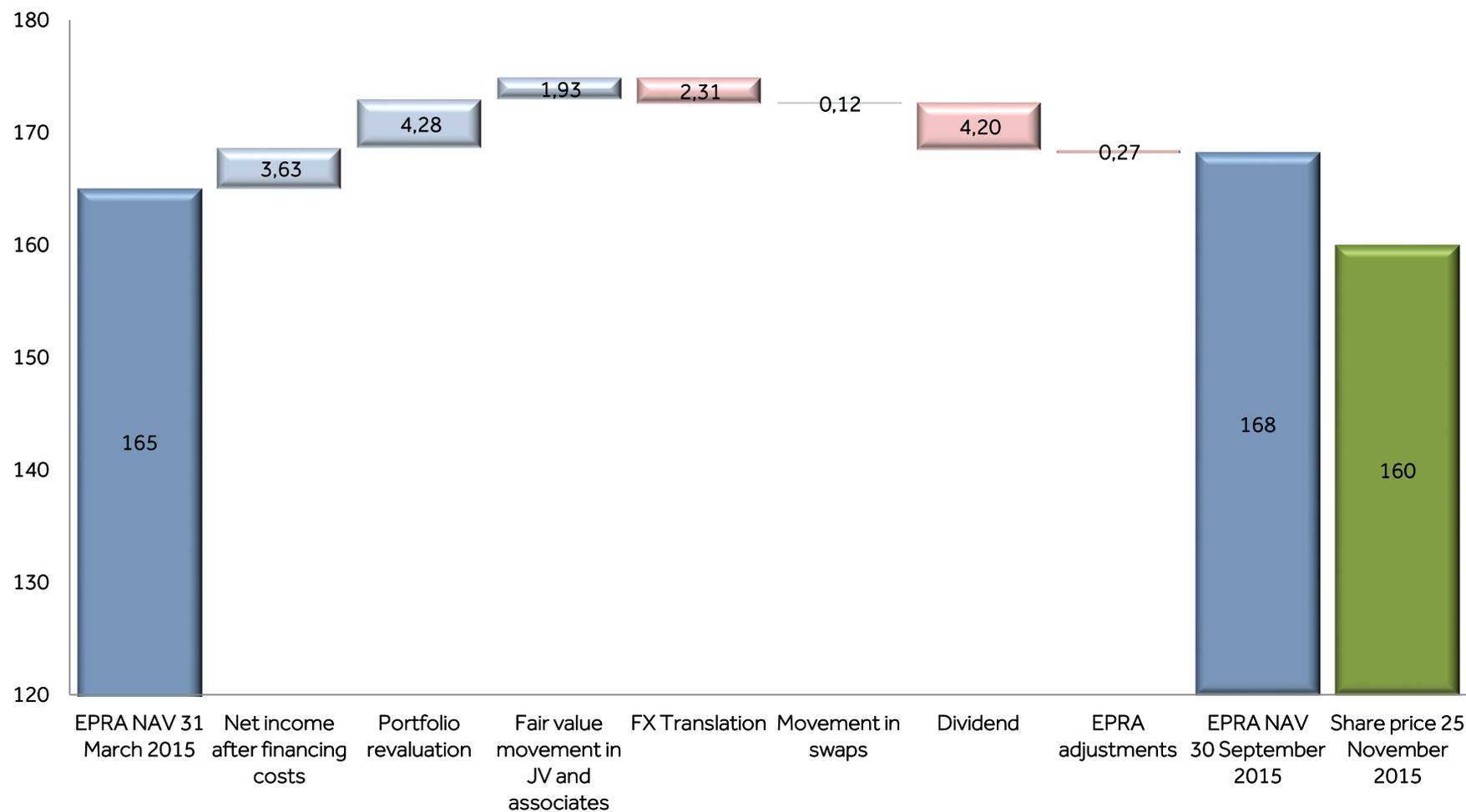
# EPRA EARNINGS PER SHARE (CENTS)

