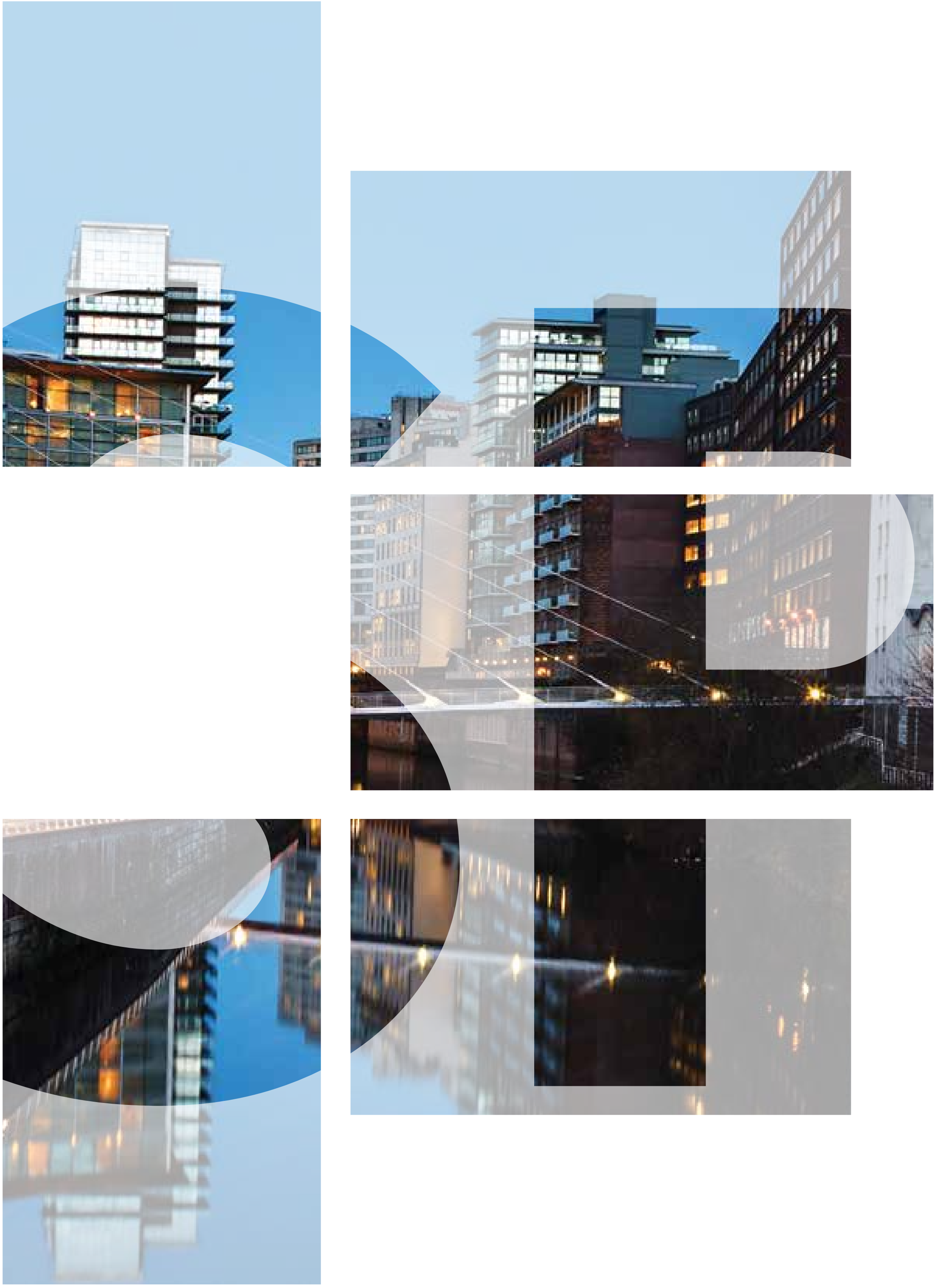

STENPROP

HALF YEARLY REPORT 2015

Stenprop Limited ("Stenprop" or "the Company" or "the Group") is a European property investment group focused on cultivating a diversified portfolio of quality investment properties delivering sustainable and growing earnings, distributions and capital growth to shareholders. Our existing portfolio is located primarily in major cities in the UK, Germany and Switzerland with an emphasis on commercial and retail assets. Stenprop is dual-listed on the Bermuda Stock Exchange and the Johannesburg Stock Exchange. We are experts in our field and are committed to the next phase of value enhancement for our shareholders.

(Incorporated in Bermuda) (Registration number 47031) BSX share code: STP.BH JSE share code: STP ISIN: BMG8465Y1093

CONTENTS

HIGHLIGHTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

€1.68 EPRA NAV **per share**	**1.8%** increase in **EPRA NAV** per share **since year-end**	**5.17 cents** diluted adjusted **EPRA earnings** per share	**5.5%** increase on the ***pro forma***** diluted adjusted **EPRA EPS** at 2 October 2014	**4.2 cents** interim dividend **per share** declared

- Declaration of interim dividend on 25 November 2015 of 4.2 cents per share for the six months ended 30 September 2015, payable with a scrip alternative on 28 January 2016.
- Diluted adjusted EPRA EPS* of 5.17 cents for the period ended 30 September 2015 representing a 5.5% increase on the *pro forma*** diluted adjusted EPRA EPS at 2 October 2014. Diluted IFRS EPS was 9.86 cents.
- EPRA net asset value per share of €1.68, an increase of 1.8% since the year-end. IFRS net asset value per share was €1.62 per share.
- Completion in May 2015 of the acquisition of a 50% interest in 25 Argyll Street, a multi-let office building located in London's West End, based on a purchase price of the property of £75 million (€101.2 million).
- Completion of refinancing of £64.6 million (€87.1 million) of debt on two London properties in May 2015.
- Completion in August 2015 of the acquisition of the Hermann Quartier retail centre in Berlin at a purchase price of €22.7 million.
- Migration to the JSE's Main Board with effect from 5 October 2015.
- Notarisation in June 2015 of the Victoria retail centre in Berlin at a purchase price of €20.6 million, with completion on 24 November 2015.

* *"EPRA" means European Public Real Estate Association. "EPS" means earnings per share.*

** *Pro forma means calculated as if the purchase of the property companies forming part of the Stenham Transaction had completed on 1 April 2014.*

COMMENTARY

Stenprop is pleased to announce its consolidated results for the first half of the financial year.

INVESTMENT STRATEGY

Stenprop currently focuses on property investment in the United Kingdom, Germany and Switzerland with an emphasis on commercial and retail assets. Its objective is to cultivate a diversified portfolio of quality investment properties delivering sustainable and growing earnings, distributions and capital growth to shareholders. Stenprop does not generally pursue development exposure other than value add asset management and related development of existing assets to protect and improve capital values. It intends to distribute most of its earnings which are available for distribution on a bi-annual basis.

BUSINESS REVIEW

Portfolio summary

Stenprop has an interest in 56 properties valued at €907 million[1], with 44% in the United Kingdom, 39% in Germany and 17% in Switzerland (by value). The portfolio, which has a gross lettable area of approximately 266,000[1] m^2 and gross annual rent of €58.6 million[1], is predominantly in the office and retail sectors which account for 51% and 35% of rental income respectively.

Six properties accounts for 60% of the total portfolio asset value. The value of the three Central London properties accounts for 30% of the total portfolio asset value.

Acquisitions

On 20 May 2015, the Group acquired a 50% interest in Regent Arcade House Holdings Limited ("RAHHL"), which owns the property known as 25 Argyll Street. The acquisition cost was £18.9 million which was based on a valuation of the property of £75 million. RAHHL refinanced the property with an interest only bank loan of £37.5 million at an all-in rate of 2.974% per annum and a term of five years.

