

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 20, 2015

**S T R A T U S** ®

**Stratus Properties Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**000-19989**  
(Commission File  
Number)

**72-1211572**  
(I.R.S. Employer  
Identification Number)

**212 Lavaca St., Suite 300**  
**Austin, Texas**  
(Address of principal executive offices)

**78701**  
(Zip Code)

Registrant's telephone number, including area code: (512) 478-5788

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On April 20, 2015, Stratus Properties Inc. ("Stratus") posted on its website at [www.stratusproperties.com](http://www.stratusproperties.com) an investor presentation containing supplemental financial and operational information regarding the company. In addition to being available on Stratus' website, the supplemental information is included as Exhibit 99.1 to this report. Stratus also issued a press release announcing the availability of the supplemental financial and operational information (see Exhibit 99.2).

The information furnished pursuant to this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The Exhibit included as part of this Current Report is listed in the attached Exhibit Index.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Stratus Properties Inc.

By: /s/ Erin D. Pickens

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Erin D. Pickens  
Senior Vice President and  
Chief Financial Officer  
(authorized signatory and  
Principal Financial Officer)

Date: April 20, 2015

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**Stratus Properties Inc.**  
**Exhibit Index**

**Exhibit  
Number**

- [99.1](#) Stratus Properties Inc. Investor Presentation dated April 20, 2015.
- [99.2](#) Press Release dated April 20, 2015, titled "Stratus Properties Inc. Announces Supplemental Financial and Operational Information."

# STRATUS®

Investor Presentation  
April 20, 2015



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#### **INFORMATION REGARDING THIS PRESENTATION AND NON-GAAP MEASURES**

We recommend that you read this presentation along with our Annual Report on Form 10-K for the year ended December 31, 2014 (2014 Form 10-K) filed with the U.S. Securities and Exchange Commission (SEC), and subsequent SEC filings, which include our financial information presented in accordance with U.S. generally accepted accounting principles (GAAP) and other important information about our Company. This presentation includes measures of net operating income (NOI) and estimated net asset value (NAV), which are non-GAAP measures. We believe these measures can be helpful to investors in evaluating our business. They are not intended to be performance measures that should be regarded as more meaningful than GAAP measures. Other companies may calculate these non-GAAP measures differently.

**Net operating income (NOI)** is defined by us as revenues less cost of sales, excluding depreciation, less reserve fund contributions for the W Austin Hotel (which is approximately 4% of hotel revenue). NOI also does not include financing and income tax costs, tenant improvements, commissions paid to brokers, or reserves for replacement other than hotel reserves. The most directly comparable GAAP financial measure is operating income. This presentation includes 2015 projected NOI for specified properties; a reconciliation to 2015 projected GAAP operating income for Stratus is included in this presentation.

**Estimated Net Asset Value (NAV)** estimates the current market value of our assets ("gross estimated value") and subtracts the GAAP book value of our tangible liabilities. Where we do not own 100% of an asset, we present our asset and related liability proportionate to our economic share of ownership. We also present the non-GAAP measure estimated NAV per share, which is NAV divided by diluted shares of our common stock outstanding as of December 31, 2014. The computation of our NAV includes NOI, also a non-GAAP measure. The computation of our NAV uses appraisals of specified properties as of the dates indicated, and the appraised value may be different if prepared as of a current date. These appraisals were conducted by appraisers retained by our financing sources. The appraised values may not represent fair value, as defined under GAAP. We do not believe that there is a directly comparable GAAP measure to NAV. Estimated NAV and NAV per share may not be equivalent to the enterprise value of our Company or an appropriate trading price for our common stock for many reasons, including but not limited to the following: (1) income taxes are not included; (2) components were calculated as of the dates specified and calculations as of different dates are likely to produce different results; (3) opinions are likely to differ regarding appropriate capitalization rates; and (4) a buyer may pay more or less for Stratus or its real estate assets as a whole than for the sum of the components used to calculate NAV. Accordingly, estimated NAV per share is not a representation or guarantee that our common stock will or should trade at this amount, that a stockholder would be able to realize this amount in selling our shares, that a third party would offer the estimated NAV per share in an offer to purchase all or substantially all of our common stock, or that a stockholder would receive distributions per share equal to the estimated NAV per share upon Stratus' liquidation. Investors should not rely on the estimated NAV per share as being an accurate measure of the current fair market value of our common stock.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are all statements other than statements of historical facts, including statements regarding the implementation and potential results of our new five-year business strategy, development plans including anticipated construction start and completion dates, potential sales of properties, expectations regarding the economy, projections or expectations related to operational and financial performance including 2015 projected net operating income for specified properties, 2015 projected GAAP operating income for Stratus, financial projections for specified development projects, and other plans and objectives of management for future operations and activities. Important factors that can cause our actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, our ability to refinance and service our debt and the availability of financing for development projects and other corporate purposes, our ability to sell properties at prices we consider acceptable, a decrease in the demand for real estate, competition, increases in interest rates, declines in the market value of our assets, and other factors described in more detail under "Risk Factors" in Part I, Item 1A, of our 2014 Form 10-K. Many of the assumptions on which our forward-looking statements are based are subject to change. Further, we may make changes to our business plans that could or will affect our results. We caution investors that forward-looking statements are made only as of the date of this presentation, and we do not intend to update our forward-looking statements, notwithstanding any changes in our assumptions, business plans, actual experience, or other changes, and we undertake no obligation to update any forward-looking statements.