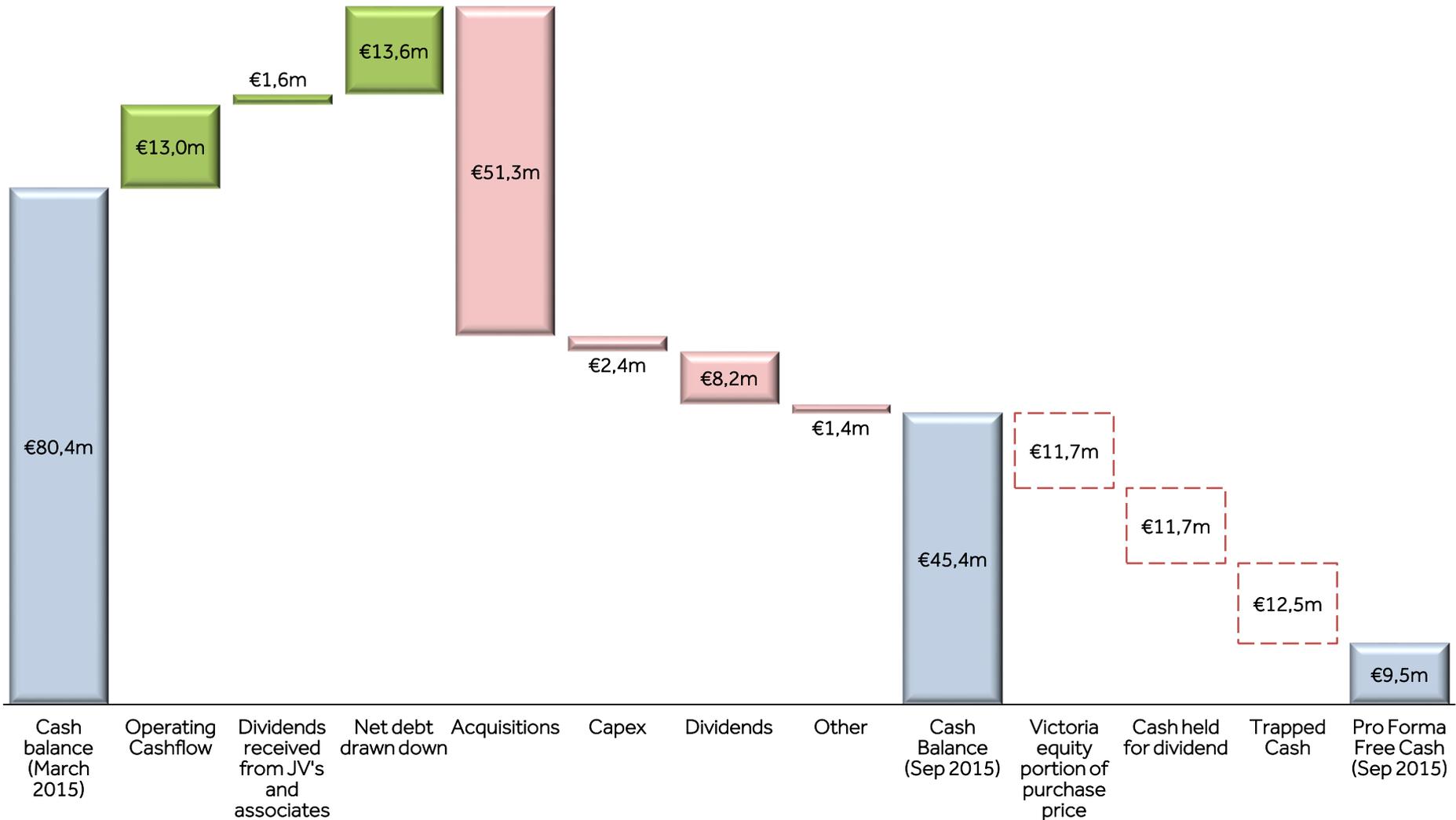
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Cents per share





Property/Portfolio	Percentage Ownership	Market Value 30 September 2015 (million)	Market Value 31 March 2015 (million)	Half Year Change %
<b>United Kingdom - £</b>				
Euston House	100%	£ 73.5	£ 68.9	6.7%
Pilgrim Street	100%	£ 83.3	£ 78.1	6.7%
Hollandbay Portfolio	100%	£ 8.1	£ 7.7	4.5%
ApexHi Portfolio	100%	£ 30.7	£ 29.9	2.8%
Trafalgar Court	100%	£ 61.4	£ 61.4	0.0%
UK Sub-Total		£ 256.9	£245.9	4.5%
<b>Switzerland - CHF</b>				
Kantone Portfolio	100%	F 92.0	F 95.0	(3.2%)
Polo Portfolio	100%	F 43.3	F 43.6	(0.6%)
Other Suisse Properties	100%	F 36.2	F 36.4	(0.7%)
Swiss Sub-Total		F 171.4	F175.0	(2.0%)
<b>Germany - €</b>				
Bikemax Portfolio	100%	€ 25.1	€ 25.1	-
Aldi Portfolio	100%	€ 32.0	€ 30.0	6.7%
Bleichenhof	94.9%	€ 121.9	€119.9	1.7%
Neukölln	100%	€ 16.9	€ 16.7	1.2%
Germany Sub-Total		€ 195.9	€191.7	2.2%
<b>Acquisitions - €</b>				
Hermann Quartier	100%	€ 22.9	-	-
Victoria Centre*	100%	€ 20.6	-	-
<b>Jointly Controlled Entities</b>				
Nova Eventis	28.4%	€ 265.0	€275.0	(3.6%)
Care Homes Portfolio	100%	€ 33.6	€ 33.4	0.5%
Argyll Street	50%	£ 82.5	£ 75.0	10.0%

