

FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016



STENPROP

SUSTAINABLE BALANCED GROWTH

SP

Market Data

As at 21 November 2016

Share price	R18.4	€1.22
Shares in issue (m)	286.2	
Market cap	R5.3b	€350m
EUR:ZAR exchange rate	15.1	

Shareholdings – 30 September

Total Shareholders	3,204
Directors and employee holdings	5.41%
Largest Shareholder (Peregrine)	6.75%
Holding Bermuda register	71.9%
Holding SA register	28.1%

Trading Volumes – 21 November 2016 ('000)

Shares traded	1 Month	3 Months	12 Months
High	696	696	2,073
Low	6	4	-
Median	35	35	61
Average	89	80	141

Listing

- Primary listing on JSE Main Board and secondary listing on the BSX
- Included in SAPY Index in December 2015
- JSE Ticker: STP
- Share Registrar: Computershare
- For information on dealings on the BSX contact Neil Marais: administration@stenpropci.com

5.32 cents

Diluted adjusted
EPRA earnings
per share
For 6 months

4.5 cents

Interim dividend
per share*

EPRA NAV

€1.54
per share

3.0%

Increase on the
diluted adjusted
EPRA EPS
at 30 September
2015

7.1%

Increase in
interim dividend
per share
against prior year

Dividend yield on
current share price**

7.4%

* Payout ratio 85% of EPRA earnings

** Based on a share price of €1.22 at 21 November 2016

Stenprop's guidance for adjusted annual EPRA EPS for the full year ended 31 March 2017, in country currencies, remains unchanged.

Average EUR:GBP exchange rate H2	Average EUR:GBP exchange rate full year	Forecast EPRA Earnings per share (cents)	Forecast Dividend per share (cents)	Pay-out ratio
€1.20:£1	€1.21:£1	10.34	9.00	87.0%
€1.15:£1	€1.19:£1	10.26	9.00	87.8%
€1.10:£1	€1.16:£1	10.18	9.00	88.4%

The average EUR:GBP rate for the first half of the year was €1.22:£1.00

INCOME STATEMENT AND EARNINGS

STENPROP

	Six months ended 30 September 2016 €m	Six months ended 30 September 2015 €m
Net rental income	18.9	19.6
Management fee income	2.2	1.8
Operating costs	(3.2)	(4.6)
Net operating income	18.0	16.8
Income from Investment in associates/joint ventures (excl. fair value gains)	2.6	2.6
Net finance costs	(4.9)	(5.6)
EPRA adjustments and other items	(0.5)	0.5
Adjusted EPRA earnings	15.2	14.3
Diluted Adjusted EPRA EPS	5.32 cents	5.17 cents
Forecast Full Year FY17	Forward Earnings Yield*	Dividend Yield*
Current share price (€1.22)	8.3%	7.4%
EPRA NAV (€1.54)	6.7%	5.8%

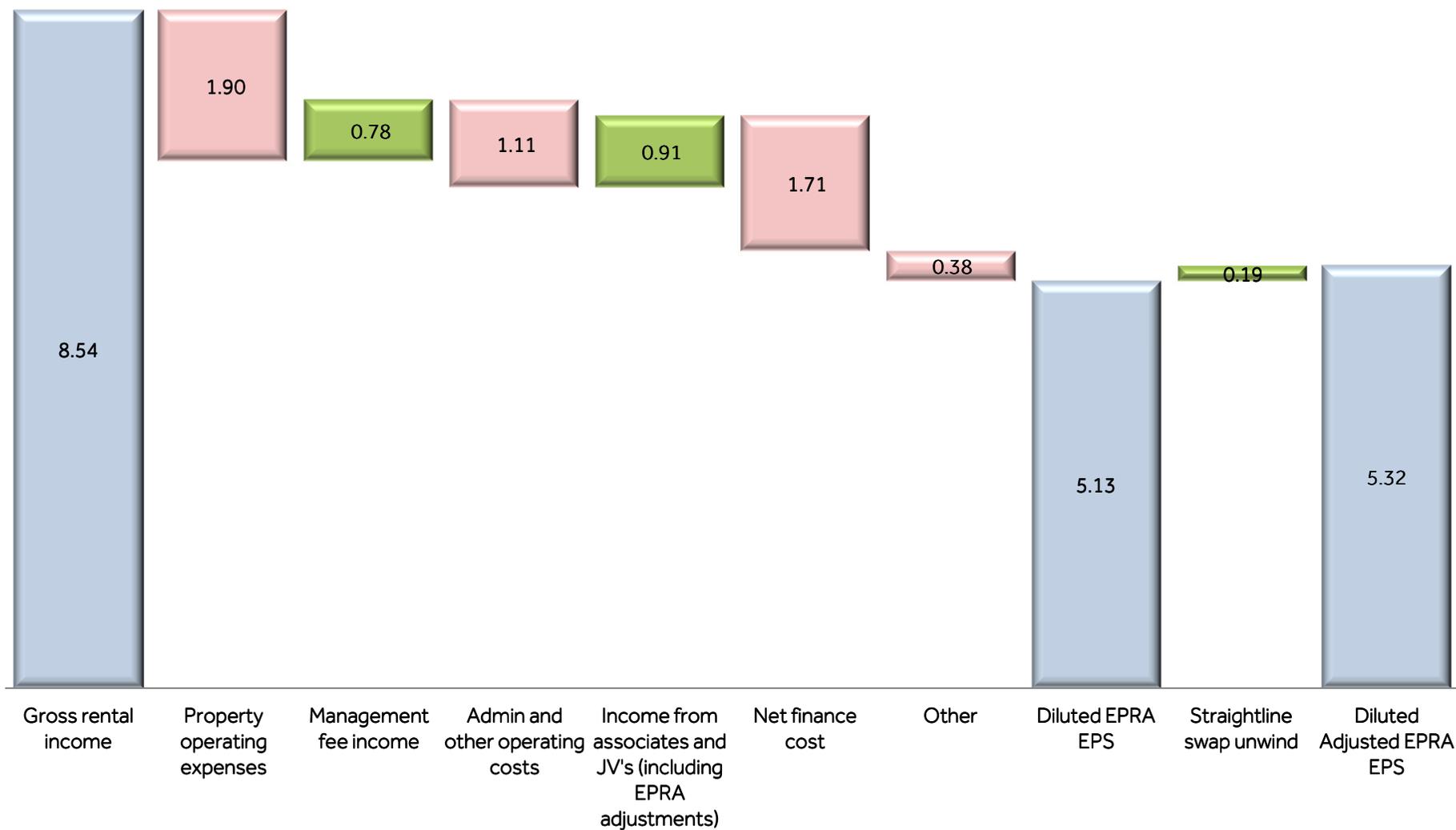
* Based on full year Adjusted EPRA EPS forecast of 10.26 cents per share and forecast dividend of 9.0 cents per share

