



Press release

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Stern Groep realises Sale and Leaseback of 10 premises

Stern Groep N.V. (Stern Group), a Dutch listed automotive group, sells 10 strategic premises to W.P. Carey and will lease them back for a period of 17 years. W.P. Carey is a U.S.-based real estate investment trust specializing in corporate sale-leaseback and build-to-suit financing and in the acquisition of single-tenant net lease properties. With this transaction, which is structured as a ground lease, Stern Group realises proceeds of € 57.2 million and a book profit of some € 2.0 million. After the repayment of mortgages amounting to € 20.9 million, the remaining net proceeds amount to € 36.3 million. The lease contracts are in line with market conditions, and the rents payable are the same as those charged internally by Stern Group to the operating companies. This sale and leaseback transaction significantly improves the solvency and liquidity position of Stern Group. Due to the positive effect of interest savings and lower depreciation charges the negative effect on profitability will be limited to a few hundred thousand euros on an annual basis.

Strategic premises

Stern Group has chosen to restrict the transaction to only the strategic premises to which it wishes to have a long-term commitment. These mainly concern modern dealership premises that have already been in use for a considerable time by Stern Auto (Mercedes-Benz, 4x), Arend Auto (Renault, 2x), Ardea Auto (Ford, 1x), Vireo Auto (Fiat brands, 1x) and Heron Auto (Volkswagen/Audi, 2x). The premises will be leased back on the basis of 'triple net'.

Book profit

The book profit on the sale and leaseback transaction of some € 2,0 million will be recognised in the results for the 4th quarter of 2015.

Solvency

The real estate sold represents approximately 10% of the balance sheet total of Stern Group. The balance sheet total of Stern Group, which stood at € 560.2 million as at 30 June 2015, will thus be reduced to approximately € 505 million. The overall solvency of Stern Group will thus improve from 25.8% as at 30 June 2015 to pro forma 28.6% as per that date. The excess solvency of € 3.1 million as at 30 June 2015 will increase to pro forma over € 20 million as at 30 June 2015.

Liquidity

As a result of the substantial improvement in its liquidity, Stern Group intends to reduce Facility A (the retail facility) in steps by € 10 million from € 80 million currently to € 70 million and to gradually reduce its call on the more expensive captive financing companies. For the funding of SternLease, Facility B (the lease facility) was increased in the 3rd quarter of 2015 from € 115 million to € 130 million. The current acceleration in the growth of SternLease could mean that the limit of Facility B will be reached in the coming months. For now, Stern Group can fund this strong growth with the net proceeds of the sale and leaseback transaction.

The third quarter figures of Stern Group will be published on 11 November 2015 after the market close.

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Profile of Stern Groep N.V.

Stern is a large Dutch automotive company that comprises both car dealerships and automotive services. Stern has been listed on Euronext Amsterdam since 2000. Since then, the intended significant growth has been realised in the major car-intensive regions of the country: North and South Holland, Utrecht and North Brabant. Net sales (excluding BPM) amount to more than € 900 million per year. Stern has over 100 branches and employs around 2,200 people. Stern will continue this growth strategy in the coming years. Stern Dealers has five clusters representing several leading brands such as 1) Mercedes-Benz, 2) Renault and Nissan, 3) Ford, 4) Volvo, Land Rover, Alfa Romeo and Fiat, 5) Volkswagen, Audi, Kia and Opel. Stern Dealers has a total of more than 85 branches. With Stern Financial Services, Stern is involved in car leasing (SternLease) and fleet management (SternPartners and SternRent) and sales of financial mobility products such as SternCredit, SternPolis and SternGarant. The division Stern Mobility Services comprises carbody repair services (SternSchade), the interiors for light commercial vehicles (SternTec), the multibrand garage concept SternPoint, SternPlaza (used cars), car rental (SternRent) and now also Mango Mobility.