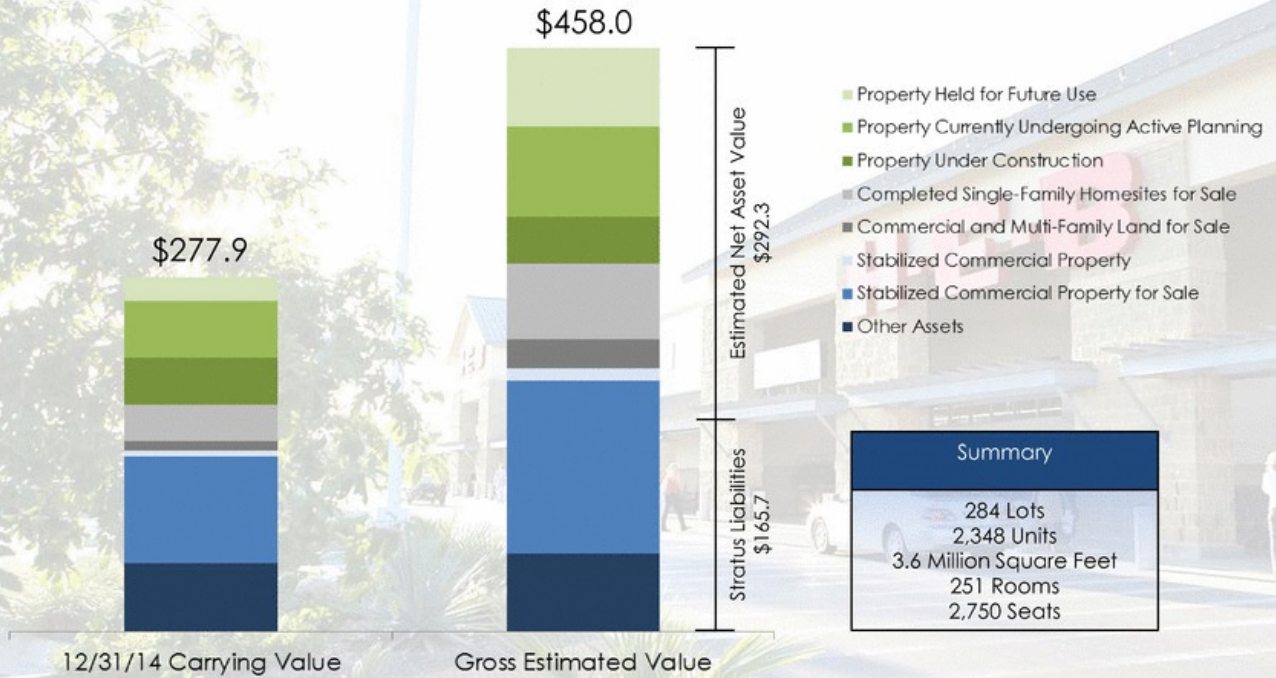
# Company Overview

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- Stratus Properties Inc. (NASDAQ: STRS; "Stratus") is a diversified real estate company engaged primarily in the acquisition, entitlement, development, management, operation and sale of commercial, hotel, entertainment, and multi- and single-family residential real estate properties, primarily located in the Austin area, but including projects in certain other select markets in Texas.
- Historically, Stratus' long-term land assets were burdened by complex and contentious entitlement and utility issues, which have now been resolved.
- Through a combination of development and land sales, Stratus plans to monetize a large portion of its assets on an orderly basis over the next five years and return cash to its shareholders.
- Stratus does not intend to pursue new large land acquisitions requiring long-term investment horizons.
- New investments will be complementary to existing investment programs, such as grocery-anchored mixed-use projects and multi-family projects, which can be developed and sold over the next five years.
- Stratus benefits from macro-economic factors in Texas and, more specifically, the strong growth and robust economy in Austin.

# Significant Unrecognized Value

Carrying Value and Gross Estimated Value  
(\$ in millions)

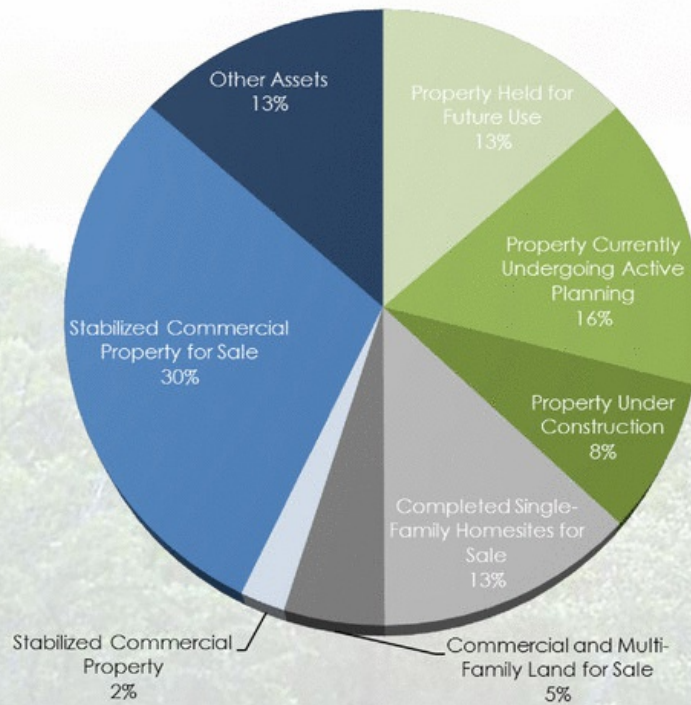


Note: For further detail of assets and their valuation, please see reference slides beginning on page 22. See "Information Regarding This Presentation and Non-GAAP Measures" on page 2.



## Focused Portfolio Including Stabilized Assets and Development Opportunities

Gross Estimated Value by Category



Note: For further detail of assets and their valuation, please see reference slides beginning on page 22. See "Information Regarding This Presentation and Non-GAAP Measures" on page 2.

# Estimated Net Asset Value

Category	Approved Entitlements					Value (\$MMs)	
	Lots	Units	Square Feet	Rooms	Seats	12/31/14 Carrying Value	Estimated Value
1 Property Held for Future Use	156	170	264,081	-	-	\$ 18.4	\$ 61.7
2 Property Currently Undergoing Active Planning	-	1,644	2,254,357	-	-	45.1	71.2
3 Property Under Construction	-	236	245,022	-	-	36.8	36.8
4 Completed Single-Family Homesites for Sale	128	-	-	-	-	28.1	58.9
5 Commercial and Multi-Family Land for Sale	-	296	634,500	-	-	7.8	22.6
6 Stabilized Commercial Property	-	-	25,451	-	-	4.8	10.2
7 Stabilized Commercial Property for Sale	-	2	173,572	251	2,750	82.9	135.1
8 Other Assets	-	-	-	-	-	54.0	61.4
<b>9 Total</b>	<b>284</b>	<b>2,348</b>	<b>3,596,983</b>	<b>251</b>	<b>2,750</b>	<b>\$ 277.9</b>	<b>\$ 458.0</b>
<b>10 Total Gross Estimated Value</b>						<b>\$ 458.0</b>	
<b>11 Tangible Liabilities (at Book Value) <sup>(K)</sup></b>						<b>\$ (227.6)</b>	
<b>12 Partner's Share of Liabilities</b>						<b>\$ 61.9</b>	
<b>13 Estimated Net Asset Value (NAV)</b>						<b>\$ 292.3</b>	
<b>14 Shares Outstanding (Diluted) <sup>(L)</sup></b>						<b>8,229</b>	
<b>15 Estimated pre-tax NAV / Share <sup>(M)</sup></b>						<b>\$ 35.52</b>	

Note: For further detail of assets and their valuation, please see reference slides beginning on page 22. See footnotes on page 23. See "Information Regarding This Presentation and Non-GAAP Measures" on page 2.