\* Acquired 24 November 2015

Property/Portfolio	Property Value €m	Loan Value €	Loan to Value	Average interest rate <sup>1</sup>	Weighted average duration to expiry (years)
United Kingdom	346.5	(147.9)	42.7%	3.22%	4.10
Switzerland <sup>2</sup>	156.8	(88.8)	56.6%	2.02%	1.50
Germany	239.4	(146.5)	61.2%	2.06%	2.36
On balance sheet total	742.7	(383.2)	51.6%	2.50%	2.84
Off balance sheet debt					
Argyll Street (50%) <sup>3</sup>	111.3	(50.6)	45.5%	2.97%	4.64
Nova Eventis (28.4%) <sup>3</sup>	265.0	(158.9)	60.0%	4.00%	0.82
Care Homes Portfolio (100%) <sup>3</sup>	33.6	(23.5)	70.0%	2.61%	2.86
Portfolio Total	907.2	(477.1)			
Less minority interests	(6.2)	4.3			
<b>Portfolio Total (excluding minorities)</b>	<b>901.0</b>	<b>(472.8)</b>	<b>52.5%</b>	<b>2.68%</b>	<b>2.74</b>

1. Contracted rates shown (after swap unwind effective rates will be lower)

2. Swiss interest rates exclude negative rates. Currently approximately 0.8% p.a.

3. Stenprop percentage interest

\* Includes Stenprop Victoria acquired 24 November 2015

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ASSET MANAGEMENT



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### Argyll Street London



- Tenant occupying 2<sup>nd</sup> & 3<sup>rd</sup> floors agreed new rent 26% higher than previous
- Cross rail opening in 2018, station 150m from building
- West end – limited supply of office space
- No high rise and significant conversion of existing offices to residential

### Euston House London



- New rent 3<sup>rd</sup> floor at a 22% uplift to previous
- Currently marketing 4<sup>th</sup> floor following refurbishment
- Expect to achieve rents in excess of £55/ft<sup>2</sup>
- This compares to the current average rent for the building of £35/ft<sup>2</sup>
- Regeneration and transformation of Kings Cross/Euston area
- Block date for all leases in 2022 provides opportunity for redevelopment/ potential conversion to residential and substantial uplift

## Pilgrim Street London



- Next five yearly rent reviews in March 2016
- New cross rail station 5 minutes walk (2018)
- New Goldman Sachs “banking factory” building under construction nearby

## Trafalgar Court Guernsey



- Northern Trust rent review underway
- Expected increase of 2% - 3%
- Rent reviews every 3 years

### Bleichenhof Hamburg



- Adjoining the Stadthofe development, a 100,000m<sup>2</sup> €220m development, representing the last significant core Hamburg city centre regeneration site
- Marriage value to be unlocked through €8m re-development of rear passage linking our building to the Stadthofe
- Sufficient cash to fund development held in structure. "Trapped" by lending bank
- Forecast completion 2018

### Nova Eventis Regional centre near Leipzig



- Considering an exit strategy (partners wish to sell)
- Stenprop will either sell or take a larger stake (Depending on pricing)
- Opportunity to refinance
- Current €160m bank debt at 4% interest expiring July 2016
- Current indicative rates to refinance at 1.5% - 2.0% all in

Herman  
Quartier  
Berlin



- Recent acquisition located in Neukölln, one of the fastest growing areas of Berlin
- Daily needs centre, dominant in micro-location
- Well maintained property with no extraordinary capital required in medium term
- Separate Burger king at rear of property to be sold in order to maximise value for this space
- Acquired at an initial return on equity in excess of 7.5% per annum notwithstanding 11% vacancy
- Opportunity to let up vacant space through active asset management to increase earnings