The acquisition of a shopping centre known as Hermann Quartier for a purchase price of €22.7 million completed on 24 August 2015. The property is on a high street location of Berlin's central suburb of Neukölln with excellent public transport links,

Top six properties by value as at 30 September 2015

Property	Market value (€'million)	Ownership interest (%)	Sector	Lettable area (m^2)	Annualised gross rental (€'million)	Weighted average unexpired lease term (years)
Bleichenhof Hamburg	**121.9**	**94.9**	**Mixed use**	**21,721**	**6.12**	**4.3**
Pilgrim Street London	**112.3**	**100.0**	**Office**	**9,719**	**6.06**	**5.4**
Euston House London	**99.1**	**100.0**	**Office**	**9,974**	**5.19**	**5.3**
Trafalgar Court Guernsey	**82.8**	**100.0**	**Office**	**10,565**	**5.86**	**11.6**
Nova Eventis Leipzig	**267.7**[2]	**28.4**	**Retail**	**95,472**	**5.88**	**3.7**
Argyll Street London	**111.3**	**50.0**	**Office**	**5,941**	**5.05**	**3.4**
Total	**795.1**			**153,392**	**34.16**	**5.7**

1 *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.*

2 *Nova Eventis valuation excluding selling costs assumed at 1%.*

including an underground station inside the shopping centre. The property is anchored by strong tenants including Kaiser's, DM and Netto. The return on equity on this investment exceeded 7.5% per annum at inception.

The purchase of the Victoria shopping centre for €20.6 million was notarised on 18 June 2015 and completed on 24 November 2015. The property is located in the Lichtenberg district of Berlin, approximately 15 minutes by underground from the city centre and is comprised of two buildings. The investment is anchored by Kaufland (a hypermarket chain) on a new 17 year lease. The return on equity on this investment exceeded 8% per annum at inception.

FINANCIAL REVIEW

Earnings

The basic earnings attributable to ordinary shareholders for the six-month period to 30 September 2015 were €27.3 million (2014 *pro forma*: €9.2 million). This equates to a diluted IFRS EPS of 9.86 cents (2014 *pro forma*: 3.69 cents). Headline earnings were €13.5 million (2014 *pro forma*: €11.2 million) equating to diluted headline EPS of 4.88 cents (2014 *pro forma*: 4.48 cents).

In accordance with reporting standards widely adopted across the real estate industry in Europe, the directors feel it is appropriate and useful, in addition to providing the IFRS disclosed earnings, to also disclose EPRA[3] earnings. Adjusted EPRA earnings attributable to shareholders were €14.3 million (2014 *pro forma*: €12.2 million), equating to diluted adjusted EPRA EPS of 5.17 cents (2014 *pro forma*: 4.90 cents). This represents a 5.5% increase on the *pro forma* diluted adjusted EPRA EPS at 2 October 2014.

Management fee income relates to fees earned by the management companies on management and administration services provided to certain managed property syndicates and funds, the assets of which did not form part of the Stenham Transaction. During the period the Group earned fees relating to the disposal of assets held by managed syndicates of €0.7 million. Ongoing management fees made up the balance of the management fee income which totalled €1.8 million for the six month period.

Management fee income is a source of income that will diminish over time.

Dividends

On 25 November 2015, the directors declared a dividend of 4.2 cents per share, relating to the six months to 30 September 2015. The directors intend to offer shareholders the option to receive in respect of all or part of their Stenprop shareholding either a scrip dividend by way of an issue of new Stenprop shares, or a cash dividend. An announcement containing details of the dividend, the timetable and the scrip dividend will be made on 11 December 2015. The record date for the dividend is 22 January 2016 and the dividend payment date is 28 January 2016.

On 11 June 2015, the Company announced a final distribution of 4.2 cents per share in respect of the year ended 31 March 2015 and offered shareholders the option to receive either a scrip dividend by way of an issue of new Stenprop shares credited as fully paid up, or a cash dividend. On 13 July 2015, the Company announced a 29.48% take up of the scrip dividend, for which 2,257,894 new Stenprop shares were issued.

Balance sheet

The IFRS (basic and diluted) net asset value per share at 30 September 2015 was €1.62 (2014 *pro forma*: €1.41).

As is the case with regard to the disclosure of EPRA earnings, the directors feel that it is appropriate and useful, in addition to IFRS NAV, to also disclose EPRA NAV. The diluted EPRA NAV per share at 30 September 2015 was €1.67 (2014 *pro forma*: €1.46). This represents a 1.2% increase on 31 March 2015 diluted EPRA NAV per share of €1.65.

Foreign exchange

Foreign exchange markets have been relatively volatile over the six-month period under review. Euro rates against Sterling at the start of April were £1:€1.36 and reached over £1:€1.44 before ending the period on £1:€1.35. Foreign exchange volatility has also been seen with the Swiss Franc which began the period at CHF1:€0.96 and ended the period at CHF1: €0.91. The Euro has weakened against both Sterling and the Swiss Franc since 30 September 2015.

3 *The European Public Real Estate Association ("EPRA") issued Best Practices Policy Recommendations in December 2014, which provide guidelines for performance measures relevant to real estate companies. Their recommended reporting standards are widely applied across this market, aiming to bring consistency and transparency to the sector. The EPRA earnings measure is intended to show the level of recurring earnings from core operational activities with the purpose of highlighting the Group's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings. The measure excludes unrealised changes in the value of investment properties, gains or losses on the disposal of properties and other items that do not provide an accurate picture of the Group's underlying operational performance. The measure is considered to accurately capture the long-term strategy of the Group, and is an indication of the sustainability of dividend payments.*

Stenprop's diversification across the UK, Germany and Switzerland provides a natural spread of currencies. It remains our policy not to hedge currencies and to maintain this multi-currency exposure.

PORTFOLIO VALUATION

On a like for like basis, the valuation of the portfolio increased by €18 million (including the Company's share of joint ventures and associates), driven largely by the continuing strength of the prime office sector in London. The investment property balance has increased as a result of the purchase of Hermann Quartier for €22.7 million which completed at the end of August 2015.

United Kingdom

The UK portfolio (excluding 25 Argyll Street discussed separately below) was independently valued at £256.9 million, an increase of 4.5% on the year end valuations on a like for like basis. The strong growth in rental and capital values in central London is driven by a continued shortage of office supply which has seen these assets increase in value by £11.0 million over the period.

Germany

The German portfolio (excluding associates and joint ventures) was independently valued at €218.8 million. On a like for like basis and excluding the Hermann Quartier Berlin retail shopping centre acquired in August 2015, property values rose by 2.2%. This was driven by a €2 million increase at the Bleichenhof mixed use property in Hamburg with a further €2 million increase seen at our portfolio of 14 Aldi properties.

Switzerland

The Swiss portfolio was independently valued at CHF171.4 million, a 2% decrease on the year-end valuation of CHF175.0 million. This was driven by two properties, the most notable being at Lugano where we are engaged in a repositioning of the property. Two of the main tenant leases expire shortly and we are in negotiations with a national retailer to potentially take a new lease over the entire building. The valuation has reduced by CHF2.6 million to take account of this. When the repositioning is complete we expect the value to increase materially.

Joint ventures and associates

The Care Homes portfolio valuation of €33.6 million remains broadly unchanged at the end of the period. The portfolio was valued at €33.4 million as at 31 March 2015 and remains fully let.

The property valuation of 25 Argyll Street, in which Stenprop holds a 50% interest has increased by 10% since its acquisition.

The Nova Eventis shopping centre in Leipzig, in which Stenprop holds a 28.42% interest, was valued at €267.7 million (excluding assumed selling costs of 1%), a 2.7% reduction over the year-end valuation of €275 million.

Capital management

The value of the property portfolio as at 30 September 2015, including the Group's share of associate and joint venture properties, was €886.6 million (excluding the Victoria Centre which completed on 24 November 2015). Bank debt at the same date was €465.2 million resulting in an average loan to value ratio of 52.4%, down from 53.8% at year end. Stenprop is targeting an average loan to value ratio of 50%.