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EPRA EARNINGS PER SHARE (CENTS)

STENPROP

6 months to 30 September 2016

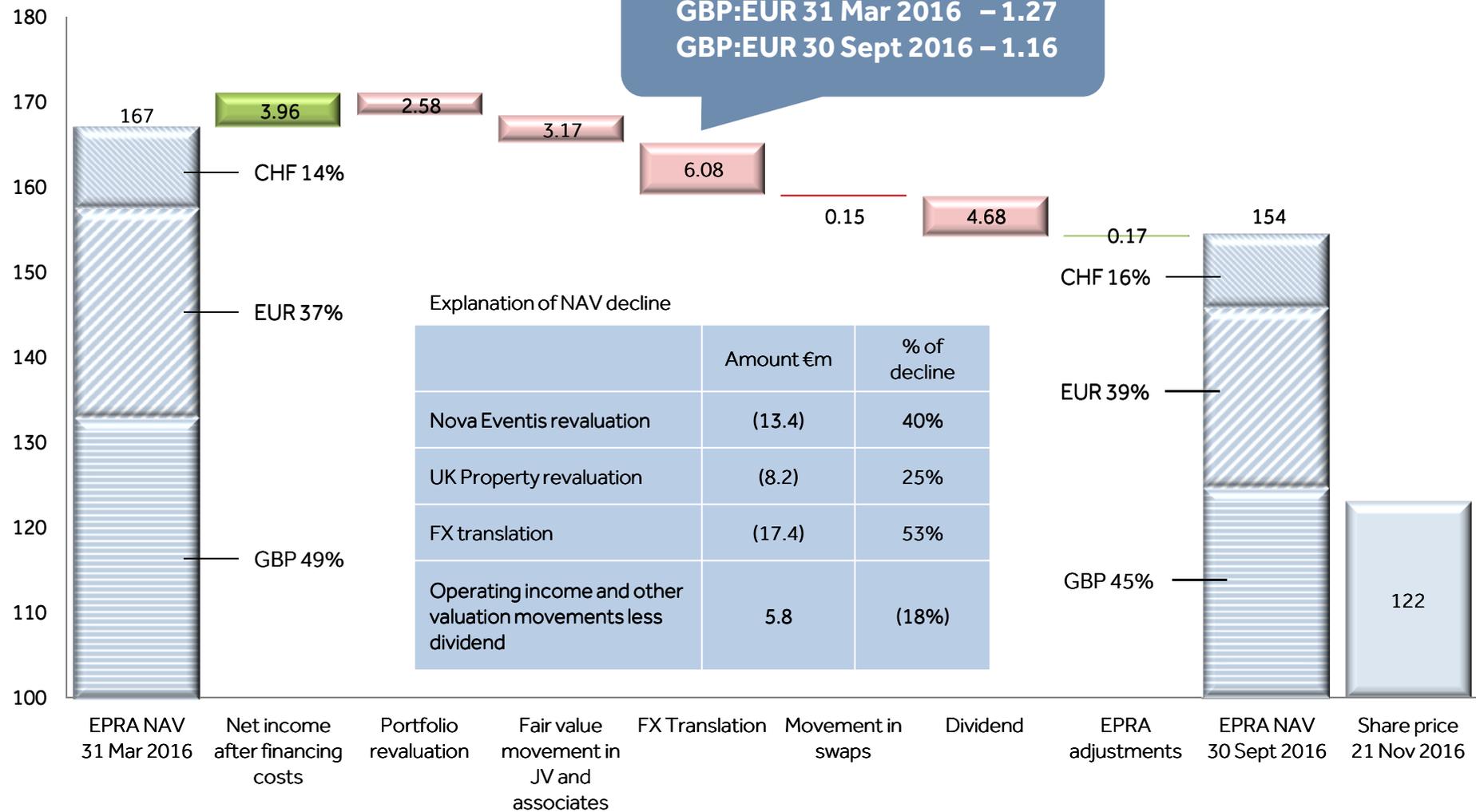


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NAV MOVEMENT SINCE 31 MARCH 2016