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**THE PORTFOLIO**

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**STENPROP**

**€907m\***

## UNITED KINGDOM

**GLA 76,764m<sup>2</sup>**

**€402m**

**VALUE: 45%**

## GERMANY

**GLA 140,500m<sup>2</sup>**

**€348m**

**VALUE: 38%**

## SWITZERLAND

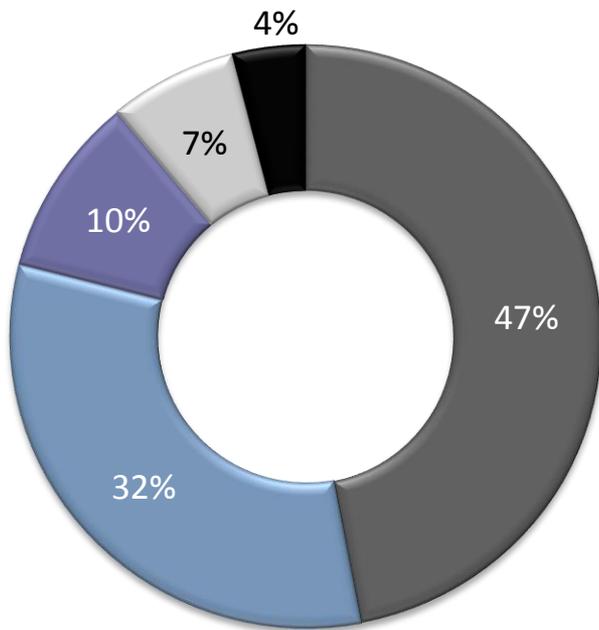
**GLA 48,506m<sup>2</sup>**

**€157m**

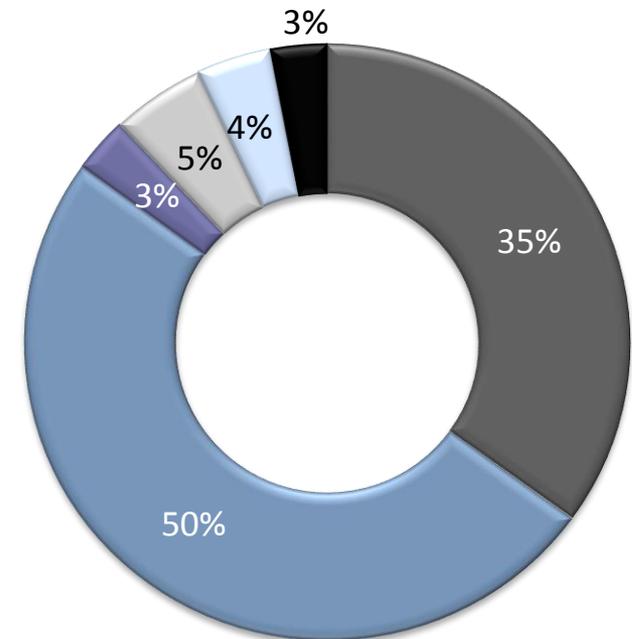