The weighted average debt maturity stood at 2.8 years at 30 September 2015 compared with 2.2 years at the year-end and reflecting the refinancing activities undertaken in the period and detailed below. Annual amortisation payments since the year end remain unchanged in Germany and Switzerland but have been

4 *The objective of the EPRA NAV measure is to highlight the fair value of net assets on an ongoing, long-term basis. EPRA NAV is used as a reporting measure to better reflect underlying net asset value attributable to shareholders. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. The EPRA measure thus takes into account the fair value of assets and liabilities as at the balance sheet date, other than fair value adjustments to financial instruments, deferred tax and goodwill. As the Group has adopted fair value accounting for investment property per IAS 40, adjustments to reflect the EPRA NAV include only those relating to the revaluation of financial instruments and deferred tax.*

reduced in the UK to £0.7 million following the refinancing at our Euston House and Pilgrim Street properties, resulting in total annual amortisation payments of €7.2 million. The all-in contracted weighted average cost of debt dropped to 2.86% from 3.07% at 31 March 2015. After taking into account the amortisation of the swap contract liabilities acquired by Stenprop as part of the Stenham Transaction, the effective weighted average cost of debt at 30 September 2015 was 2.44%.

As previously reported, on 8 May 2015, the property known as Euston House was refinanced on favourable terms with a five year loan to May 2020. The new facility of £27.5 million is interest only. A five year interest rate swap agreement was entered into to fix the interest rate at an all-in rate of 3.02% per annum (previous facility: 4.54%). The Group incurred costs of £0.4 million to break the former swap agreement.

On 29 May 2015, also as previously reported, the Group extended the existing bank loan (which was due to expire in March 2016), on the property known as Pilgrim Street on favourable terms until March 2019. With effect from signature, the loan became interest only. An interest rate swap agreement was entered into to fix the interest rate for the period from the prior termination date, being 23 March 2016, until the new termination date, at an all-in rate of 2.90% per annum. An existing swap agreement results in an all-in rate of 4.11% until 23 March 2016. The previous all-in rate on the loan was 4.96%.

Subsequent events

As announced on 25 September 2015, the JSE approved the transfer of Stenprop's listing from the JSE's AltX to the JSE's Main Board with effect from Monday, 5 October 2015. The transfer will not affect the Company's current listing on the Bermuda Stock Exchange.

On 24 November 2015, Stenprop completed the acquisition of the Victoria shopping centre for €20.6 million.

Prospects

As announced on SENS in the Forecast Financial Information announcement published on 14 August 2015, the Group expected adjusted diluted EPRA earnings per share for the year ended 31 March 2016 of 10.32 cents per share. We remain on track to achieve our forecast. However, fluctuations in exchange rates used in our forecast[5] will impact earnings.

This general forecast has been based on the Group's forecasts and has not been reported on by the external auditors.

5 *Exchange rates used in the forecast were £1:€1.42 and CHF1:€0.96*

INDEPENDENT REVIEW REPORT TO STENPROP LIMITED

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2015 which comprises the condensed consolidated income statement, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Listings Requirements of the Johannesburg Stock Exchange.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as issued by the International Accounting Standards Board. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as issued by the International Accounting Standards Board.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion, but we will issue a review report addressed to the members of the entity. In order to comply with Rule 8.60 of the JSE Listings Requirements, this review report will be referred to in the interim financial information and will be made available by the Company for inspection at its registered office.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as issued by the International Accounting Standards Board.

Deloitte LLP
Chartered Accountants
Guernsey

25 November 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Note	**Unaudited for the six months ended 30 September 2015 €'000**	*Restated Unaudited for the six months ended 30 September 2014 €'000	***Pro forma* Unaudited for the six months ended 2 October 2014 €'000
Net rental income		3	**19,625**	1,705	16,382
Management fee income			**1,786**	–	67
Operating costs		4	**(4,650)**	(360)	(2,602)
Net operating income			**16,761**	1,345	13,847
Fair value movement of investment properties		8	**11,982**	1,305	12,497
Reversal of provision for selling costs			**–**	–	5,612
Investment in associates		9	**(1,016)**	–	1,161
Investment in joint ventures		10	**6,410**	–	1,108
Impairment of notional goodwill			**–**	–	(19,374)
Profit from operations			**34,137**	2,650	14,851
Other gains and losses			**–**	15	23
Net (loss)/gain from fair value of financial liabilities			**(180)**	–	214
Net finance costs			**(5,577)**	(279)	(5,051)
Net foreign exchange gain			**81**	–	–
Profit for the period before taxation			**28,461**	2,386	10,037
Taxation			**(1,030)**	(156)	(774)
Profit for the period after taxation			**27,431**	2,230	9,263
Profit attributable to:					
Equity holders			**27,254**	2,230	9,188
Non-controlling interest			**177**	–	75
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Fair value movement on interest rate swaps			**519**	13	13
Foreign currency translation reserve			**(6,539)**	1,283	2,648
Total comprehensive profit for the period			**21,411**	3,526	11,924
Total comprehensive profit attributable to:					
Equity holders			**21,234**	3,526	11,899
Non-controlling interest			**177**	–	25
Earnings per share					
IFRS EPS	(cents)	5	**9.88**	13.95	3.69
Diluted IFRS EPS	(cents)	5	**9.86**	13.95	3.69
EPRA EPS	(cents)	5	**4.81**	5.79	4.39
Diluted EPRA EPS	(cents)	5	**4.80**	5.79	4.39
Adjusted EPRA EPS	(cents)	5	**5.18**	5.79	4.91
Diluted adjusted EPRA EPS	(cents)	5	**5.17**	5.79	4.90

* *The comparatives have been restated to reflect the change in presentational and functional currency, see note 1.*

** *Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

Results derive from continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**Unaudited as at 30 September 2015 €'000**	Audited as at 31 March 2015 €'000	***Pro forma* Unaudited as at 2 October 2014 €'000
ASSETS				
Investment properties	8	**722,117**	695,196	614,089
Investment in associates	9	**38,085**	39,652	35,113
Investment in joint ventures	10	**39,610**	8,506	8,948
Investments		**–**	–	314
Other debtors		**7,500**	–	–
Property, plant and equipment		**3**	2	10
Total non-current assets		**807,315**	743,356	658,474
Cash and cash equivalents		**45,420**	80,430	44,532
Accounts receivable		**2,363**	2,634	2,944
Other debtors		**2,259**	3,910	546
Prepayments		**1,658**	1,519	411
Total current assets		**51,700**	88,493	48,433
Total assets		**859,015**	831,849	706,907
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	7	**–**	–	–
Share premium	7	**385,036**	374,127	339,898
Equity reserve		**303**	–	–
Retained earnings		**53,162**	37,561	11,945
Foreign currency translation reserve		**15,604**	22,143	66
Cash flow hedge reserve		**–**	(519)	(80)
Total equity attributable to equity shareholders		**454,105**	433,312	351,829
Non-controlling Interest		**1,992**	1,815	1,750
Total equity		**456,097**	435,127	353,579
Non-current liabilities				
Bank loans	11	**360,648**	296,873	292,079
Derivative financial instruments		**4,624**	5,108	4,376
Other loan and interest		**23**	23	22
Deferred tax		**7,653**	7,230	6,532
Total non-current liabilities		**372,948**	309,234	303,009
Current liabilities				
Bank loans	11	**10,791**	68,058	34,830
Derivative financial instruments		**738**	1,273	169
Accounts payable and accruals		**18,441**	18,157	15,320
Total current liabilities		**29,970**	87,488	50,319
Total liabilities		**402,918**	396,722	353,328
Total equity and liabilities		**859,015**	831,849	706,907
IFRS net asset value per share	6	**1.62**	1.59	1.41
EPRA net asset value per share	6	**1.68**	1.65	1.46

* *The comparatives have been restated to reflect the change in presentational currency, see note 1.*