STENPROP

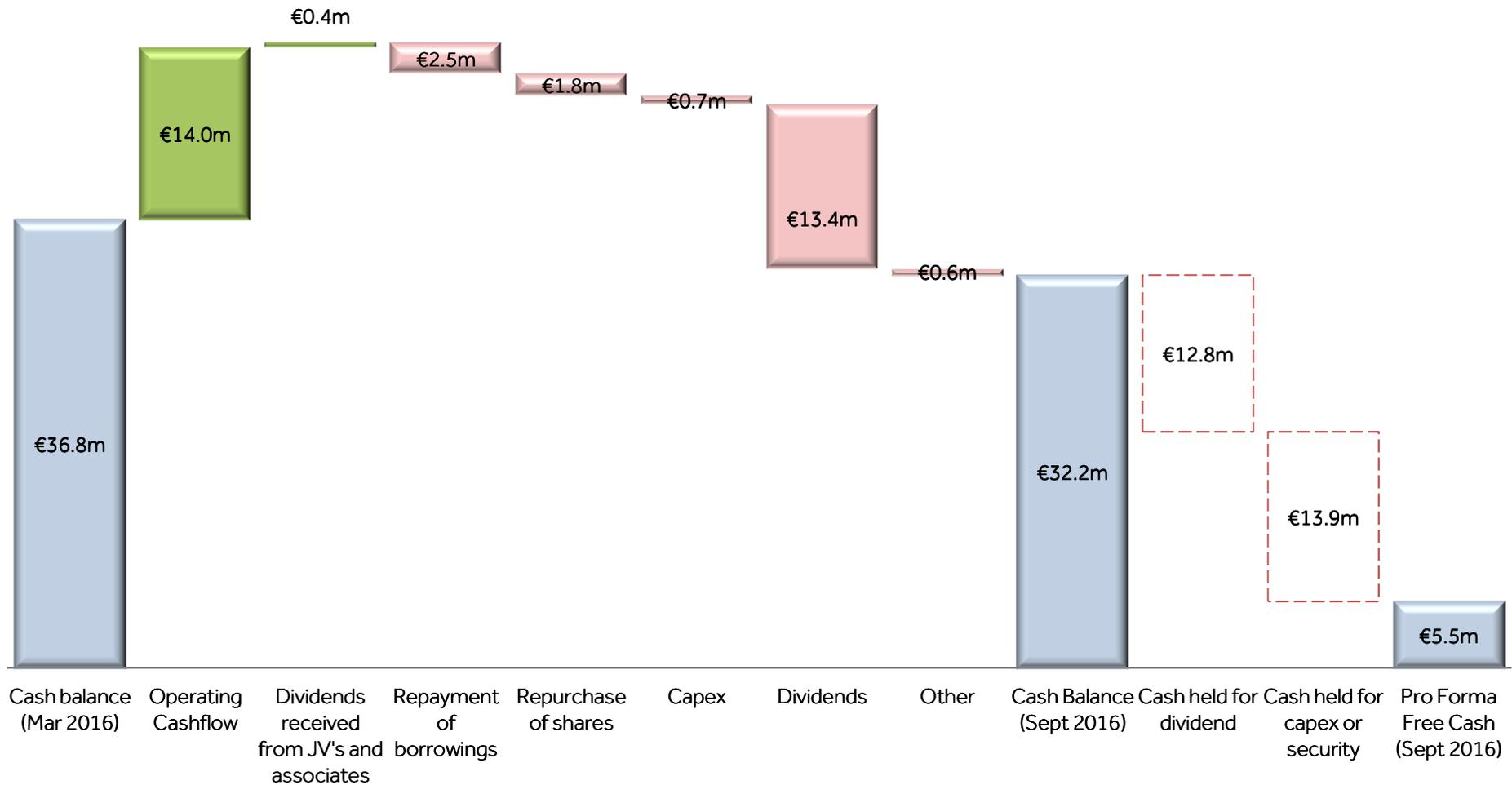
Cents per share



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CASHFLOWS

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VALUATION MOVEMENT

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Property/Portfolio	Percentage Ownership	Market Value 30 September 2016 (million)	Market Value 31 March 2016 (million)	Change %
United Kingdom - £				
ApexHi Portfolio	100%	£ 24.7	£ 24.9	(0.8%)
Euston House	100%	£ 75.0	£ 76.5	(2.0%)
Hollandbay Portfolio	100%	£ 7.8	£ 7.7	1.6%
Pilgrim Street	100%	£ 78.0	£ 82.5	(5.5%)
Trafalgar Court	100%	£ 62.5	£ 62.5	-
UK Sub-Total		£ 248.0	£ 254.1	(2.4%)
Switzerland - CHF				
Kantone Portfolio	100%	₣ 91.9	₣ 91.1	0.9%
Polo Portfolio	100%	₣ 43.4	₣ 43.5	(0.1%)
Other Swiss Properties	100%	₣ 35.4	₣ 35.7	(0.8%)
Swiss Sub-Total		₣ 170.7	₣ 170.3	0.3%
Germany - €				
Aldi Portfolio	100%	€ 32.5	€ 32.5	-
Bikemax Portfolio	100%	€ 25.1	€ 25.1	-
Bleichenhof	94.9%	€ 123.8	€ 123.7	0.1%
Hermann Quartier	100%	€ 23.0	€ 22.9	0.4%
Neukölln	100%	€ 17.2	€ 17.1	0.6%
Victoria Centre	100%	€ 31.3	€ 31.2	0.3%
Germany Sub-Total		€ 252.9	€ 252.5	0.2%
Jointly Controlled Entities				
Argyll Street	50%	£ 80.7	£ 81.7	(1.2%)
Care Homes Portfolio	100%	€ 33.9	€ 34.2	(0.7%)
Nova Eventis*	28.4%	€ 218.8	€ 265.0	(17.4%)

* €220 million less selling costs

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DEBT SUMMARY 30 SEPTEMBER 2016

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Property/Portfolio	Property Value €m	Loan Value €	Loan to Value	Contracted interest rate	Effective Interest rate	Weighted average duration to expiry (years)
United Kingdom	286.9	(123.7)	43.1%	3.12%	3.12%	3.30
Switzerland ^{1,2}	157.1	(85.9)	54.6%	2.75%	1.95%	0.50
Germany ^{1,2}	252.9	(145.6)	57.6%	2.12%	2.05%	1.33
On balance sheet total	697.0	(355.3)	51.0%	2.62%	2.40%	1.82
Off balance sheet debt						
Argyll Street (50%)	93.4	(43.4)	46.5%	2.97%	2.97%	3.64
Nova Eventis (28.4%)	218.8	(152.3)	69.6%	3.20%	3.20%	0.30
Care Homes Portfolio (100%)	33.9	(22.9)	67.6%	2.61%	1.53%	1.86
Portfolio Total	839.8	(443.2)				
Less minority interests	(6.3)	4.3				
Portfolio Total (excluding minorities)	833.5	(438.8)	52.7%	2.70%	2.47%	1.77

1. Interest rates include negative rates where applicable. At 30 September 2016 approximately 0.75% in Switzerland and 0.25% in Germany