## Current Debt Level at ~29% of Gross Estimated Value

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<b>Debt (\$ in millions)</b>	<b>12/31/14</b>
Unsecured Term Loans	\$ 23.0
Secured Term Loans	<u>173.5</u>
Total Consolidated Debt	\$196.5
Partners' Share of Debt	<u>(61.9)</u>
Stratus' Share of Debt	<u>\$134.6</u>

Note: For further detail, please see reference slide on page 24.

## Company Origin

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- History of Stratus Properties Inc. (NASDAQ: STRS)
  - Highly leveraged spin-off from Freeport-McMoRan Inc. (FTX) in May 1992
  - Assumed substantially all liabilities related to transferred assets, including approximately \$500 million of debt
  - Original Function: manage, develop and operate assets transferred in spin-off with primary objective of retiring the FTX guaranteed indebtedness and the further objective of establishing residual long-term value
  - Sold substantially all remaining oil and gas holdings in a series of transactions in 1993 for approximately \$338 million using proceeds to repay debt
  - In December 1997, Stratus restructured its credit agreements, eliminating FTX's guarantee, and purchased FTX's managing general partnership interest, enabling Stratus to pursue its business strategy independently

## Company Profile

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- Since the sale of the oil and gas holdings in 1993, Stratus has focused exclusively on real estate activities
  - Acquisition, development, management, operation and/or sale of commercial, hotel, entertainment, and multi- and single-family residential real estate properties located in Texas, primarily in the Austin area
  - 731 acre Lantana acquisition in 1994 for \$4.1 million has represented over \$100 million of sales to date
  - Successfully completed complex and controversial land use entitlements and utility services agreements adding significant value to land holdings
  - W Austin and ACL Live in downtown Austin; HEB grocery-anchored retail in Circle C, Lakeway, Magnolia TX (Houston), and Killeen
  - Residential homesite sales in Barton Creek and Circle C
  - Multi-family development currently underway in Barton Creek

# Plan to Return Cash to Shareholders

Our board of directors has approved a five-year plan to create value for stockholders by methodically developing certain existing assets and actively marketing other assets for possible sale at appropriate values. Under the plan, any future new projects will be complementary to existing operations and will be projected to be developed and sold within a five-year time frame. Our development plans require significant additional capital, and may be pursued through joint ventures or other means. In addition, our strategy is subject to continued review by our board and may change as a result of market conditions or other factors deemed relevant by our board.

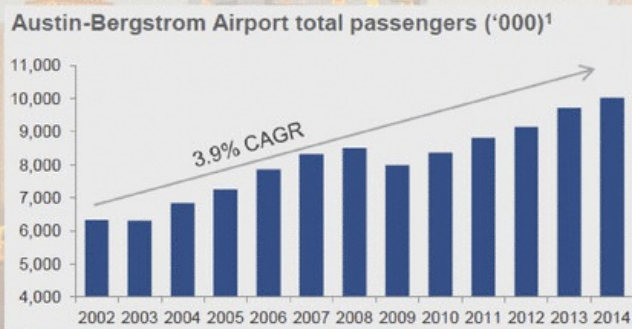
## Summary of Properties to be Developed and Sold or Sold Undeveloped Pursuant to 5-Year Plan (Excludes Existing Developed Properties) <sup>(1)</sup>

	Develop and Sell	Sell Undeveloped
Single-family Lots	156	0
Multi-family Units	1,535	811
Commercial Square Feet	1,227,960	2,220,000

- Proceed with mixed-use development opportunities Stratus is currently pursuing: Barton Creek Section N (Tecoma), Lantana, Oaks at Lakeway, and Magnolia TX (Houston) HEB
- Finalize entitlements and develop Barton Creek residential sections K, L and O
- Continue to permit and build multi-family units within Barton Creek Section N (Tecoma) to meet market demand
- Pursue additional HEB grocery-anchored development opportunities
- Market office land to end users or property investors
- Return cash to shareholders

# Austin: Strong Economy in Texas

	Austin	US
Population growth since 2000	32%	12%
Unemployment	3.4%	5.7%
Higher Education (% age 25+ holding a Bachelor's degree)	44.8%	28.5%
Average resident age (years)	31.1	36.4



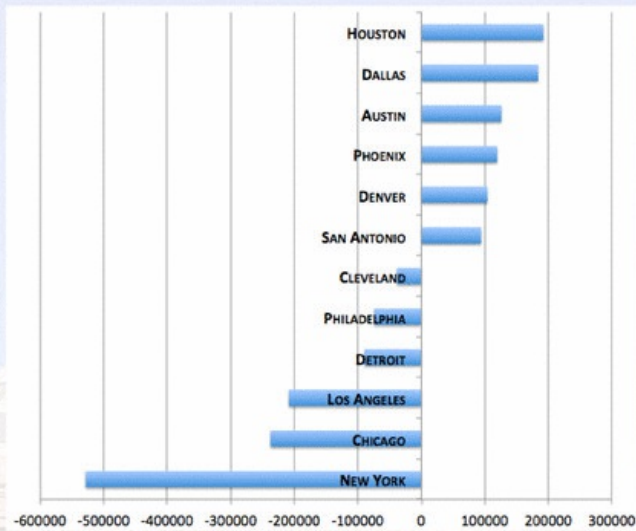
<sup>1</sup> Source: Bureau of Transportation

CAGR = Compound Annual Growth Rate

- Housing starts were up 17 percent in 2014 compared to previous year
- Rental and occupancy rates are on the rise across office, retail, industrial and multi-family sectors
- According to Angelou Economics, forecasted absorption in the next two years includes:
  - 3.6 million square feet of commercial and industrial space
  - 18,500 single-family residences
  - 16,500 apartment units
- Austin has the most expensive housing in the state (up 187% since the early 1990s), but not believed to be overpriced; more supply should help relieve upward pressure on home prices
- Significant public sector investment
  - University of Texas Dell Medical School

# Texas Leads Nation in Growth

Net Domestic Migration  
Between 2010-2014, by Metro Area



Source: Yahoo Finance

- Austin, with 3 percent growth in 2014, was the fastest growing metro in the nation above 1 million people and was third-fastest overall.
- Houston and Dallas were the only two metros in the nation to add more than 100,000 people in 2014.
- Texas unemployment was 4.4% vs. 5.7% nationwide as of January 2015.
- Gross State Product estimated at \$1.5 trillion for 2014.
- If Texas were a nation, it would rank 12<sup>th</sup> largest in the world by GDP, according to the Texas Comptroller's 2013 estimates.