** *Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital €'000	Share premium €'000	Equity reserve €'000	Retained earnings €'000	Foreign currency translation reserve €'000	Cash flow hedge reserve €'000	Attri-butable to equity share-holders €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 April 2015	**–**	**374,127**	**–**	**37,561**	**22,143**	**(519)**	**433,312**	**1,815**	**435,127**
Issue of share capital	**–**	**10,909**	**(25)**	**–**	**–**	**–**	**10,884**	**–**	**10,884**
Credit to equity for equity-settled share-based payments	**–**	**–**	**328**	**–**	**–**	**–**	**328**	**–**	**328**
Total comprehensive profit for the period	**–**	**–**	**–**	**27,254**	**(6,539)**	**519**	**21,234**	**177**	**21,411**
Ordinary dividends	**–**	**–**	**–**	**(11,653)**	**–**	**–**	**(11,653)**	**–**	**(11,653)**
Balance at 30 September 2015	**–**	**385,036**	**303**	**53,162**	**15,604**	**–**	**454,105**	**1,992**	**456,097**
Balance at 1 April 2014	–	21,131	–	(37)	–	5	21,099	–	21,099
Novation of swap contract	–	–	–	98	–	(98)	–	–	–
Listing costs	–	(36)	–	–	–	–	(36)	–	(36)
Total comprehensive profit for the period	–	–	–	2,230	1,283	13	3,526	–	3,526
Balance at 30 September 2014	–	21,095	–	2,291	1,283	(80)	24,589	–	24,589

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited for the six months ended 30 September 2015 €'000	*Restated Unaudited for the six months ended 30 September 2014 €'000
Operating activities			
Profit from operations		**34,137**	2,650
Share of loss in associates	9	**1,016**	–
Increase in fair value of investment property	8	**(11,982)**	(1,344)
Increase in fair value of joint venture	10	**(6,410)**	–
Exchange rate gains		**81**	–
Decrease/(increase) in trade and other receivables		**373**	(16)
Increase/(decrease) in trade and other payables		**896**	(398)
Interest paid		**(5,320)**	(248)
Interest received		**520**	1
Net tax paid		**(263)**	(11)
Net cash from operating activities		**13,048**	634
Investing activities			
Dividends received from trading activities		**–**	8
Dividends received from associates		**1,388**	–
Dividends received from joint ventures		**210**	–
Capital expenditure on investment properties	8	**(26,902)**	–
Acquisition of investment in joint venture	10	**(26,782)**	–
Net cash (used in)/from investing activities		**(52,086)**	8
Financing activities			
Repayment of borrowings		**(36,437)**	–
Dividends paid		**(8,198)**	
Listing costs paid		**–**	(113)
Financing fees paid		**(945)**	(55)
Unutilised facility fee paid		**–**	(44)
Payments made on swap break		**(571)**	–
New bank loans raised		**50,069**	–
Net cash from/(used in) financing activities		**3,918**	(212)
Net (decrease)/increase in cash and cash equivalents		**(35,120)**	430
Effect of foreign exchange rate changes		**110**	175
Cash and cash equivalents at beginning of the period		**80,430**	1,671
Cash and cash equivalents at end of the period		**45,420**	2,276

** The comparatives have been restated to reflect the change in presentational currency, see note 1.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited condensed consolidated financial results (the "IFRS Statements") for the six months ended 30 September 2015 have been prepared in accordance with the recognition and measurements principles of the International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"), specifically IAS 34 "Interim Financial Reporting" and the listing requirements of the Bermuda Stock Exchange and the Johannesburg Stock Exchange as applicable.

The accounting policies and methods of computation are consistent with those applied in the preparation of the annual financial statements for the year ended 31 March 2015 which were audited and reported on by the Group's external auditors, except for the new standards adopted during the period.

Going concern

At the date of signing these accounts, the Group has positive operating cash flow forecasts and positive net assets. Management have reviewed the Group's cash flow forecasts for the 18 months to 30 September 2016 and, in the light of this review and the current financial position, they are satisfied that the Company and the Group have access to adequate resources to meet the obligations and continue in operational existence for the foreseeable future, and specifically the 12 months subsequent to the signing of these financial statements. The directors believe that it is therefore appropriate to prepare the accounts on a going concern basis.

COMPARATIVE PRO FORMA INFORMATION

Comparative *pro forma*

In the interests of consistency in those areas of reporting that are seen to be of most relevance to investors, and of providing a meaningful basis of comparison for users of the financial information, the Group has presented for the comparative period an unaudited *pro forma* statement of comprehensive income for the six months ended 2 October 2014 and an unaudited *pro forma* consolidated statement of financial position as at 2 October 2014. The comparative *pro forma* statements, which are denominated in EUR, are for illustration purposes only and may not fairly represent the Group's financial position or results of operations.

The main difference between the comparative *pro forma* statements and the comparative IFRS statements is that the comparative *pro forma* statement of comprehensive income has been prepared as if completion of the acquisition of the property owning companies had taken place on 1 April 2014, which was the effective date on which risk and reward passed to Stenprop in the purchase of the various property companies, while the comparative IFRS statements use the completion date of the acquisition (date that control passes), being 2 October 2014, to account for these investments. The *pro forma* statements, which are denominated in EUR, are for illustration purposes only and may not fairly represent the Group's financial position or results of operations.

The comparative *pro forma* statement of comprehensive income therefore separately shows trading profits, property revaluations and other adjustments for the six months ended 30 September 2014. In addition, the comparative *pro forma* statement of comprehensive income discloses the notional goodwill arising on the purchase of the management companies, the gain arising on the purchase of the property companies (which under IFRS is treated as one linked transaction), and the recognition of the amount of the deferred consideration which is reasonably expected to become payable.

Comparative presentational currency

The functional currency of the Group is the Euro and all amounts referred to in this report are, unless otherwise stated, in Euros. The change from GBP to Euro was implemented with effect from 1 October 2014 as from this date the Euro was considered to be the currency which best reflects the primary economic environment in which the Group operates. All prior period comparatives have been restated at a spot rate of £1:€1.28 being the exchange rate prevailing at 30 September 2014 and an average rate of £1:€1.243. For the purposes of changing the currency denomination of the share capital of the Company, a GBP:EUR exchange rate of £1:1.2102 was used at 31 March 2014.

ADOPTION OF NEW AND REVISED STANDARDS

In the current period the following new and revised Standards and Interpretations have been adopted:

- IAS 19 Defined benefit plans: Employee contributions
- Annual improvements to IFRSs: 2010 – 2012 Cycle

At the date of authorisation of these financial statements, the following applicable standards which have not been applied to these financial statements, were in issue but not yet effective. They are effective for periods commencing on or after the disclosed date:

- IFRS 9 Financial instruments (1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (1 January 2018)

- IFRS 11 (amendments) Accounting for acquisitions of interests in joint operations (1 January 2016)
- IFRS 12 (amendments) Disclosure of interest in other entities (1 January 2016)
- IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortisation (1 January 2016)
- IAS 27 (amendments) Equity method in separate financial statements (1 January 2016)
- IFRS 10 and IAS 28 (amendments) Sale or contribution of assets between an Investor and its Associate or Joint Venture (1 January 2016) (amendments)
- Annual improvements to IFRSs: 2014 Cycle (1 January 2016)
- IAS 1 (amendments) Disclosure Initiative (1 January 2016)
- IFRS 10 (amendments) Investment entities: applying the Consolidation Exception (1 January 2016)

The directors are looking into whether the new standards listed above will have a material impact on the financial statements of the Group in the future period.

Share-based payments

Share options have been granted to key management as part of the acquisition of the management companies. The cost of equity settled transactions is measured with reference to the fair value at the date at which they were granted. The Group accounts for the fair value of these options at grant date over the vesting period in the income statement, with a corresponding increase to the share-based payment reserve.