2. Includes properties held for sale

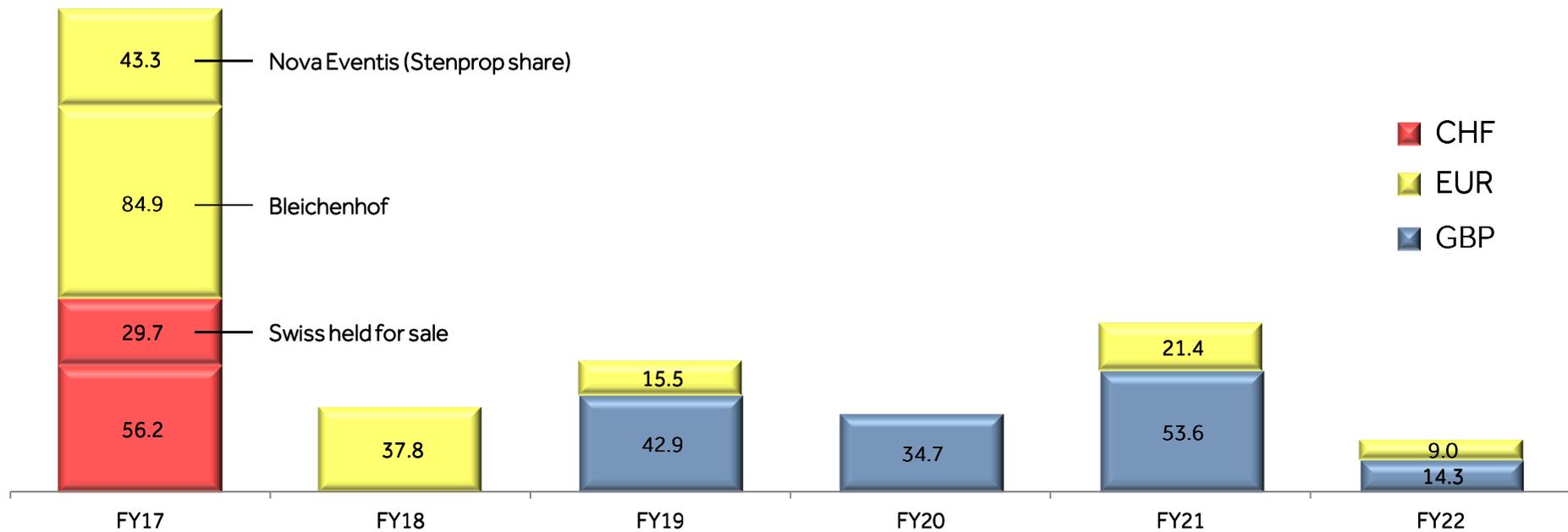
€214m of debt expiring in next 6 months:

- €43.3m Nova Eventis (Stenprop share) – imminent sale
- €84.9m Bleichenhof – loan to be rolled with existing lender for 5 years
- €85.9m – Swiss portfolio of which €29.7m relates to assets held for sale

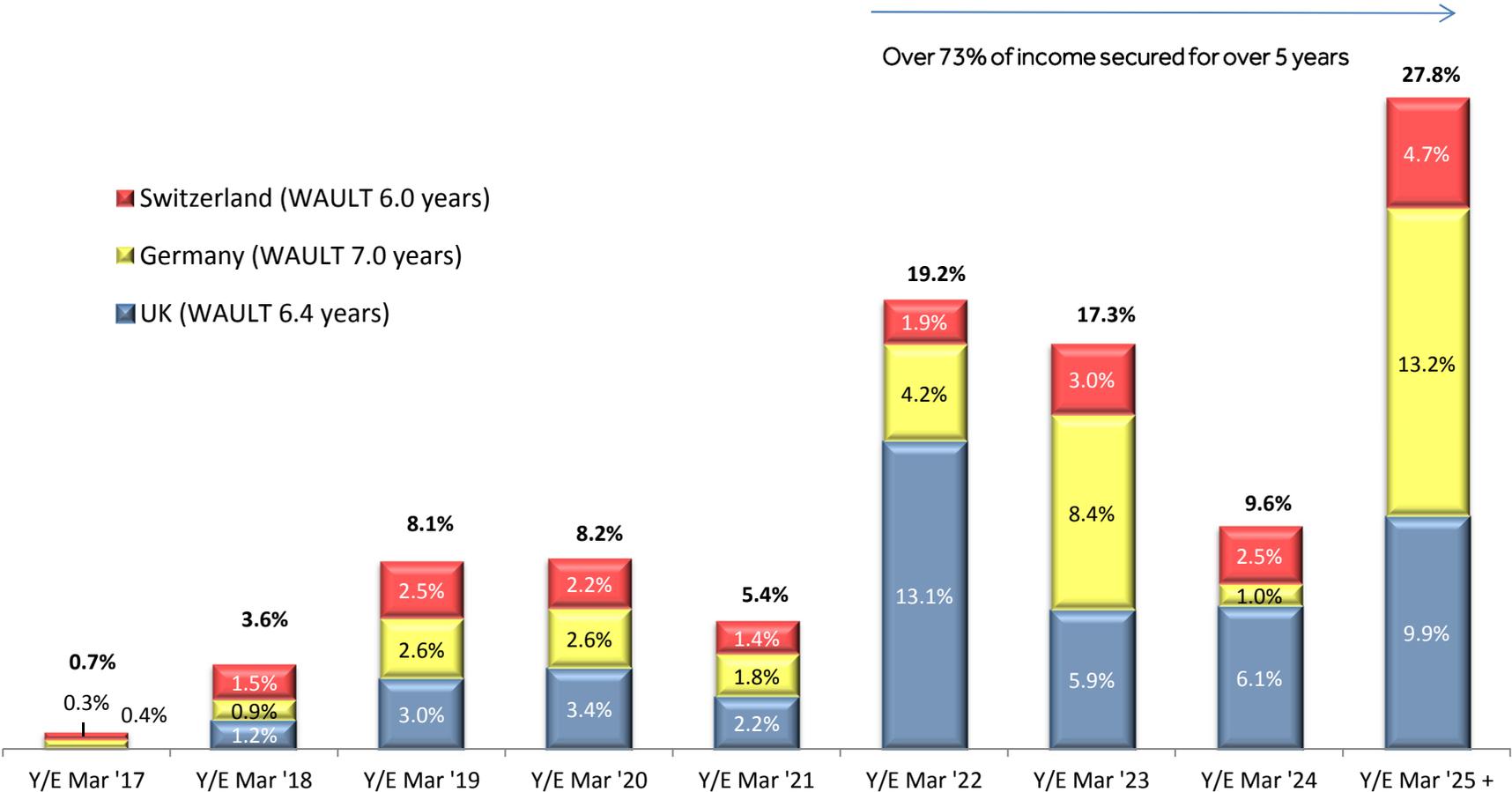
- Swiss portfolio to be refinanced on a short term basis as exit completed