**VALUE: 17%**

*\* Includes Stenprop's share of Joint Ventures and Associates*

BY LETTABLE AREA

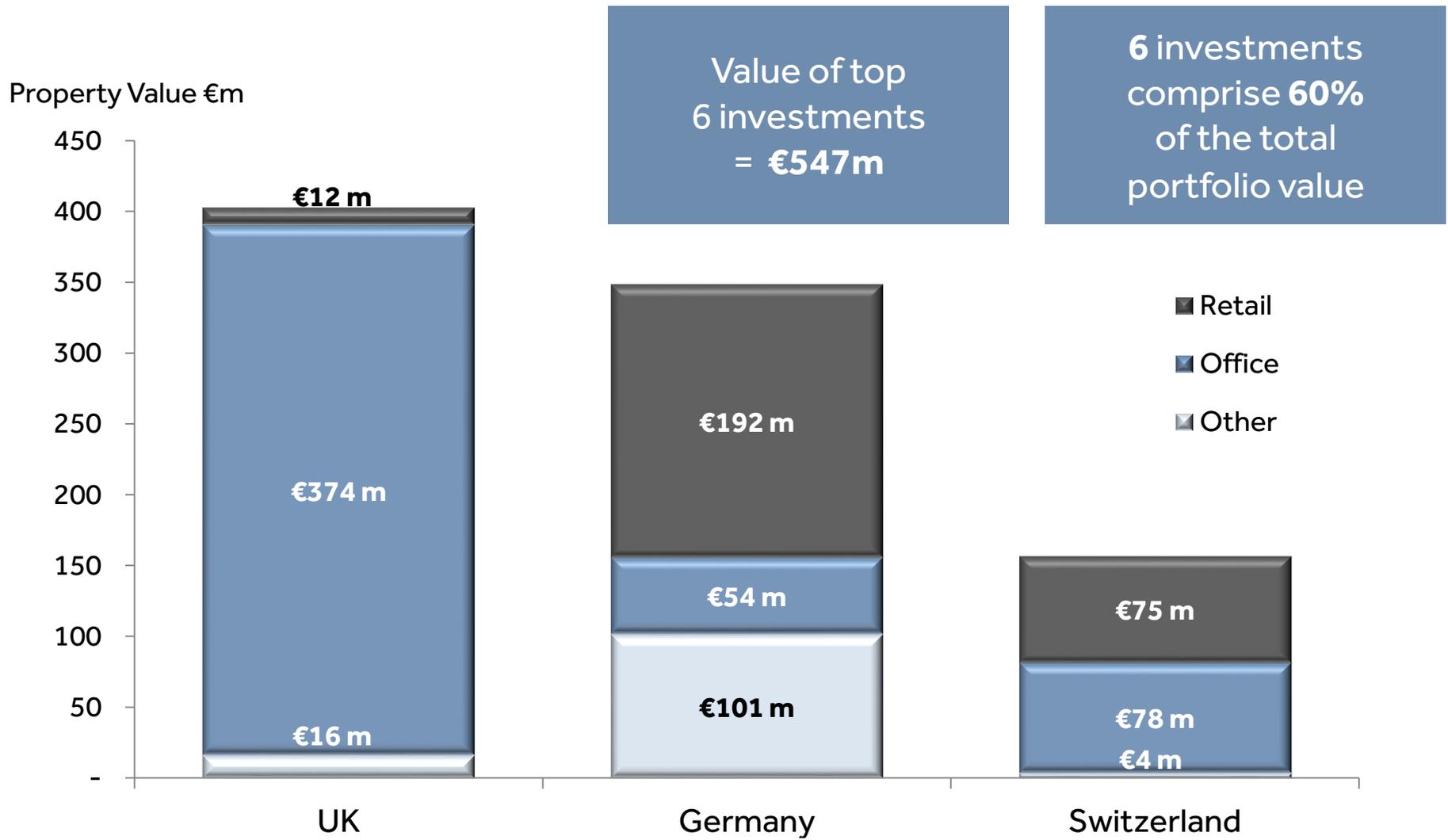


BY RENTAL INCOME

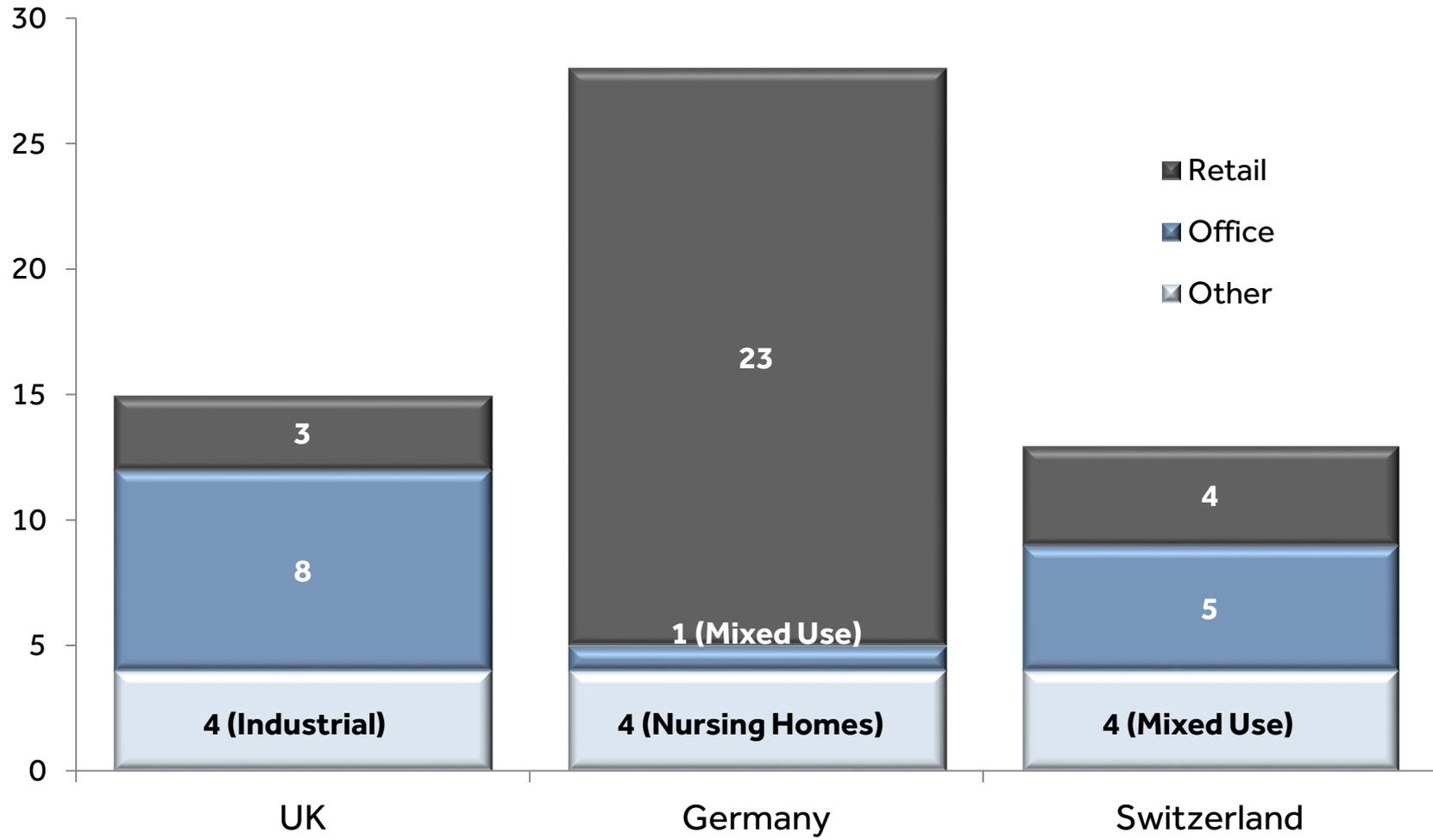


- Retail
- Office
- Industrial
- Nursing Homes
- Parking
- Other

*Note: Total lettable area excludes space for parking*



Properties



Gross Lettable Area (GLA)		Retail	Office	Other
▪ UK	76,764 m <sup>2</sup>	7,754 m <sup>2</sup>	44,138m <sup>2</sup>	24,872 m <sup>2</sup>
▪ Germany	140,500 m <sup>2</sup>	94,625 m <sup>2</sup>	15,423 m <sup>2</sup>	30,453 m <sup>2</sup>
▪ Switzerland	48,506 m <sup>2</sup>	22,514 m <sup>2</sup>	24,418 m <sup>2</sup>	1,574 m <sup>2</sup>

Rental and Vacancy		Retail	Office	Other
▪ Weighted average rental per annum	€223/m <sup>2</sup>	€164/m <sup>2</sup>	€361/m <sup>2</sup>	€149/m <sup>2</sup>
▪ Vacancy	5%	4%	5%	1%