Reclassification of associates

As of 30 September 2015, management agreed to reclassify Stenpark Management Limited from an associate to a joint venture to more accurately reflect the substance of this investment. The net asset value of Stenpark Management Limited at this date was €41,000. The impact of this transfer can be seen in notes 9 and 10.

Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by the board.

JUDGEMENTS AND ESTIMATES

The preparation of the condensed consolidated interim financial statements requires the use of judgements and estimates that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of revenues and expenses reported during the period. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results may differ from those estimates.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investment properties

The preparation of the financial statements requires management to make estimates affecting the reported amounts of assets and liabilities, of revenues and expenses, and of gains and losses. As described below, the Group's investment properties are stated at estimated fair value, determined by directors, based on an independent external appraisal. The valuation of the Group's property portfolio is inherently subjective due to a number of factors including the individual nature of the property, its location and the expectation of future rentals.

As a result, the valuations placed on the property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions that may not prove to be accurate particularly in times of volatility or low transaction flow in the market.

The estimated market value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. As a result, if the assumptions prove to be different, actual results of operations and realisation of net assets could differ from the estimates set forth in these financial statements, and the difference could be significant.

Hedge accounting

As at 31 March 2015, the Group designated certain derivative hedging instruments as cash flow hedges. The effective portion of changes in the fair value of derivatives that were designated and qualified as cash flows hedges were recognised in other comprehensive income. The gain or loss relating to the ineffective portion was recognised immediately in profit or loss. During the period to 30 September 2015, the Group discontinued hedge accounting for all interest rate swaps and as such any gain or loss is recognised immediately in the statement of comprehensive income. The decision was taken in order to reduce the costs associated with the initial and ongoing assessment of hedge effectiveness as well as to simplify financial derivative reporting requirements. At the time of this designation, the loss accumulated in equity of €518,000 was immediately recognised in the statement of comprehensive income.

2. OPERATING SEGMENTS

The Group is focused on real estate investment in well-developed, large economies with established real estate markets. The investment portfolio is geographically diversified across Germany, the United Kingdom and Switzerland, and these geographical locations provide the basis of the business segments identified by the Group. Each segment derives its revenue from the rental of investment properties in the respective geographical regions.

Relevant financial information is set out below:

i) Information about reportable segments

	Germany €'000	United Kingdom €'000	Switzerland €'000	Total €'000
Unaudited for the period ended 30 September 2015				
Net rental income	**5,431**	**10,194**	**4,000**	**19,625**
Fair value movement of investment properties	**2,641**	**13,050**	**(3,709)**	**11,982**
Net loss/(gain) from fair value of financial liabilities	**51**	**(985)**	**754**	**(180)**
Investment in associates	**(1,016)**	**–**	**–**	**(1,016)**
Investment in joint venture	**1,099**	**5,093**	**–**	**6,192**
Net finance costs	**(1,431)**	**(2,879)**	**(1,267)**	**(5,577)**
Operating costs	**(307)**	**(150)**	**(326)**	**(783)**
Total profit per reportable segments	**6,468**	**24,323**	**(548)**	**30,243**
As at 30 September 2015				
Investment properties	**218,802**	**346,494**	**156,821**	**722,117**
Investment in associates	**38,085**	**–**	**–**	**38,085**
Investment in joint venture	**9,125**	**30,438**	**–**	**39,563**
Cash	**23,570**	**15,430**	**3,797**	**42,797**
Other	**9,666**	**1,573**	**958**	**12,197**
Total assets	**299,248**	**393,935**	**161,576**	**854,759**
Borrowings – bank loans	**(135,967)**	**(146,654)**	**(88,818)**	**(371,439)**
Other	**(6,576)**	**(13,206)**	**(8,401)**	**(28,183)**
Total liabilities	**(142,543)**	**(159,860)**	**(97,219)**	**(399,622)**
Unaudited for the period ended 30 September 2014				
Net rental income	–	1,705	–	1,705
Fair value movement of investment properties	–	1,305	–	1,305
Net finance costs	–	(279)	–	(279)
Operating costs	–	(360)	–	(360)
Total profit per reportable segments	–	2,371	–	2,371

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. OPERATING SEGMENTS CONTINUED

i) Information about reportable segments continued

	Germany €'000	United Kingdom €'000	Switzerland €'000	Total €'000
***Pro forma* unaudited for the period ended 2 October 2014**				
Net rental income	4,609	8,187	3,586	16,382
Fair value movement of investment properties	4	12,439	54	12,497
Net loss/(gain) from fair value of financial liabilities	(394)	598	10	214
Investment in associates	1,161	–	–	1,161
Investment in joint venture	1,108	–	–	1,108
Net finance costs	(1,688)	(2,513)	(850)	(5,051)
Operating costs	(818)	(1,156)	(558)	(2,532)
Total profit per reportable segments	3,982	17,555	2,242	23,779
***Pro forma* as at 2 October 2014**				
Investment properties	189,570	279,315	145,204	614,089
Investment in associates	35,082	–	–	35,082
Investments	–	314	–	314
Investment in joint venture	8,948	–	–	8,948
Cash	16,602	24,592	3,310	44,504
Other	817	1,037	518	2,372
Total assets	251,019	305,258	149,032	705,309
Borrowings – bank loans	(127,066)	(115,646)	(84,197)	(326,909)
Other	(5,700)	(10,545)	(7,377)	(23,622)
Total liabilities	(132,766)	(126,191)	(91,574)	(350,531)

2. OPERATING SEGMENTS CONTINUED

ii) Reconciliation of reportable segment profit or loss

	Unaudited for the six months ended 30 September 2015 €'000	*Restated Unaudited for the six months ended 30 September 2014 €'000	***Pro forma* Unaudited for the six months ended 2 October 2014 €'000
Rental income			
Net rental income for reported segments	**19,625**	1,705	16,382
Profit or loss			
Fair value movement of investment properties	**11,982**	1,305	12,497
Net (loss)/gain from fair value of financial liabilities	**(180)**	–	214
Investment in associates	**(1,016)**	–	1,161
Investment in joint venture	**6,192**	–	1,108
Net finance costs	**(5,577)**	(279)	(5,051)
Operating costs	**(783)**	(360)	(2,532)
Total profit per reportable segments	**30,243**	2,371	23,779
Other profit or loss – unallocated amounts			
Management fee income	**1,786**	–	67
Investment in joint venture	**218**	–	–
Tax, legal and professional fees	**(202)**	–	(39)
Audit fees	**(158)**	–	–
Administration fees	**(156)**	–	(4)
Non-executive directors' fees	**(128)**	–	–
Staff remuneration costs	**(1,847)**	–	–
Other operating costs	**(1,376)**	–	(27)
Reversal of provision for selling costs	**–**	–	5,612
Impairment of goodwill	**–**	–	(19,374)
Other gains and losses	**–**	15	23
Net foreign exchange losses	**81**	–	–
Consolidated profit before taxation	**28,461**	2,386	10,037

** The comparatives have been restated to reflect the change in presentational currency, see note 1.*

*** Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. OPERATING SEGMENTS CONTINUED

iii) Reconciliation of reportable segment financial position

	Unaudited as at 30 September 2015 €'000	**Pro forma* Unaudited as at 2 October 2014 €'000
Assets		
Investment properties	**722,117**	614,089
Investment in associates	**38,085**	35,082
Investments	**–**	314
Investment in joint venture	**39,563**	8,948
Cash	**42,797**	44,504
Other	**12,197**	2,372
Total assets per reportable segments	**854,759**	705,309
Other assets – unallocated amounts		
Investment in associates	**–**	31
Investment in joint venture	**47**	–
Cash	**2,623**	28
Other	**1,585**	1,539
Total assets per consolidated statement of financial position	**859,014**	706,907
Liabilities		
Borrowings – bank loans	**(371,439)**	(326,909)
Other	**(28,183)**	(23,622)
Total liabilities per reportable segments	**(399,622)**	(350,531)
Other liabilities – unallocated amounts	**(3,296)**	(2,797)
Total liabilities per consolidated statement of financial position	**(402,918)**	(353,328)

** Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

3. NET RENTAL INCOME

	Unaudited for the six months ended 30 September 2015 €'000	*Restated Unaudited for the six months ended 30 September 2014 €'000	***Pro forma* Unaudited for the six months ended 2 October 2014 €'000
Rental income	**21,763**	1,708	18,582
Other income – tenant recharges	**2,577**	41	1,081
Other income	**178**	–	105
Rental income	**24,518**	1,749	19,768
Direct property costs	**(4,893)**	(44)	(3,386)
Total net rental income	**19,625**	1,705	16,382

* *The comparatives have been restated to reflect the change in presentational currency, see note 1.*

** *Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

4. OPERATING COSTS

	Unaudited for the six months ended 30 September 2015 €'000	*Restated Unaudited for the six months ended 30 September 2014 €'000	***Pro forma* Unaudited for the six months ended 2 October 2014 €'000
Tax, legal and professional fees	**505**	54	393
Audit and professional fees	**164**	8	14
Administration fees	**211**	61	318
Investment advisory fees	**198**	218	218
Asset management fees^	**–**	–	1,633
Non-executive directors' fees	**131**	17	18
Staff remuneration costs	**2,176**	–	–
Other operating costs	**1,265**	2	8
	4,650	360	2,602

^ *Asset management fees were paid for the six months from 1 April 2014. With effect from 2 October 2014, management was internalised and no further asset management fees were payable by Stenprop. Stenprop therefore bears the direct costs of management from 2 October 2014.*

* *The comparatives have been restated to reflect the change in presentational currency, see note 1.*

** *Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5. EARNINGS PER ORDINARY SHARE

Reconciliation of profit for the period to adjusted EPRA earnings

		Unaudited for the six months ended 30 September 2015 €'000	*Restated Unaudited for the six months ended 30 September 2014 €'000	***Pro forma* Unaudited for the six months ended 2 October 2014 €'000
Earnings per IFRS income statement attributable to shareholders		**27,254**	2,230	9,188
Adjustments to calculate EPRA earnings, exclude:				–
Changes in fair value of investment properties		**(11,982)**	(1,305)	(12,497)
Reversal of provision for selling costs		**–**	–	(5,612)
Reversal of impairment of goodwill		**–**	–	19,374
Changes in fair value of financial instruments		**180**	–	(214)
Deferred tax in respect of EPRA adjustments		**609**	–	574
Adjustments above in respect of joint ventures and associates:				
Changes in fair value		**(2,478)**	–	146
Deferred tax in respect of EPRA adjustments		**(318)**	–	(22)
EPRA earnings attributable to shareholders		**13,265**	925	10,937
Further adjustments to arrive at adjusted EPRA earnings				
Straight-line unwind of purchase swaps		**1,021**	–	1,273
Adjusted EPRA earnings attributable to shareholders		**14,286**	925	12,210
Weighted average number of shares in issue		**275,801,583**	15,986,003	248,902,812
Share-based payment award		**652,799**	–	291,563
Diluted weighted average number of shares in issue		**276,454,382**	15,986,003	249,194,375
Earnings per share				
IFRS EPS	(cents)	**9.88**	13.95	3.69
Diluted IFRS EPS	(cents)	**9.86**	13.95	3.69
EPRA EPS	(cents)	**4.81**	5.79	4.39
Diluted EPRA EPS	(cents)	**4.80**	5.79	4.39
Adjusted EPRA EPS	(cents)	**5.18**	5.79	4.91
Diluted adjusted EPRA EPS	(cents)	**5.17**	5.79	4.90

* *The comparatives have been restated to reflect the change in presentational currency, see note 1.*

** *Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

Straight-line unwind of purchase swaps

A further adjustment was made to the EPRA earnings attributable to shareholders relating to the straight line unwind of the value as at 1 April 2014 of the swap contracts in the property companies acquired. When the property companies were acquired by Stenprop with effect from 1 April 2014, it also acquired the bank loans and swap contracts which were in place within these property companies. As a result, Stenprop took over loans with higher swap interest rates than would have been the case had new loans and swaps been put in place at 1 April 2014. To compensate for this, the value of the swap break costs was calculated at 1 April 2014 and the purchase consideration for the property companies was reduced accordingly to reflect this liability.

5. EARNINGS PER ORDINARY SHARE CONTINUED

Reconciliation of profit for the period to headline earnings

		Unaudited for the six months ended 30 September 2015 €'000	*Restated Unaudited for the six months ended 30 September 2014 €'000	***Pro forma* Unaudited for the six month s ended 2 October 2014 €'000
Earnings per IFRS income statement attributable to shareholders		**27,254**	2,230	9,188
Adjustments to calculate headline earnings, exclude:				
Changes in fair value of investment properties		**(11,982)**	(1,305)	(12,497)
Reversal of provision for selling costs		**–**	–	(5,612)
Reversal of gain on acquisition		**–**	–	19,374
Changes in fair value of financial instruments		**519**	13	13
Deferred tax in respect of headline earnings adjustments		**609**	–	574
Adjustments above in respect of joint ventures and associates				
Changes in value of investment properties		**(2,551)**	–	146
Deferred tax		**(367)**	–	(22)
Headline earnings attributable to shareholders		**13,482**	938	11,164
Earnings per share				
Headline EPS	(cents)	**4.89**	5.87	4.49
Diluted headline EPS	(cents)	**4.88**	5.87	4.48

* *The comparatives have been restated to reflect the change in presentational currency, see note 1.*

** *Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

6. NET ASSET VALUE PER ORDINARY SHARE

Net asset value per share

		Unaudited as at 30 September 2015 €'000	Audited as at 31 March 2015 €'000	**Pro forma* Unaudited as at 2 October 2014 €'000
Net assets attributable to equity shareholders		**454,105**	433,312	351,829
Adjustments to arrive at EPRA net asset value:				
Derivative financial instruments		**5,362**	6,381	4,545
Deferred tax		**7,653**	7,230	6,532
Adjustments above in respect of non-controlling interests		**2,343**	2,504	1,067
EPRA net assets attributable to shareholders		**469,463**	449,427	363,973
Number of shares in issue		**279,720,942**	272,236,146	248,902,812
Share-based payment awards		**652,799**	291,563	291,563
Diluted number of shares in issue		**280,373,741**	272,527,709	249,194,375
Net asset value per share				
IFRS net asset value per share	(cents)	**1.62**	1.59	1.41
Diluted IFRS net asset value per share	(cents)	**1.62**	1.59	1.41
EPRA net asset value per share	(cents)	**1.68**	1.65	1.46
Diluted EPRA net asset value per share	(cents)	**1.67**	1.65	1.46

* *Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

7. SHARE CAPITAL

	Unaudited as at 30 September 2015 €	Audited as at 31 March 2015 €	**Pro forma* Unaudited as at 2 October 2014 €
Authorised			
1,000,000,000 ordinary shares with a par value of €0.000001258 each	**1,258**	1,258	1,258

		Unaudited for the six months ended 30 September 2015	Audited for the year ended 31 March 2015	**Pro forma* Unaudited for the six months ended 2 October 2014
Issued share capital				
Opening balance		**272,236,146**	15,986,003	15,986,003
Issue of new shares		**7,484,796**	256,250,143	232,916,809
Closing number of shares issued		**279,720,942**	272,236,146	248,902,812
Share capital				
Share premium	(€'000)	**387,895**	376,986	341,985
Less: Acquisition/transaction costs	(€'000)	**(2,859)**	(2,859)	(2,087)
Total share premium		**385,036**	374,127	339,898

** Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

There were no changes made to the number of authorised shares of the Company during the period under review. Stenprop Limited has one class of share; all shares rank equally and are fully paid.

The Company has 279,720,942 (March 2015: 272,236,146) ordinary shares in issue at the reporting date which have a primary listing on the BSX and a secondary listing on the JSE.