# Desirable Residential Neighborhoods in Austin

Consistently Strong Sales

## 2013 Residential Lot Sales

Subdivision	# Sold	Total Price	Avg. Price
Mirador	1	\$405,000	\$405,000
Calera	6	\$1,370,750	\$228,458
Amarra I	2	\$650,000	\$325,000
Amarra II	3	\$1,525,000	\$508,333
Verano	39	\$12,142,642	\$311,350
Meridian		Construction	
<b>TOTAL</b>	<b>51</b>	<b>\$16,093,392</b>	<b>\$315,557</b>

## 2014 Residential Lot Sales

Subdivision	# Sold	Total Price	Avg. Price
Mirador		Sold Out	
Calera		Sold Out	
Amarra I		Sold Out	
Amarra II	16	\$8,216,000	\$513,000
Verano	9	\$3,523,545	\$391,505
Meridian	7	\$2,006,900	\$286,700
<b>TOTAL</b>	<b>32</b>	<b>\$13,746,445</b>	<b>\$429,576</b>

- 64 Amarra III home sites substantially completed in Q1 2015
- 154 home sites in Sections K, L and O remaining to be developed
- Villas at Amarra Drive, the first of four higher density detached home projects, is underway

# Block 21: Iconic Property That Ignited Downtown



- Stratus financial ownership: 42%
  - 2014 total NOI of \$16.1 million
  - 2015 total projected NOI<sup>1</sup> of \$17.4 million
- The W Austin Hotel
  - 251 rooms
  - 2014 RevPAR : \$291
  - 2014 Occupancy: 82.9%
  - 2014 NOI of \$10.4 million
  - 2015 budgeted NOI<sup>1</sup> of \$11.4 million
- Austin City Limits Live at the Moody Theater
  - 2,750 seats
  - 2014 NOI of \$4.2 million
  - 2015 budgeted NOI<sup>1</sup> of \$4.3 million
- W Austin Commercial
  - 18,362 SF of Retail: 74% leased with leases pending for remaining space
  - 39,328 SF of Office: 100% leased as of March 31, 2015
  - 2014 NOI of \$1.5 million
  - 2015 budgeted NOI<sup>1</sup> of \$1.7 million
- W Austin Condominiums
  - Sold all 159 units for a total of \$189 million
  - Stratus purchased and improved two units which are being actively marketed for sale

# Tecoma (Barton Creek Section N)

*20 years of diligent planning and patience being rewarded*



- Section N approved for 1,860 multi-family units and 1.5 million square feet of commercial development
- First 236 multi-family units are under construction at a total cost of \$43.7 million
- \$25 million road and utility project to be substantially completed in December 2015 provides 455 living unit equivalents of utility capacity and will accommodate 926 multi-family units or 1.3 million square feet of commercial space or some combination of each use
- The final phase of Section N utility infrastructure is currently planned to commence in 2017
- Actively planning the first phase of retail and office development

# Tecoma Phase I Multi-family

First 236-unit phase of 1,860-unit multi-family development



- 236 unit garden style multi-family apartment complex
- Construction commenced in January 2015; leasing is scheduled to begin in September 2015 and the project is expected to be completed in January 2016
- Phase II is permitted for an additional 212 units; remaining phases aggregate 1,412 units
- Financial projections: <sup>1</sup>
  - \$43.7 million total budget
  - \$3.7 million stabilized annual NOI

# Oaks at Lakeway

*Strong relationship with dominant grocer:  
large mixed-use property in heart of established community*



- 87acre infill site / 9 parcel assemblage
- Approximately 250,000 SF commercial development with 95,000 SF HEB grocery anchor
- 35 acres of residentially zoned land
- 63% preleased as of March 31, 2015
- HEB is scheduled to open in October 2015
- Financial projections: <sup>1</sup>
  - \$78.6 million total budget
  - \$6.0 million stabilized annual NOI

# Magnolia TX HEB

*HEB grocery-anchored mixed-use project in fast-growing suburb of Houston with very attractive land basis*



- 142 acres; 18 acres were simultaneously sold to HEB for a 93,000 square foot store
- The City of Magnolia is adjacent to The Woodlands, near Houston, TX
- Stratus has entitlements and utilities for:
  - 8 pad sites
  - 12-acre secondary anchor site
  - 100,000 square feet of retail shop space
  - 6-acre hotel site
  - residential land allowing up to 1300 multi-family units
- Construction is expected to begin in May 2016
  - Road and utility work currently underway by Texas Department of Transportation and City of Magnolia
  - Pre-leasing will begin when utility work is complete
- Financial projections:<sup>1</sup>
  - \$25.4 million total budget
  - \$2.2 million stabilized annual NOI

**STRATUS**®

<sup>1</sup> Note: See "Information Regarding This Presentation and Non-GAAP Measures" and "Cautionary Statement Regarding Forward-Looking Statements" on page 2.

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# West Killeen Market

HEB shopping center in stable Fort Hood market



Killeen, TX is adjacent to Fort Hood, TX, 67 miles north of Austin

- Planned acquisition of 21 acres; 12.2 acres will be simultaneously sold to HEB for a 92,000 SF store
- Future commercial development includes:
  - 50,000 square feet of retail shop space
  - 2 pad sites
- Closing is expected to occur in the fourth quarter of 2015
- Financial projections: <sup>1</sup>
  - \$11.4 million total budget
  - \$1.0 million stabilized annual NOI

# Lantana GR1

*Significant retail development opportunity in supply-constrained sub-market*



- 36 acres
- Up to 325,000 SF of commercial development
- Mixed-use project combining retail and office uses
- Undergoing active planning; seeking city approval of site plan