- Medium term opportunity to refinance Euro debt and eliminate amortisation

Debt Maturity profile (€m)



Lease expiries as a percentage of total current gross rental income



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PORTFOLIO REVIEW



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3 Properties



- Value of our London offices was reduced by 3.3% over the period as a result of Brexit uncertainty
- Strong demand for well let assets remain post Brexit
- Located in Farringdon, Euston and West End. Less exposed to traditional banking/financial services locations and more to media and technology sectors

Fully Let



- Fully let nature of assets protective of cashflows and values
- WAULT 4.4 years
- Upward only rent reviews
- Current rents at or below market levels



Trafalgar Court Guernsey



- Fully let office
- 9% portfolio
- Valuation unchanged
- WAULT 10.6 years
- Average rent £37 psf
- Income £4.2m p.a.

UK Retail and Industrial Portfolio



- 10 Properties
- 4% portfolio
- Average rent £8.90 psf
- Portfolio refinanced in May 2016
- Total annual rental income £3.2m
- WAULT 4.1 years



Increasing exposure to daily needs centers



- 14 Aldi supermarkets
- 3 daily needs centres located in Berlin
- Portfolio of 5 retail warehouse let to a national bicycle retailer

Solid fundamentals*



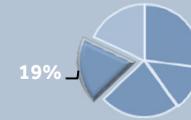
- WAULT 8.3 years
- Weighted average rent 9.8 m²/month
- Vacancy 2.3%

Nova Eventis



- Sale expected to complete Q1 2017
- Changing customer trends and internet shopping impacting shopping centres
- Winners and losers in industry

*Figures exclude Nova Eventis and Bleichenhof retail



Bleichenhof

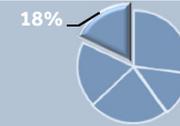


- Office Building with large carpark and retail arcade
- Prime inner city Hamburg location
- Positive recent lease renewals with incumbent office tenants
- Developing rear of building to achieve marriage value with adjacent development during 2017
- Anticipated rental increase from the works €500k p.a., with a commensurate increase in value

Care Homes



- 4 Care homes
- WAULT 12.4 years
- Dessau lease extended by 10 years in August
- Stable reliable income in a growth sector



Exit



- Exiting the Swiss market (short – medium term)
- Portfolio mature and needing ongoing capex
- Insufficient economies of scale to justify property cost structure
- Lower yields bringing average earnings of Stenprop down

4 Properties held for sale



- Opportunity to sell at low yields in negative rate environment and take advantage of strong Swiss Franc to recycle sale proceeds into UK and German assets at better returns
- Interlaken expected to close end of November. Vevey, Montreux and Baar to close mid December

Refinance



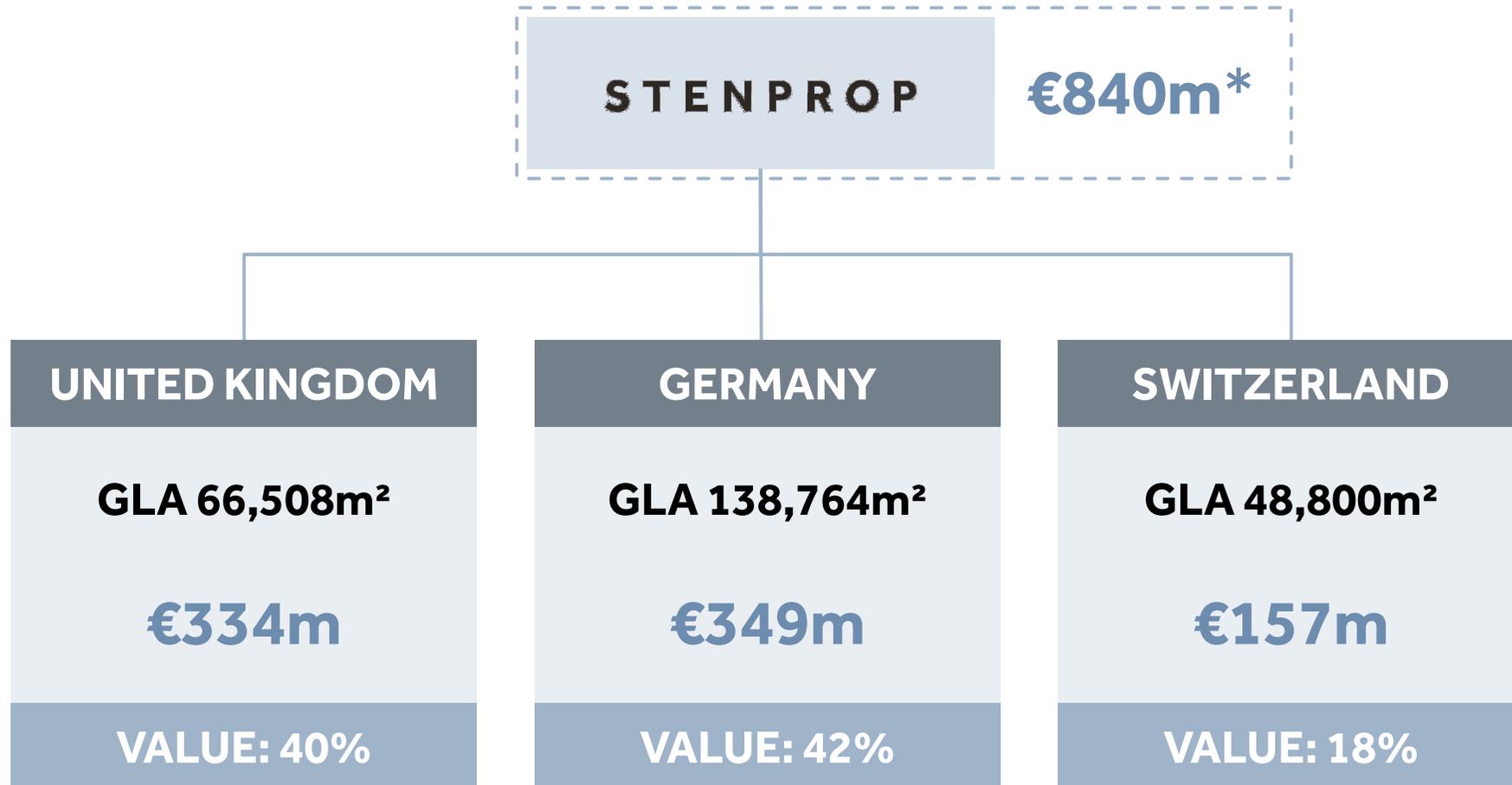
- Loans expire 31 March 2017
- Plan to refinance remaining properties on short term basis in order to take advantage of low rates and minimise break costs