On 11 June 2015, a dividend of 4.2 cents per share was declared in repsect of the year ended 31 March 2015. The record date for the dividend was 10 July 2015 and the payment date was 16 July 2015. On 30 June 2015, 5,209,109 and 17,793 new ordinary shares were issued on the BSX and JSE at an issue price of €1.43 per share in respect of the Share Purchase Plan and Deferred Share Bonus Plan respectively. On 16 July 2015, the owners of 277,463,048 shares were entitled to receive the dividend of 4.2 cents resulting in an overall dividend payment of €11,653,000. From this total, 2,257,894 new ordinary shares were issued in respect of the scrip dividend offering for the year ended 31 March 2015, representing a scrip dividend take up of 29.48%.

Subsequent to the period end, and with effect from 5 October 2015, the JSE approved the transfer of Stenprop's listing from the JSE's AltX to the JSE's Main Board. The transfer will not affect the Company's current listing on the Bermuda Stock Exchange.

8. INVESTMENT PROPERTY

The fair value of the consolidated investment properties at 30 September 2015 was €722,117,022 (31 March 2015: €695,196,554). The carrying amount of investment property is the fair value of the property as determined by registered independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued ("valuers").

The fair value of each of the properties for the period ended 30 September 2015 was assessed by the valuers in accordance with the RICS standards and IFRS 13. The fair value represents the highest and best use.

The valuations performed by the independent valuers are reviewed internally by senior management. This includes discussions of the assumptions used by the external valuers, as well as a review of the resulting valuations.

Discussions of the valuations process and results are held between the senior management and the external valuers on a bi-annual basis. The Audit Committee reviews and approves the valuation results.

The valuation techniques used are consistent with IFRS13 and use significant "unobservable" inputs. There have been no changes in valuation techniques since the prior year.

There are interrelationships between all these unobservable inputs as they are determined by the market conditions. The effect of an increase in more than one unobservable input would be to magnify the impact on the valuation. The impact on the valuation will be mitigated by the interrelationship of two unobservable inputs moving in the opposite directions e.g. an increase in rent may be offset by an increase in yield, resulting in no net impact on the valuation. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yield. All revenue is derived from the underlying tenancies given on the investment properties.

The key unobservable inputs used in the valuation of the Group's investment properties at 30 September 2015 are detailed in the table below:

Combined portfolio (including share of jointly controlled entities)	% of portfolio by market value (%)	Market value 30 Sep 2015 (€'000)	Properties	Area (sqm)	Annualised gross rental income (€m)	Net initial yield (Weighted average) (%)	Weighted average lease length by rental (years)	Voids (by gross rental Income) (%)
UK	39	346,494	14	73,737	22.2	5.43	6.6	1.9
Germany	25	218,802	22	80,528	13.3	5.21	5.7	5.9
Switzerland	18	156,821	13	48,506	10.2	3.57	4.3	5.5
Sub-total	**81**	**722,117**	**49**	**202,771**	**45.7**	**4.96**	**6.0**	**3.9**
Share of joint ventures and associates	19	164,505	6	49,415	11.2	5.42	5.6	1.2
Total	**100**	**886,622**	**55**	**252,186**	**56.9**	**5.17**	**5.9**	**3.3**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. INVESTMENT PROPERTY CONTINUED

	Unaudited as at 30 September 2015 €'000	Audited as at 31 March 2015 €'000	**Pro forma* Unaudited as at 2 October 2014 €'000
Opening balance	**695,196**	33,281	35,239
Properties acquired through the acquisition of subsidiaries	**24,485**	661,151	577,545
Capitalised expenditure	**2,417**	3,414	–
Disposals through the sale of property	**–**	(65,273)	–
Foreign exchange movement in foreign operations	**(11,963)**	44,667	–
Net fair value gains on investment property	**11,982**	17,956	1,305
Closing balance	**722,117**	695,196	614,089

** Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

Acquisitions

The acquisition of a retail centre known as Hermann Quartier for a purchase price of €22.7 million completed on 24 August 2015. The property is on a high street location of Berlin's central suburb of Neukölln with excellent public transport links, including an underground station inside the shopping centre. The acquisition was financed 50% by debt at an all-in interest rate of 1.42% per annum. The return on equity on this investment exceeded 7.5% per annum at inception.

9. INVESTMENT IN ASSOCIATES

Details of the Group's associates at the end of the reporting period are as follows:

	Place of incorporation	Principal activity	% equity owned by subsidiary
Stenham European Shopping Centre Fund Limited ("SESCF")	**Guernsey**	**Fund**	**28.42**
Stenham Berlin Residential Fund Limited	**Guernsey**	**Fund**	**10.44**

28.16% of the investment in the underlying property is held through Stenham European Shopping Centre Fund Limited ("SESCF"), and 0.26% of the property investment is held via a wholly-owned subsidiary, Leatherback Property Holdings Limited incorporated in BVI.

Summarised financial information in respect of the Group's associates is set out below

	Total 30 September 2015 €'000	Total 31 March 2015 €'000
Non-current assets	**318,760**	328,121
Current assets	**14,171**	16,903
Non-current liabilities	**(161,636)**	(160,288)
Current liabilities	**(3,197)**	(11,662)
Equity attributable to owners of the company	**168,098**	173,074
Revenue	**10,000**	22,281
(Loss)/profit from continuing operations and total comprehensive income	**(3,351)**	5,599
Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in the financial statements:		
Opening balance	**39,652**	–
Reclassification of associate as joint venture	**(41)**	
Share in associates acquired during the period	**365**	41,146
Share of associates profit	**(1,016)**	456
Distribution received from associates	**(875)**	(1,960)
Foreign exchange movement in foreign operations	**–**	10
Closing balance	**38,085**	39,652

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10. INVESTMENT IN JOINT VENTURES

Details of the Group's joint ventures at the end of the reporting period are as follows:

	Place of incorporation	Principal activity	% equity owned by subsidiary
Elysion S.A.	**Luxembourg**	**Holding Company**	**50**
Stenpark Management Limited	**Guernsey**	**Management Company**	**50**
Stenprop Argyll Limited	**BVI**	**Holding Company**	**50**

Summarised financial information in respect of the Group's joint ventures is set out below

	Total 30 September 2015 €'000	Total 31 March 2015 €'000
Investment property	**145,009**	33,563
Net working capital	**953**	140
Assets	**145,962**	33,703
Bank loans	**(73,695)**	(23,776)
Shareholder loan third party	**(25,494)**	–
Shareholder loan Group	**(39,214)**	(13,524)
Deferred tax	**(196)**	(153)
Financial liability	**(1,973)**	(1,268)
Liabilities	**(140,572)**	(38,721)
Net assets/(liabilities) of joint ventures	**5,390**	(5,018)
Net assets of joint ventures excluding loans due to Group	**44,605**	8,506
Revenue	**4,548**	2,796
Profit from continuing operations and total comprehensive income excluding interest due to Group	**11,720**	1,314
Share of joint ventures profit due to the Group	**6,410**	778
Reconciliation of the above summarised financial information to the carrying amount of the interest recognised in the consolidated financial statements:		
Opening balance	**8,506**	–
Reclassification of associate to joint venture	**41**	–
Share in joint ventures acquired during the period	**25,494**	8,948
Share of joint venture profit	**6,410**	778
Distribution received from joint venture	**(690)**	(1,220)
Foreign exchange movement in foreign operations	**(151)**	–
Closing balance	**39,610**	8,506

On 20 May 2015, the Group acquired a 50% interest in Regent Arcade House Holdings Limited ("RAHHL"), which owns the property known as 25 Argyll Street. The acquisition cost of this interest was £18.9 million which was based on a valuation of the property of £75 million. RAHHL refinanced the property with an interest-only bank loan of £37.5 million at an all-in rate of 2.974% per annum, with a term of five years.