# Appendix

STRATUS®

Estimated Net Asset Value

Property	Use	Approved Entitlements			Ownership %	Capital Structure as of 12/31/2014 (\$MMs)											Value (\$MMs)							
						Total Equity Investment				Project Debt			Total Capitalization	Carrying Value <sup>(A)</sup>	Appraisals <sup>(B)</sup>									
		Contributed Land at Carrying Value	Additional Capital Funded	Additional Capital To Be Funded	Total	Funded	To Be Funded	Total	As Is <sup>(C)</sup>	As Stabilized	Value													
<b>Property Held for Future Use</b>																								
1	Barton Creek Residential Sections K, L and O	SF	154	-	-	100%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	8.5	37.4	-	37.4			
2	Barton Creek Village Phase II Lots	MU	-	-	16,000	100%	-	-	-	-	-	-	-	-	-	-	-	0.5	1.0	-	1.0			
3	Fazio Canyon 18th Green Lot	SF	1	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	0.5	1.0	-	1.0			
4	Barton Creek Blvd / SW Pkwy Residential <sup>(D)</sup>	SF	1	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	1.6	0.6	-	0.6			
5	Barton Creek Blvd / Bee Cove Road Entry Lot	MU	-	-	5,000	100%	-	-	-	-	-	-	-	-	-	-	-	0.6	N/A	-	0.6			
6	Barton Creek Armons	MU	-	170	-	83,981	100%	-	-	-	-	-	-	-	-	-	-	5.6	15.6	-	15.6			
7	Lanlona Office: Tract GG4/G07	O	-	-	-	160,000	100%	-	-	-	-	-	-	-	-	-	-	0.4	5.6	-	5.6			
8	Lanlona Office: Tract GG4/G07	O	-	-	-	160,000	100%	-	-	-	-	-	-	-	-	-	-	0.4	5.6	-	5.6			
9	<b>Property Held for Future Use</b>		<b>154</b>	<b>170</b>	<b>246,081</b>													<b>18.4</b>	<b>61.1</b>		<b>61.7</b>			
<b>Property Currently Undergoing Active Planning</b>																								
10	Lanlona Retail: Tract GR1	R	-	-	325,000	100%	-	-	-	-	-	-	-	-	-	-	-	4.6	13.7	-	13.7			
11	Magnolia Tr (Houston) HEB <sup>(E)</sup>	R	-	-	351,000	100%	-	-	-	-	-	-	-	-	-	-	-	3.8	N/A	-	3.8			
12	Circle C: Tract 114	R	-	-	78,357	100%	-	-	-	-	-	-	-	-	-	-	-	0.4	3.9	-	3.9			
13	Barton Creek: Villas of Armons Drive	MF	-	20	-	100%	-	-	-	-	-	-	-	-	-	-	-	2.9	4.7	-	4.7			
14	Barton Creek: Section N	MU	-	1,400	1,500,000	100%	-	-	-	-	-	-	-	-	-	-	-	30.7	40.5	-	40.5			
15	Barton Creek: Tacoma Phase II	MF	-	224	-	100%	-	-	-	-	-	-	-	-	-	-	-	2.7	4.7	-	4.7			
16	<b>Property Currently Undergoing Active Planning</b>			<b>1,644</b>	<b>2,254,357</b>														<b>45.1</b>	<b>67.5</b>		<b>71.2</b>		
<b>Property Under Construction<sup>(F)</sup></b>																								
17	Circle C: Tract 114	R	-	-	245,022	100%	-	14.0	1.9	15.9	16.6	46.3	42.9	78.8	-	-	-	32.4	-	91.0	32.6			
18	Barton Creek: Tacoma Phase I <sup>(G)</sup>	MF	-	236	-	100%	4.2	0.3	2.3	6.7	-	34.1	34.1	40.8	-	-	-	4.2	-	48.9	4.2			
19	<b>Property Under Construction<sup>(F)</sup></b>			<b>236</b>	<b>245,022</b>		<b>4.2</b>	<b>14.3</b>	<b>4.1</b>	<b>22.6</b>	<b>16.6</b>	<b>80.4</b>	<b>97.0</b>	<b>119.6</b>				<b>36.8</b>		<b>139.9</b>	<b>36.8</b>			
<b>Completed Single-Family Homesites for Sale</b>																								
20	Barton Creek: Armons	SF	78	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	20.7	48.1	-	48.1			
21	Circle C: Meridian	SF	50	-	-	100%	-	-	-	-	-	-	-	-	-	-	-	7.4	10.8	-	10.8			
22	<b>Completed Single-Family Homesites for Sale</b>		<b>128</b>															<b>28.1</b>	<b>58.9</b>		<b>58.9</b>			
<b>Commercial and Multi-Family Land for Sale</b>																								
23	Circle C: Tract 101	MF	-	240	-	100%	-	-	-	-	-	-	-	-	-	-	-	1.5	3.8	-	3.8			
24	Circle C: Tract 102	MF	-	56	-	100%	-	-	-	-	-	-	-	-	-	-	-	0.4	2.1	-	2.1			
25	Circle C: Tract 110	O	-	-	614,500	100%	-	-	-	-	-	-	-	-	-	-	-	5.1	15.1	-	15.1			
26	Cashew Station Pod <sup>(H)</sup>	R	-	-	-	50%	-	-	-	-	-	-	-	-	-	-	-	0.2	N/A	-	0.5			
27	SW Parkway US 290 Pod <sup>(H)</sup>	MU	-	-	20,000	100%	-	-	-	-	-	-	-	-	-	-	-	0.5	N/A	-	1.2			
28	<b>Commercial and Multi-Family Land for Sale</b>			<b>296</b>	<b>634,500</b>													<b>7.8</b>	<b>21.0</b>		<b>22.6</b>			
29	<b>Total</b>		<b>284</b>	<b>2,346</b>	<b>3,397,940</b>		<b>5</b>	<b>4.2</b>	<b>5</b>	<b>14.3</b>	<b>5</b>	<b>4.1</b>	<b>22.6</b>	<b>16.6</b>	<b>80.4</b>	<b>97.0</b>	<b>119.6</b>	<b>5</b>	<b>134.2</b>	<b>5</b>	<b>208.5</b>	<b>139.9</b>	<b>5</b>	<b>251.3</b>