Total of **493**  
tenants

Number of  
tenants

Annual rental  
income

UK	41	43%
Germany	331	40%
Switzerland	121	17%

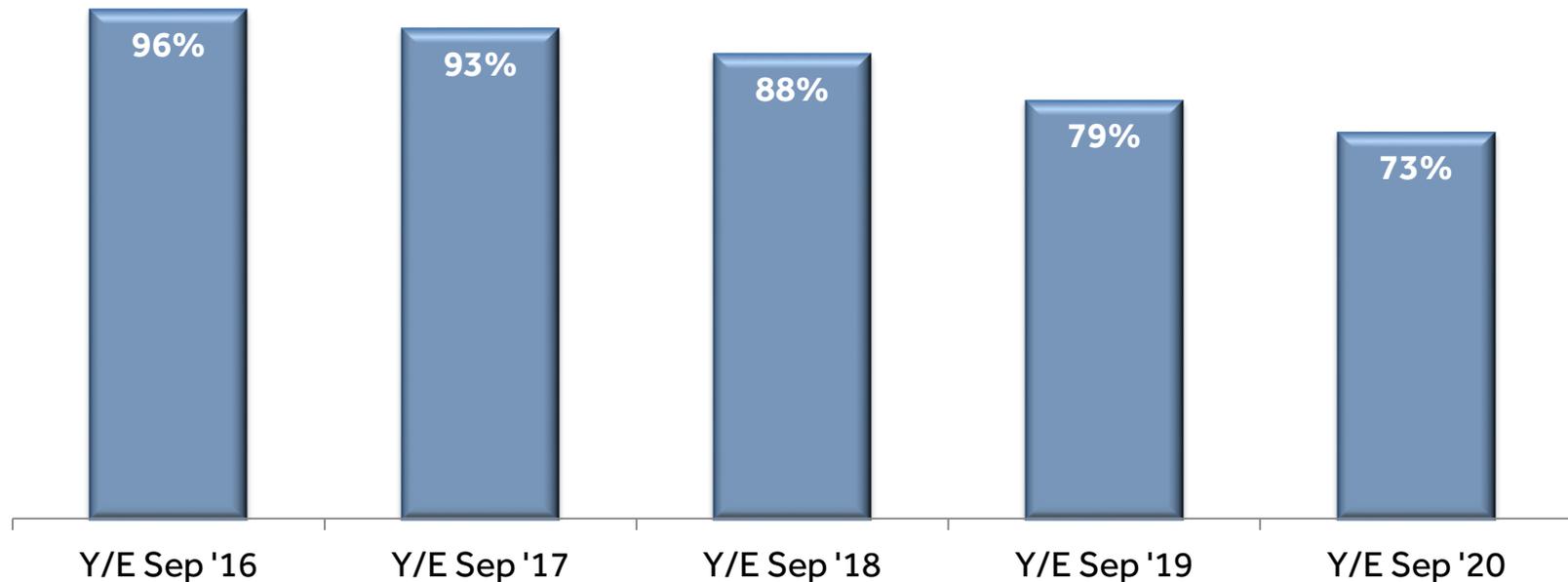
Rental from top  
15 tenants = **45%**

- 15 tenants contribute approximately 45% of the total portfolio gross rental
- The Weighted Average Unexpired Lease Term (WAULT) of the top 15 tenants is 8.0 years

Tenant		Location	% of rental income
Northern Trust (Gsy) Ltd	Trafalgar Court	Guernsey	7.33%
British Land City Offices Ltd	Pilgrim Street	London	5.26%
Bechtel Ltd	Pilgrim Street	London	4.88%
Apcoa Autoparking GmbH	Bleichenhoff	Hamburg	4.21%
Aldi	Consists of 14 properties	Germany	3.59%
Learning Tree International Ltd	Euston House	London	2.82%
Bike + Outdoor Co	Consists of 5 properties	Germany	2.63%
Close Brothers Properties Guernsey Ltd	Trafalgar Court	Guernsey	2.51%
Top Tip, Division der Coop Basel	Polo - Altendorf	Switzerland	2.17%
Network Rail	Euston House	London	2.09%
Lipomed AG	Polo - Arlesheim	Switzerland	1.57%
Thames Water Utilities Limited	GGP1 Portfolio	UK	1.46%
Diako – Soziale Einrichtungen GmbH	Kappeln – Care Home	Germany	1.37%
Live Nation (Music) UK Ltd	Argyll Street	London	1.35%
Kaufland	Victoria Centre	Berlin	1.33%

Weighted Average Unexpired Lease Term (WAULT)  
to lease break options: currently 6.4 years

Proportion of current annual rental received



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## QUESTIONS & ANSWERS



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ANNEXURES



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### ANNEXURE 1

Property/Portfolio	Ownership	Loan Value	Property Value	Gearing (LTV)
<b>UK</b>				
Euston House	100%	(37,143,198)	99,129,450	38%
Pilgrim Street	100%	(49,969,335)	112,346,710	44%
Hollandbay Portfolio	100%	(6,289,580)	10,857,035	58%
ApexHi Portfolio	100%	(14,026,480)	41,378,116	34%
Trafalgar Court	100%	(40,461,000)	82,783,206	49%
UK Sub-Total		(147,889,593)	346,494,517	43%
<b>SWISS</b>				
Kantone Portfolio	100%	(47,844,040)	84,121,349	57%
Polo Portfolio	100%	(23,098,700)	39,629,136	58%
Other Suisse Properties	100%	(17,875,192)	33,070,020	54%
Swiss Sub-Total		(88,817,932)	156,820,505	57%
<b>Germany</b>				
Bikemax Portfolio	100%	(15,300,000)	25,100,000	61%
Aldi Portfolio	100%	(15,890,625)	32,002,000	50%
Bleichenhof	94.90%	(84,937,000)	121,900,000	70%
Neukölln	100%	(9,000,000)	16,900,000	53%
Hermann Quartier	100%	(11,050,000)	22,900,000	48%
Victoria Centre	100%	(10,300,000)	20,600,000	50%
Germany Sub-Total		(146,477,626)	239,402,000	61%
<b>Associates and joint ventures</b>				
Argyll Street <sup>1</sup>	50%	(25,288,125)	55,633,875	45%
Nova Eventis <sup>2</sup>	28.42%	(45,154,662)	75,313,000	60%
Care Homes Portfolio	100%	(23,498,640)	33,558,000	70%
<b>Portfolio Total</b>		<b>(477,126,578)</b>	<b>907,221,897</b>	<b>53%</b>