11. BORROWINGS

	Unaudited 30 September 2015 €'000	Audited 31 March 2015 €'000
Opening balance	**364,931**	12,586
Acquisitions	**11,050**	313,643
Loan repayments	**(29,874)**	(17,774)
New loans	**37,143**	40,453
Amortisation of loan	**(5,055)**	(5,416)
New transaction fees	**(898)**	(622)
Amortisation of transaction fees	**167**	22
Foreign exchange movement in foreign operations	**(6,025)**	22,039
Total borrowings	**371,439**	364,931
Amount due for settlement within 12 months	**10,791**	68,058
Amount due for settlement between 1 to 3 years	**214,276**	232,201
Amount due for settlement between 3 to 5 years	**137,372**	56,132
Amount due for settlement after 5 years	**9,000**	8,540
	371,439	364,931

The facilities are secured by debentures and legal charges over the properties to which they correspond. There is no cross-collaterisation of the facilities.

Property/portfolio	Property value €'000	Loan Value €'000	Loan to value %	Weighted average interest rate %	Weighted average duration to expiry (years)
United Kingdom	**346,495**	**(146,654)**	**42.3**	**3.22**	**4.10**
Switzerland	**156,820**	**(88,817)**	**56.6**	**2.80**	**1.50**
Germany	**218,802**	**(135,968)**	**62.1**	**2.12**	**2.13**
Total	**722,117**	**(371,439)**	**51.4**	**2.72**	**2.76**
Held in associate and joint venture:					
Stenprop Argyll Limited	**55,634**	**(25,098)**	**45.1**	**2.97**	**4.64**
Nova Eventis	**75,313**	**(45,123)**	**57.8**	**4.00**	**0.82**
Care Homes Portfolio	**33,558**	**(23,499)**	**70.0**	**2.61**	**2.86**
Potfolio total	**886,622**	**(465,159)**	**–**	**–**	**–**
Less minority interest	**(6,217)**	**4,327**	**–**	**–**	**–**
Portfolio total (excluding minorities)	**880,405**	**(460,832)**	**52.2**	**2.86**	**2.79**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

12. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks including market risk, credit risk and liquidity risk. The overall risk management strategy seeks to minimise the potential adverse effects on the Group's financial performance. Certain risk exposures are hedged via the use of financial derivatives. The risks faced by the Group have not significatly changed compared to those disclosed in the consolidated financial statements for the year ended 31 March 2015.

Fair value of financial instruments

The following table summarises the Group's financial assets and liabilities into categories required by IFRS7 Financial instruments disclosures. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

	Held at fair value through other comprehensive income €'000	**Held at fair value through profit and loss €'000**	**Held at amortised cost €'000**	**Total carrying amount 30 September 2015 €'000**
30 September 2015				
Financial assets				
Cash and cash equivalents	**–**	**–**	**45,420**	**45,420**
Accounts receivable	**–**	**–**	**2,362**	**2,362**
Other debtors	**–**	**–**	**9,759**	**9,759**
	–	**–**	**57,541**	**57,541**
Financial liabilities				
Loans	**–**	**–**	**371,439**	**371,439**
Other loans and interest	**–**	**–**	**23**	**23**
Interest rate swaps	**–**	**5,362**	**–**	**5,362**
Accounts payable	**–**	**–**	**18,441**	**18,441**
	–	**5,362**	**389,903**	**395,265**

	Held at fair value through other comprehensive income €'000	Held at fair value through profit and loss €'000	Held at amortised cost €'000	Total carrying amount 31 March 2015 €'000
31 March 2015				
Financial assets				
Cash and cash equivalents	–	–	80,430	80,430
Accounts receivable	–	–	2,634	2,634
Other debtors	–	–	3,910	3,910
	–	–	86,974	86,974
Financial liabilities				
Loans	–	–	364,931	364,931
Other loans and interest			23	23
Interest rate swaps	519	5,862	–	6,381
Accounts payable	–	–	18,157	18,157
	519	5,862	383,111	389,492

12. FINANCIAL RISK MANAGEMENT CONTINUED

Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Total financial instruments recognised at fair value €'000	Designated at fair value Level 1 €'000	Level 2 €'000	Level 3 €'000
30 September 2015				
Assets				
Investment properties	**722,117**	**–**	**–**	**722,117**
Total assets	**722,117**	**–**	**–**	**722,117**
Liabilities				
Derivative financial liabilities	**5,362**	**–**	**5,362**	**–**
Total liabilities	**5,362**	**–**	**5,362**	**–**
31 March 2015				
Assets				
Investment properties	695,196	–	–	695,196
Total assets	695,196	–	–	695,196
Liabilities				
Derivative financial liabilities	6,381	–	6,381	–
Total liabilities	6,381	–	6,381	–

Details of changes in valuation techniques

There have been no significant changes in valuation techniques during the period under review.

Significant transfers between Level, 1 Level 2 and Level 3

There have been no significant transfers during the period under review.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. RELATED PARTY TRANSACTIONS

Parties are considered related if one party has control, joint control or significant influence over the other party in making financial and operating decisions. Transactions with related parties are made on terms equivalent to those that prevail in an arm's length transaction.

Other than those further referred to below, there were no other related party transactions during the period ended 30 September 2015.

Share Incentive Plans

Executive directors	Deferred Share Bonus Plan €	Number of shares	Share Purchase Plan Loans €	Number of shares
Paul Arenson	**256,350**	**179,266**	**3,813,333**	**2,666,667**
Patsy Watson	**205,080**	**143,413**	**3,122,166**	**2,183,333**
Neil Marais	**20,508**	**14,341**	**157,912**	**110,428**
	481,938	**337,020**	**7,093,411**	**4,960,428**

Deferred Share Bonus Plan

Share options vest in three equal tranches. The first tranche of 125,353 shares was granted on 10 June 2015 and vested on 11 June 2015. Subsequent tranches will vest in accordance with the rules of the Deferred Share Bonus Plan on 31 March 2016 and 31 March 2017.

On 30 June, Neil Marais, an executive director of Stenprop, exercised options on 4,780 shares for a total value of €6,835.

Share Purchase Plan

Shares were issued on 30 June 2015 in relation to the Share Purchase Plan. All three executive directors listed above took their full entitlement of shares under the Share Purchase Plan, as detailed above. At the same date loans were advanced by Stenprop to the participants.

Loans advanced under the Share Purchase Plan are interest-bearing at a rate equal to the average interest rate incurred by the Group from time to time. Interest is payable six-monthly in arrear. Loans are repayable within 30 days of cessation of employment (unless the participant ceases employment in circumstances beyond his or her control, in which case the loan is repayable within 12 months), and must in all circumstances be repaid in 10 years. All dividends paid to such employees (or their nominees) by virtue of their shareholding, must first be utilised to discharge any interest outstanding in terms of the loan advanced in terms of the Share Purchase Plan.

Director share dealings

Other than to elect to receive a scrip dividend in accordance with the circular issued to shareholders on 19 June 2015, no directors have had dealings in the shares of the Company in the period.

Acquisition of 25 Argyll Street

During the period, the Group acquired a 50% interest in Regent Arcade House Holdings Limited ("RAHHL"), which owns the property known as 25 Argyll Street. The acquisition cost of this interest was £18.9 million. Both the vendor and RAHHL were, and continue to be, managed by the Group and the Group will continue to earn property management fees for managing the 50% currently owned by a third party.

14. EVENTS AFTER THE REPORTING PERIOD

The JSE approved the transfer of the Company's listing from AltX to the Main Board with effect from 5 October 2015. The transfer will not affect the Company's current listing on the Bermuda Stock Exchange.

The purchase of the Victoria Shopping Centre for €20.6 million was notarised on 18 June 2015 and completed on 24 November 2015. The property is located in the Lichtenberg district of Berlin, approximately 15 minutes by underground from the city centre and is comprised of two buildings. The investment is anchored by Kaufland (a hypermarket chain) on a new 17-year lease. The return on equity on this investment exceeded 8% per annum at inception.

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