Property	Use	Approved Entitlements					Ownership %	Occupancy % <sup>(I)</sup>	Projected 2015 Net Operating Income (\$MMs)					Cap Rate		Value (\$MMs)											
		Lots	Units	Square Feet	Rooms	Seats			Revenue	Expenses	NOI	High	Low	Total Carrying Value Consolidated <sup>(K)</sup>	Share Interest												
		Total Carrying Value (Months) <sup>(L)</sup>	Low	High	Average of High/Low Value																						
<b>Stabilized Commercial Property</b>																											
34	Barton Creek Village	MU	-	-	25,451	-	100%	100%	\$ 1.0	\$ 0.3	\$ 0.7	8.00%	6.00%	\$ 4.8	\$ 4.8	\$ 8.8	\$ 11.7	\$ 10.2									
<b>Stabilized Commercial Property for Sale</b>																											
35	Block 21	MU	-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	2.2	2.2	3.8	3.8	3.8					
36	Condominiums <sup>(J)</sup>		2	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	45.0	33.6	11.4	8.00%	7.00%	99.9	42.2	60.2	68.8	64.5
37	Hole		-	-	251	-	42.2%	18.4	14.3	4.3	8.00%	7.00%	36.6	15.5	22.7	25.9	24.3										
38	ACLLive Venue		-	-	-	2,750	42.2%	91.0%	1.9	0.7	1.2	7.00%	6.00%	8.9	3.8	7.2	8.4	7.8									
39	Office		-	-	39,328	-	42.2%	74.1%	0.7	0.2	0.5	7.00%	6.00%	5.6	2.4	3.0	3.5	3.3									
40	Retail		-	-	18,362	-	42.2%	66.2	48.8	17.4	8.00%	6.00%	153.2	66.0	96.9	110.4	103.7										
41	Tote Block 21	R	-	2	57,490	251	2,750	72.8%	95.4%	2.8	0.8	2.0	8.00%	6.00%	16.9	12.3	18.2	24.3	21.2								
42	Circle C: Paradise Village	R	-	-	92,184	-	100%	100%	0.9	0.2	0.7	8.00%	6.00%	4.6	4.6	8.8	11.7	10.2									
43	Circle C: 5700 Slaughter (Tract 106)	R	-	-	25,498	-	100%	100%	0.9	0.2	0.7	8.00%	6.00%	4.6	4.6	8.8	11.7	10.2									
44	<b>Total Stabilized Commercial Property for Sale</b>		<b>2</b>	<b>173,672</b>	<b>251</b>	<b>2,750</b>			<b>49.9</b>	<b>49.8</b>	<b>20.1</b>			<b>174.7</b>	<b>82.9</b>	<b>123.8</b>	<b>146.4</b>	<b>135.1</b>									
<b>Other Assets</b>																											
45	Barton Creek: MUD Reimburses		-	-	-	-	100%	-	-	-	-	-	-	-	-	-	-	19.3	19.3	26.7	26.7	26.7					
46	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29.6	19.4	19.4	19.4	19.4					
47	Tote Other <sup>(M)</sup>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.4	15.3	15.3	15.3	15.3					
48	<b>Total Other Assets</b>																	<b>68.3</b>	<b>54.0</b>	<b>61.4</b>	<b>61.4</b>	<b>61.4</b>					
49	<b>Total</b>		<b>2</b>	<b>199,023</b>	<b>251</b>	<b>2,750</b>			<b>\$ 70.9</b>	<b>\$ 60.1</b>	<b>\$ 20.8</b>			<b>\$ 347.8</b>	<b>\$ 141.7</b>	<b>\$ 194.0</b>	<b>\$ 219.5</b>	<b>\$ 201.7</b>									
50	<b>Grand Total</b>		<b>284</b>	<b>2,348</b>	<b>3,596,983</b>	<b>251</b>	<b>2,750</b>							<b>\$ 277.9</b>				<b>\$ 458.0</b>									

# Footnotes

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SF=Single-Family MF=Multi-Family O=Office R=Retail MU=Mixed Use

- (A) Carrying values and occupancy percentages as of December 31, 2014
- (B) All appraisals dated 11/20/14 except those for the Lantana properties, dated 10/6/14, the Oaks at Lakeway, dated 9/9/14, and Barton Creek: Tecoma Phase I, dated 12/17/14. All appraisals were commissioned by third party lenders
- (C) Marked N/A if no appraisal obtained
- (D) Stratus currently expects the carrying value will be recovered by the future sale or development of this property
- (E) Magnolia TX (Houston) HEB, The Oaks at Lakeway HEB and Barton Creek: Tecoma Phase I carrying values used to calculate total gross estimated value
- (F) Barton Creek: Tecoma Phase I loan funded in January 2015
- (G) Crestview Station estimated value based on 50% share of target price
- (H) Currently under contract at stated value
- (I) Condominium values determined by current list price
- (J) Includes restricted cash and deferred tax assets
- (K) Excludes the \$34.1 million Barton Creek: Tecoma Phase I loan funded in January 2015
- (L) Includes the number of shares of Stratus common stock outstanding and outstanding stock options and restricted stock units as of March 1, 2015
- (M) See "Information Regarding This Presentation and Non-GAAP Measures" and "Cautionary Statement Regarding Forward-Looking Statements" on page 2.

# Debt Detail

As of 12/31/2014 (\$000s)										
Loan Name	Current Loan Balance	2015	2016	2017	2018	2019	Thereafter	Maturity	Effective Int. Rate	Fixed / Variable
<b>Unsecured Term Loans</b>										
DRAIF-1	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	12/31/2015	7.25%	F
DRAIF-2	3,500	3,500	-	-	-	-	-	12/31/2015	7.25%	F
DRAIF-3	8,000	-	8,000	-	-	-	-	12/31/2016	7.25%	F
DRAIF-4	5,000	5,000	-	-	-	-	-	3/31/2015	7.25%	F
DRAIF-5	3,500	3,500	-	-	-	-	-	3/31/2015	7.25%	F
	<b>23,000</b>	<b>15,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Secured Term Loans</b>										
5700 Slaughter <sup>(A)</sup>	6,932	154	161	169	177	185	6,086	7/31/2024	4.50%	F
Barton Creek Village	5,932	141	146	153	160	167	5,165	6/27/2024	4.19%	F
The Oaks at Lakeway <sup>(B)</sup>	16,588	-	-	-	-	16,588	-	9/29/2019	2.91%	V
Magnolia <sup>(C)</sup>	3,750	-	3,750	-	-	-	-	10/1/2016	7.00%	F
Bank of America Loan (owned in partnership) <sup>(D)</sup>	98,267	1,564	96,703	-	-	-	-	9/29/2016	2.66%	V
Parkside Village (owned in partnership) <sup>(E)</sup>	18,923	480	480	480	480	480	16,523	12/31/2020	2.66%	V
Comerica Credit Facility <sup>(F)</sup>	23,085	23,085	-	-	-	-	-	5/31/2015	6.00%	V
	<b>173,477</b>	<b>25,424</b>	<b>101,240</b>	<b>802</b>	<b>817</b>	<b>17,420</b>	<b>27,774</b>			
<b>Partner's Share of Debt</b>										
Bank of America Loan	56,766	903	55,863	-	-	-	-			
Parkside Village	5,147	131	131	131	131	131	4,494			
<b>Partner's Total Share of Debt</b>	<b>\$ 61,913</b>	<b>\$ 1,034</b>	<b>\$ 55,993</b>	<b>\$ 131</b>	<b>\$ 131</b>	<b>\$ 131</b>	<b>\$ 4,494</b>			
<b>Total Stratus Debt (prorata)</b>	<b>\$ 134,564</b>	<b>\$ 39,390</b>	<b>\$ 53,247</b>	<b>\$ 671</b>	<b>\$ 686</b>	<b>\$ 17,289</b>	<b>\$ 23,280</b>			
Total Debt (consolidated)	\$ 196,477	\$ 40,424	\$ 109,240	\$ 802	\$ 817	\$ 17,420	\$ 27,774			