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ANNEXURES

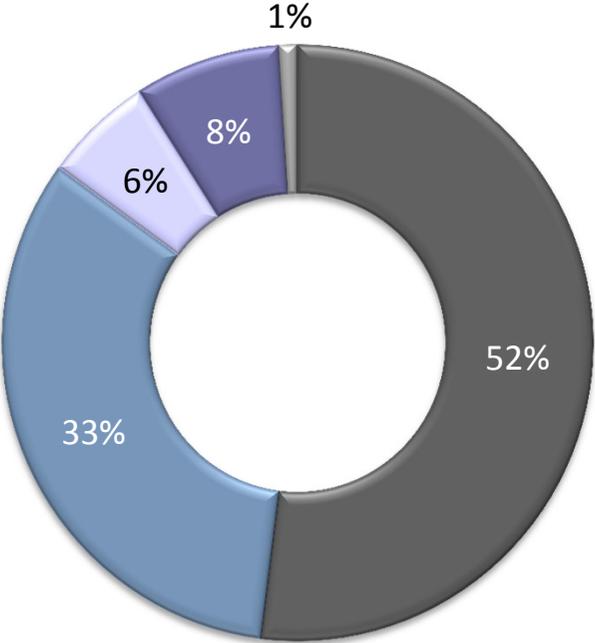


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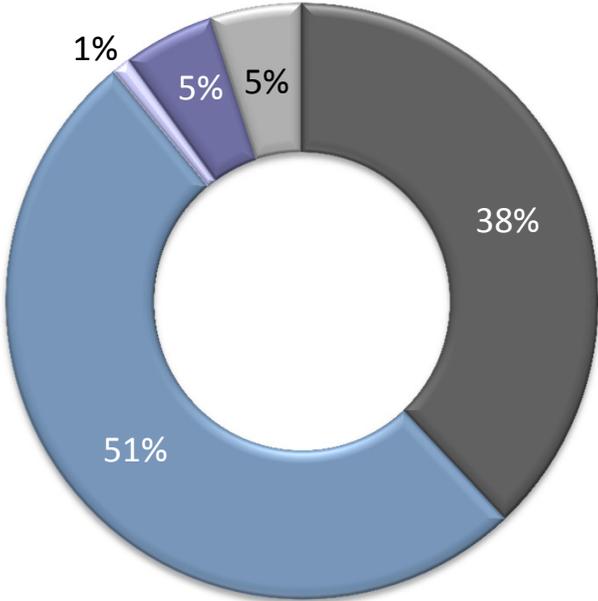


** Includes Stenprop's share of Joint Ventures and Associates and properties held for sale*

BY LETTABLE AREA



BY RENTAL INCOME



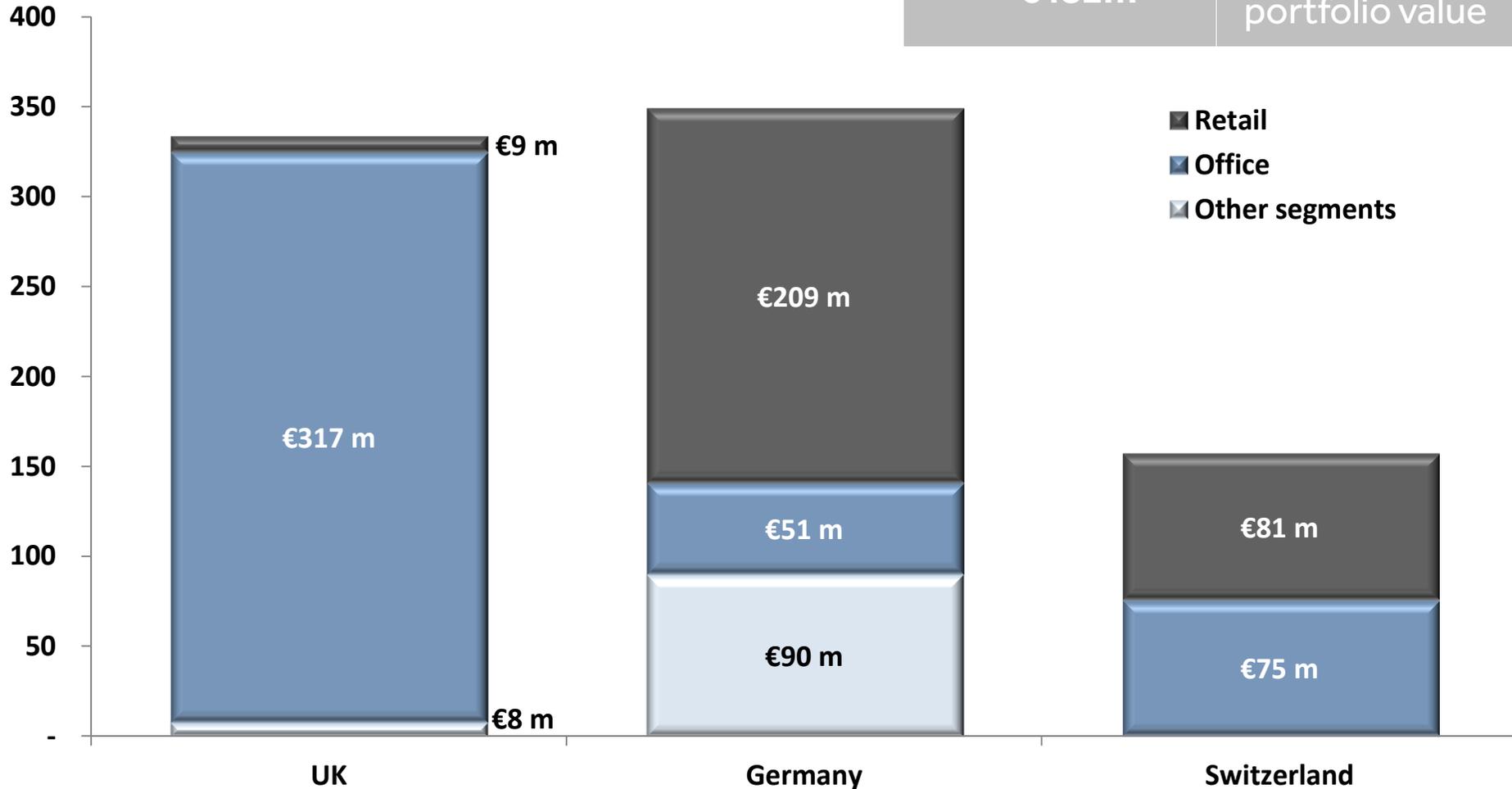
- Retail
- Office
- Industrial
- Nursing homes
- Other