GBP:EUR exchange rate of 1.35 and a CHF:EUR exchange rate of 0.91

1. Stenprop's effective interest = 50%, total property value is £82.5million

2. Stenprop's effective interest = 28.42%, total property value is €265 million

\* Includes Stenprop Victoria acquired 24 November 2015

### ANNEXURE 2

Property/Portfolio	Property Value (Local currency)	Loan Value (Local Currency)	Gearing (LTV)	Margin	Swap (fixed rate)	All in rate	Annual interest expense	Amortisation per annum	Loan Maturity
<b>UK - £</b>									
Euston House	73,500,000	(27,540,000)	37%	1.40%	1.62%	3.02%	(832,810)	-	08 May 2020
Pilgrim Street	83,300,000	(37,050,000)	44%	1.40%	1.79%	3.19%	(1,183,377)	-	29 May 2020
Hollandbay Portfolio <sup>1</sup>	8,050,000	(4,663,439)	58%	2.10%	0.60%	2.70%	(125,913)	(720,000)	24 Apr 2016
ApexHi Portfolio	30,680,000	(10,400,000)	34%	2.50%	1.22%	3.72%	(386,880)	-	22 Dec 2016
Trafalgar Court	61,380,000	(30,000,000)	49%	2.00%	1.35%	3.35%	(1,005,000)	-	23 Mar 2020
Argyll Street (50%) <sup>3</sup>	41,250,000	(18,750,000)	46%	1.40%	1.57%	2.97%	(557,625)	-	20 May 2020
UK Sub-Total	298,160,000	(128,403,439)	43%			3.19%	(4,091,604)	(720,000)	
<b>Swiss – CHF<sup>2</sup></b>									
Kantone Portfolio	91,956,600	(52,300,000)	57%	1.05%	0.70%	1.75%	(915,250)	(2,200,000)	31 Mar 2017
Polo Portfolio	43,320,000	(25,250,000)	58%	1.15%	0.73%	1.88%	(473,438)	(1,000,000)	31 Mar 2017
Other Swiss Properties	36,150,000	(19,540,000)	57%	1.29%	1.63%	2.91%	(569,331)	(820,000)	31 Mar 2017
Swiss Sub-Total	171,426,000	(97,090,000)	57%			2.02%	(1,958,019)	(4,020,000)	
<b>Germany - €</b>									
Bikemax Portfolio	25,100,000	(15,300,001)	61%	1.65%	1.07%	2.72%	(416,160)	(400,000)	31 Dec 2017
Aldi Portfolio	32,002,000	(15,890,625)	50%	1.85%	0.83%	2.68%	(425,869)	(423,750)	30 Apr 2018
Hermann Quartier	22,900,000	(11,050,000)	48%	1.13%	0.29%	1.42%	(156,910)	-	30 Jun 2020
Victoria Centre	20,600,000	(10,300,000)	50%	1.28%	0.08%	1.36%	(140,080)	-	31 Aug 2020
Bleichenhof (94.9%) <sup>3</sup>	115,683,100	(80,605,213)	70%			1.90%	(1,531,499)	-	31 Dec 2016
Nova Eventis (28.40%) <sup>3</sup>	75,313,000	(45,154,662)	60%	3.20%	0.80%	4.00%	(1,806,186)	(1,549,515)	24 Jul 2016
Care Homes Portfolio <sup>3</sup>	33,558,000	(23,498,640)	70%			2.61%	(461,180)	(129,490)	31 Mar 2018
Neukölln	16,900,000	(9,000,000)	53%	2.50%	0.48%	2.98%	(268,200)	-	31 Dec 2021
Germany Sub-Total	342,056,100	(210,799,140)	62%			2.54%	(5,206,084)	(2,502,755)	

1. Floating rate swap

2. Excludes negative interest rates. Currently approximately 0.8% p.a. additional interest

3. Stenprop's effective interest shown

SP

\* Includes Stenprop Victoria acquired 24 November 2015

**FORWARD-LOOKING STATEMENTS**

Certain statements made in this document constitute forward-looking statements. Forward-looking statements can be identified by the use of words such as “may”, “will”, “should”, “predict”, “assurance”, “aim”, “hope”, “risk”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or other similar expressions that are predictive or indicative of future events. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company’s expectations, intentions and beliefs concerning, amongst other things, the Company’s results of operations, financial position, growth strategy, prospects, dividend policy and the industries in which the Company operates, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and its Directors, which may cause the actual results, performance, achievements, cash flows, dividends of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. As such, forward-looking statements are no guarantee of future performance.

Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Among the important factors that could cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, economic conditions in the relevant markets of the world, market position of the Company or its subsidiaries, earnings, financial position, cash flows, return on capital and operating margins, political uncertainty, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation, changing business or other market conditions and general economic conditions and such other risk factors identified in the “Risk Factors” section of this document. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document and are not intended to give assurance as to future results.

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