## Comerica Credit Facility (as of 12/31/2014) (\$000s)

Total capacity	\$ 48,000
Outstanding	\$ 23,085
Letters of credit	\$ 4,601
Remaining capacity	\$ 20,314
Interest rate spread	LIBOR + 400 bps, floor of 6%

(A) Fixed rate until 7/31/19

(B) Amount committed under this construction loan is \$62.9 million

(C) Option to extend to 10/1/17

(D) Interest rate cap agreement caps one-month LIBOR at 1.5% through 9/30/15 and 2% from 10/1/15 through 9/30/16; Block 21 ownership share is 42.2%; Option to extend for up to 3 additional 1 year terms

(E) Of this balance, \$17.7 million is subject to interest rate swap with Comerica that converts the LIBOR-based rate to a fixed rate of 4.8%; Parkside Village ownership share is 45% up to a 15% return and promotes to 80% thereafter

(F) The company is currently working with Comerica on the renewal of the credit facility, which is expected to be completed before the 5/31/15 maturity

# Consolidated Balance Sheet

	<u>12/31/2014</u>
	(\$000s)
<b>ASSETS</b>	
Cash and cash equivalents	\$ 29,645
Restricted cash	7,615
Real estate held for sale	12,245
Real estate under development	123,921
Land available for development	21,368
Real estate held for investment, net	178,065
Investment in unconsolidated affiliates	795
Deferred tax assets	11,759
Other assets	17,274
<b>Total assets</b>	<b><u>\$ 402,687</u></b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
Accounts payable	\$ 8,076
Accrued liabilities	9,670
Debt	196,477
Other liabilities and deferred gain	13,378
<b>Total liabilities</b>	<b><u>227,601</u></b>
<b>Equity</b>	
Common stock	91
Capital in excess of par value of common stock	204,269
Accumulated deficit	(47,321)
Accumulated other comprehensive loss	(279)
Common stock held in treasury	(20,317)
Total stockholder's equity	<u>136,443</u>
Noncontrolling interests in subsidiaries	38,643
<b>Total equity</b>	<b><u>175,086</u></b>
<b>Total liabilities and equity</b>	<b><u>\$ 402,687</u></b>
Shares outstanding (000s)	8,035

# Consolidated Statement of Income

	<u>FY 2014</u>
	(\$000s, except per share amounts)
<b>Revenues:</b>	
Real estate operations	\$ 26,084
Hotel	42,354
Entertainment	19,048
Commercial leasing	6,625
<b>Total revenues</b>	<u>94,111</u>
<b>Cost of sales:</b>	
Real estate operations	20,650
Hotel	30,746
Entertainment	14,431
Commercial leasing	3,138
Depreciation	8,977
<b>Total cost of sales</b>	<u>77,942</u>
Litigation and insurance settlement	(2,082)
General and administrative expenses	7,887
<b>Total costs and expenses</b>	<u>83,747</u>
<b>Operating income</b>	<b>10,364</b>
Interest expense, net	(3,751)
Loss on early extinguishment of debt	(19)
Loss on interest rate cap agreement	(272)
Other income, net	29
Income before income taxes and equity in unconsolidated affiliates' income	6,351
Equity in unconsolidated affiliates' income	1,112
Benefit from income taxes	10,694
<b>Net income</b>	<u><b>18,157</b></u>
Net income attributable to non-controlling interests in subsidiaries	(4,754)
<b>Net income attributable to common stock</b>	<u><b>\$ 13,403</b></u>
<b>Net income per share attributable to common stockholders</b>	
Basic	\$ 1.67
Diluted	\$ 1.66
<b>Weighted-average shares of common stock outstanding</b>	
Basic	8,037
Diluted	8,078

# Net Operating Income Reconciliation

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Stratus Properties Inc.  
Reconciliation of Net Operating Income for Stabilized Properties to Operating Income  
Projected for the Year Ending December 31, 2015  
(\$ in millions)

Reconciliation:		
Projected 2015 net operating income for stabilized properties <sup>(1)</sup>	\$	20.8
Add back hotel reserve fund contributions		1.8
Add revenue from other sources		18.9
Less other cost of sales (excluding depreciation)		(13.7)
Less depreciation expense		(8.9)
Less general and administrative expenses		(8.1)
Projected 2015 consolidated GAAP operating income	<u>\$</u>	<u>10.8</u>

<sup>(1)</sup> Note: For further detail of assets and their valuation, please see reference slides beginning on page 22. See "Information Regarding This Presentation and Non-GAAP Measures" on page 2.



- Future Development
- Preliminary Planning
- Final Planning
- Engineering / Permitting
- Permitted
- Under Construction
- Completed
- Sold
- Golf Course
- Open Space
- Utilities / Emgcy Services







Summary:  
78 Single Family Lots  
190 Multi Family Units  
83,081 SF Commercial

Future Development	Completed
Preliminary Planning	Sold
Final Planning	Golf Course
Engineering / Permitting	Open Space
Permitted	Utilities / Emgcy Services
Under Construction	

Note: Lots A1, D1, C21, H6 and J1 have been platted, but require site plans prior to development.