Note: Total lettable area excludes space for parking

PROPERTY PORTFOLIO VALUE: €840m

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Property Value €m



Value of top 6 investments = €482m

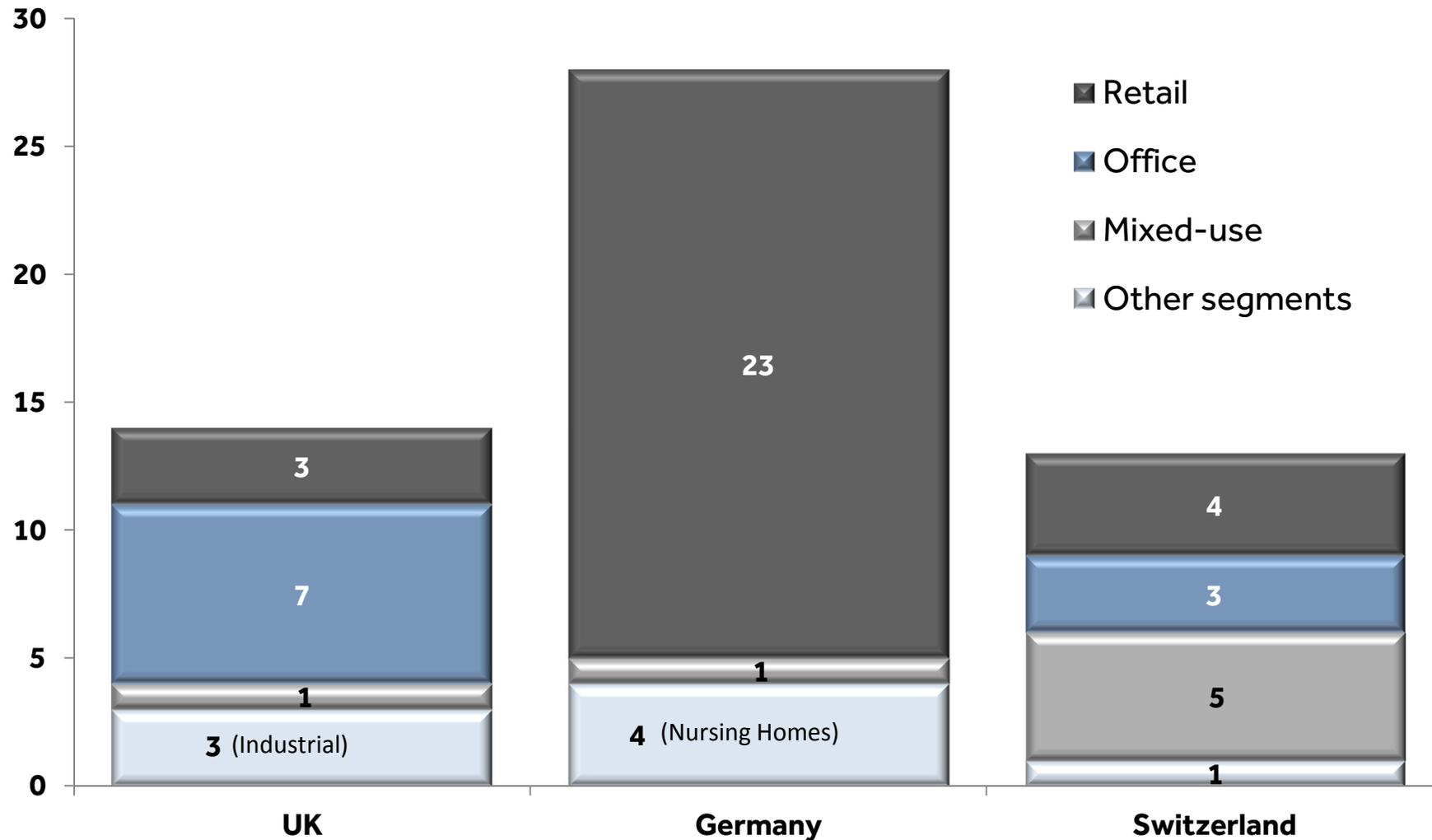
6 investments comprise 57% of the total portfolio value

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NUMBER OF PROPERTIES: 55

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Properties



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Gross Lettable Area (GLA)		Retail	Office	Other
▪ UK	66,508 m ²	7,678 m ²	44,517 m ²	14,313 m ²
▪ Germany	138,764 m ²	103,064 m ²	15,120 m ²	20,580 m ²
▪ Switzerland	48,800 m ²	24,239 m ²	23,352 m ²	1,209 m ²

Rental and Vacancy		Retail	Office	Other
▪ Weighted average rental per annum	€200/m ²	€143/m ²	€309/m ²	€165/m ²
▪ Vacancy	3%	5%	3%	1%

Total of **402** tenants

	Number of tenants	Annual rental income
UK	29	40%
Germany	269	44%
Switzerland	104	16%

Rental from top 15 tenants = **47%**

- 15 tenants contribute approximately 47% of the total portfolio gross rental
- The Weighted Average Unexpired Lease Term (WAULT) of the top 15 tenants is 7.5 years

