

STEEN & STRØM: FIRST HALF-YEAR RESULT 2019

Steen & Strøm's shopping center portfolio has seen a continued positive development throughout 1H 2019. Like-for-like increase in net rental income was 2.4 % with a financial vacancy ratio of 4.0%. Sales turnover at the shopping centers is down by -2.3%. The group's net loan to value ratio remains at a low level, 31.3 % in 1H 2019.

The group generated operating income of MNOK 595 (MNOK 1 137) and pre-tax profits of MNOK 537 (MNOK 992) in the first half of the year. The reduction in operating income and profits from last year is mainly due to changes in fair value of our investment properties and projects, from MNOK 377 in 1H 2018 to MNOK -160 in 1H 2019.

Investment properties and projects were valued at MNOK 36 101 as of 30.06.2019 (MNOK 36 821). The property portfolio valuation is performed by independent external appraisers and is based on an average yield of 4.8% (4.8%).

Net interest bearing debt amounted to MNOK 11 841 as of 30.06.2019 (MNOK 11 855). Book value of equity was MNOK 21 516 as of 30.06.2018 (MNOK 21 838) corresponding to an equity ratio of 55.0 % (54.8%). The average interest cost for the group was 1.8% in 1H 2019 (1.9%).