PHASE I		
Suite	Tenant	Rentable SF
110	Optometrist	1,750
120	Nail Salon	1,279
130	Dentist	2,442
140	Westbank Dry Cleaners	1,106
150	Market	3,671
Total Retail		10,248
200	Kuper Realty	1,848
210	FM Services	6,519
230	First Advisors	3,751
Total Office		12,118
Treaty Oak Bank		3,085
100% leased		
PHASE II LAND		16,000 SF





**BUILDING 1**

Chase Bank 4,450

**BUILDING 2**

Suite	Tenant	Leased SF
200	Dentist	2,468
220	Kumon	1,496
230	Class Act Cleaners	1,000
240	Nails & You	1,200
250	Bond Boutique	1,236
270	St. David's Hospital	3,823

Total Bldg 2: 11,223

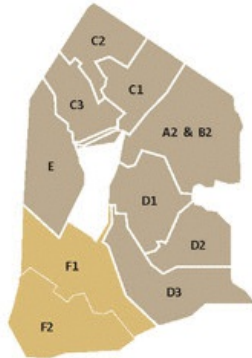
**BUILDING 3**

Suite	Tenant	Leased SF
300	Orthodontist	3,108
320	Edward Jones	1,000
330	Barre3	1,930
350	Kid Spa	3,985

Total Bldg 3: 10,023

100% leased





- Permitted
- Available
- Sold
- Open Space



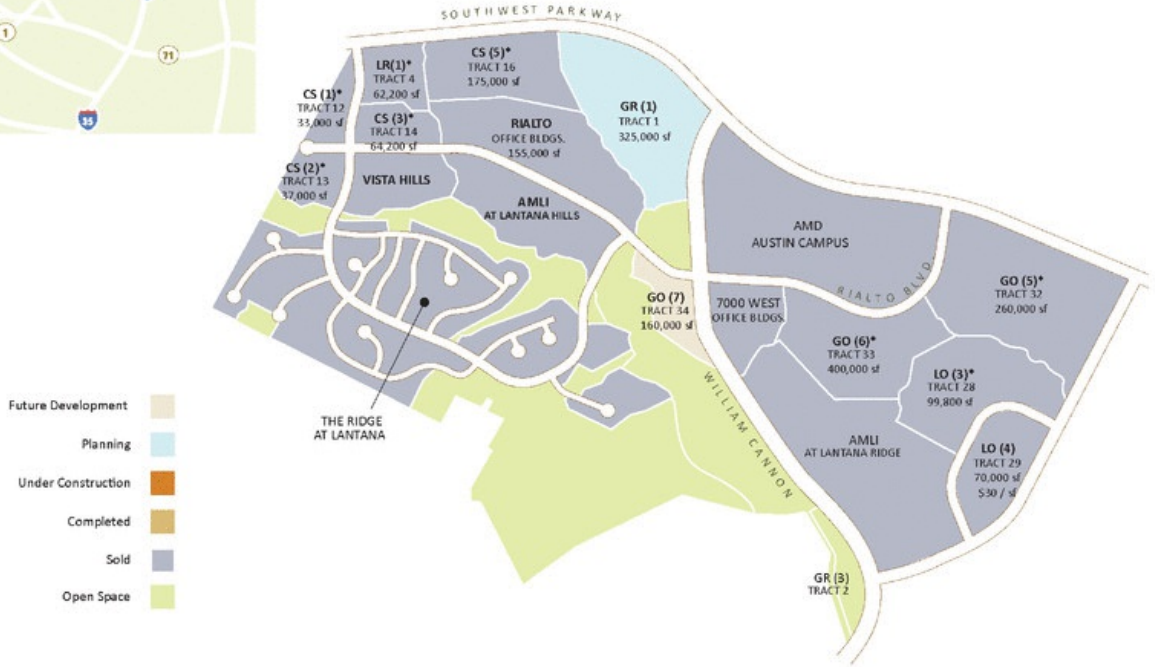


Tenant	Leased SF	Total SF	%
Restaurant	15,618	15,618	100%
Retail	16,025	18,026	89%
Theater	33,650	33,650	100%
Medical Office	20,890	22,890	91%
<b>TOTAL</b>	<b>86,183</b>	<b>90,184</b>	<b>96%</b>

Tenant	SF	Term	Status	Bldg.	Use
ATX Bikes	2,500	5	Leased	A	Retail
Koko Fit Club	1,600	10	Leased	A	Retail
Austin Mail Express	1,491	5	Leased	A	Retail
Reid's Cleaners	1,302	7	Leased	A	Retail
Sleep Experts	3,032	7	Leased	A	Retail
Art & Frame	2,001	5	Leased	A	Retail
Coffee Bean & Tea Leaf	1,500	7	Leased	A	Restaurant
Z Pizza	1,500	5	Leased	A	Restaurant
Burgerfi	3,175	10	Leased	B	Restaurant
Dr. Home DDS	2,500	10	Leased	B	Medical Office
Pronails 2	1,100	10	Leased	B	Retail
TCBY	1,400	10	Leased	B	Restaurant
Available	2,009	10	Available	B	Medical Office
Austin Diagnostic Clinic	13,890	10	Leased	C	Medical Office
Ni'Ni	8,043	10	Leased	D	Restaurant
AT&T Wireless	5,000	10	Leased	E	Retail
Alamo Drafthouse Theater	33,650	15	Leased	F	Theater
OnCall Clinic	4,500	7	Leased	G	Medical Office
<b>TOTAL</b>	<b>90,184</b>				













## NEWS RELEASE

NASDAQ Symbol: "STRS"

**Financial and Media Contact:**

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Stratus Properties Inc.  
212 Lavaca St., Suite 300  
Austin, Texas 78701

### **STRATUS PROPERTIES INC. ANNOUNCES SUPPLEMENTAL FINANCIAL AND OPERATIONAL INFORMATION**

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AUSTIN, TX, April 20, 2015 - Stratus Properties Inc. (NASDAQ: STRS) has made available on its website at [www.stratusproperties.com](http://www.stratusproperties.com) an investor presentation containing supplemental financial and operational information regarding the company.

**William H. Armstrong III, Chairman of the Board, President and Chief Executive Officer of Stratus, stated, "Our management is focused on implementing our new five-year plan to create value for stockholders by developing certain existing assets and actively marketing other assets for possible sale at appropriate values. The presentation posted on our website today contains additional information regarding our company, our strategy and management's outlook. We anticipate discussing these materials with interested investors and want to make them available to all of our stockholders."**

Stratus is a diversified real estate company engaged primarily in the development, management, operation and/or sale of commercial, hotel, entertainment, and multi- and single-family residential real estate properties located in Texas, primarily in the Austin area.