TOP 15 TENANCIES

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Tenant		Location	% of rental income
Northern Trust (Gsy) Ltd	Trafalgar Court	Guernsey	7.21%
British Land City Offices Ltd	Pilgrim Street	London	5.17%
Apcoa Autoparking GmbH	Bleichenhoff	Hamburg	4.90%
Bechtel Ltd	Pilgrim Street	London	4.80%
Aldi	Consists of 14 properties	Germany	4.26%
Bike + Outdoor Co	Consists of 5 properties	Germany	3.07%
Learning Tree International Ltd	Euston House	London	2.77%
Close Brothers Properties Guernsey Ltd	Trafalgar Court	Guernsey	2.47%
Top Tip, Division der Coop Basel	Polo - Altendorf	Switzerland	2.43%
Network Rail	Euston House	London	2.06%
Lipomed AG	Polo - Arlesheim	Switzerland	1.80%
Live Nation (Music) UK Ltd	Argyll Street	London	1.68%
Diako – Soziale Einrichtungen GmbH	Kappeln – Care Home	Germany	1.59%
Kaufland	Victoria Centre	Berlin	1.55%
Compagnie Financière Michelin SA	Kantone - Granges-Paccot	Switzerland	1.50%

FINANCIAL SUMMARY

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Property/Portfolio	Ownership	Loan Value (€m)	Property Value (€m)	Gearing (LTV)
UK				
Euston House	100%	(31.9)	86.8	37%
Pilgrim Street	100%	(42.9)	90.2	48%
Hollandbay Portfolio	100%	(4.6)	9.1	51%
ApexHi Portfolio	100%	(9.7)	28.6	34%
Trafalgar Court	100%	(34.7)	72.3	48%
UK Sub-Total		(123.7)	286.9	43%
SWISS				
Kantone Portfolio	100%	(46.0)	84.6	54%
Polo Portfolio	100%	(22.3)	40.0	56%
Other Suisse Properties	100%	(17.5)	32.6	54%
Swiss Sub-Total		(85.9)	157.1	55%
Germany				
Bikemax Portfolio	100%	(14.9)	25.1	59%
Aldi Portfolio	100%	(15.5)	32.5	48%
Bleichenhof	94.90%	(84.9)	123.8	69%
Neukölln	100%	(9.0)	17.2	52%
Hermann Quartier	100%	(11.1)	23.0	48%
Victoria Centre	100%	(10.3)	31.3	33%
Germany Sub-Total		(145.6)	252.9	58%
Associates and joint ventures				
Argyll Street ¹	50%	(21.7)	46.7	46%
Nova Eventis ²	28.42%	(43.3)	62.2	70%
Care Homes Portfolio	100%	(22.9)	33.9	68%
Portfolio Total		(443.2)	839.8	53%

GBP:EUR exchange rate of 1.16 and a CHF:EUR exchange rate of 0.92

1. Stenprop's effective interest = 50%, total property value is £80.7million

2. Stenprop's effective interest = 28.42%, total property value is €218.8 million

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DEBT SUMMARY

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Property/Portfolio	Property Value (Local currency)	Loan Value (Local Currency)	Gearing (LTV)	Margin	Swap (fixed rate)	Negative interest rate impact	All in rate	Annual interest expense	Amortisation per annum	Loan Maturity
UK - £m										
Euston House	75.0	(27.5)	37%	1.40%	1.62%	-	3.02%	(0.8)	-	08 May 2020
Pilgrim Street	78.0	(37.0)	48%	1.40%	1.50%	-	2.90%	(1.1)	-	25 Mar 2019
Hollandbay Portfolio ¹	7.8	(4.0)	51%	2.25%	1.21%	-	3.46%	(0.1)	-	26 May 2021
ApexHi Portfolio ¹	24.7	(8.4)	34%	2.25%	1.21%	-	3.46%	(0.3)	-	26 May 2021
Trafalgar Court	62.5	(30.0)	48%	2.00%	1.35%	-	3.35%	(1.0)	-	23 Mar 2020
Argyll Street (50%) ²	40.4	(18.8)	46%	1.40%	1.57%	-	2.97%	(0.6)	-	20 May 2020
UK Sub-Total	288.4	(125.7)	44%				3.10%	(3.9)	-	
Swiss - CHFm										
Kantone Portfolio	91.9	(50.0)	54%	1.05%	0.70%	0.73%	2.48%	(1.2)	(2.3)	31 Mar 2017
Polo Portfolio	43.4	(24.3)	56%	1.15%	0.73%	0.73%	2.60%	(0.6)	(1.0)	31 Mar 2017
Other Swiss Properties	35.4	(19.0)	54%	1.29%	1.63%	0.73%	3.65%	(0.7)	(0.5)	31 Mar 2017
Swiss Sub-Total	170.7	(93.3)	55%				2.75%	(2.6)	(3.8)	
Germany - €m										
Bikemax Portfolio	25.1	(14.9)	59%	1.65%	1.07%	0.26%	2.98%	(0.4)	(0.4)	31 Dec 2017
Aldi Portfolio	32.5	(15.5)	48%	1.85%	0.83%	0.28%	2.96%	(0.5)	(0.4)	30 Apr 2018
Hermann Quartier ³	23.0	(11.1)	48%	1.13%	0.29%		1.42%	(0.2)	-	30 Jun 2020
Victoria Centre ³	31.3	(10.3)	33%	1.28%	0.08%		1.36%	(0.1)	-	31 Aug 2020
Bleichenhof (94.9%) ^{2,3}	117.5	(80.6)	69%				1.90%	(1.5)	-	31 Dec 2016
Nova Eventis (28.40%) ²	62.2	(43.3)	70%	3.20%			3.20%	(1.4)	(1.5)	18 Jan 2017
Care Homes Portfolio ²	33.9	(22.9)	68%				2.61%	(0.6)	(0.5)	31 Mar 2018
Neukölln	17.2	(9.0)	52%	2.50%	0.48%		2.98%	(0.3)	-	31 Dec 2021
Germany Sub-Total	342.7	(207.6)	61%				2.40%	(5.0)	(2.8)	

1. Debt is cross-collateralised with a combined LTV of 38%

2. Stenprop's effective interest shown

3. Fixed rate loan

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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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