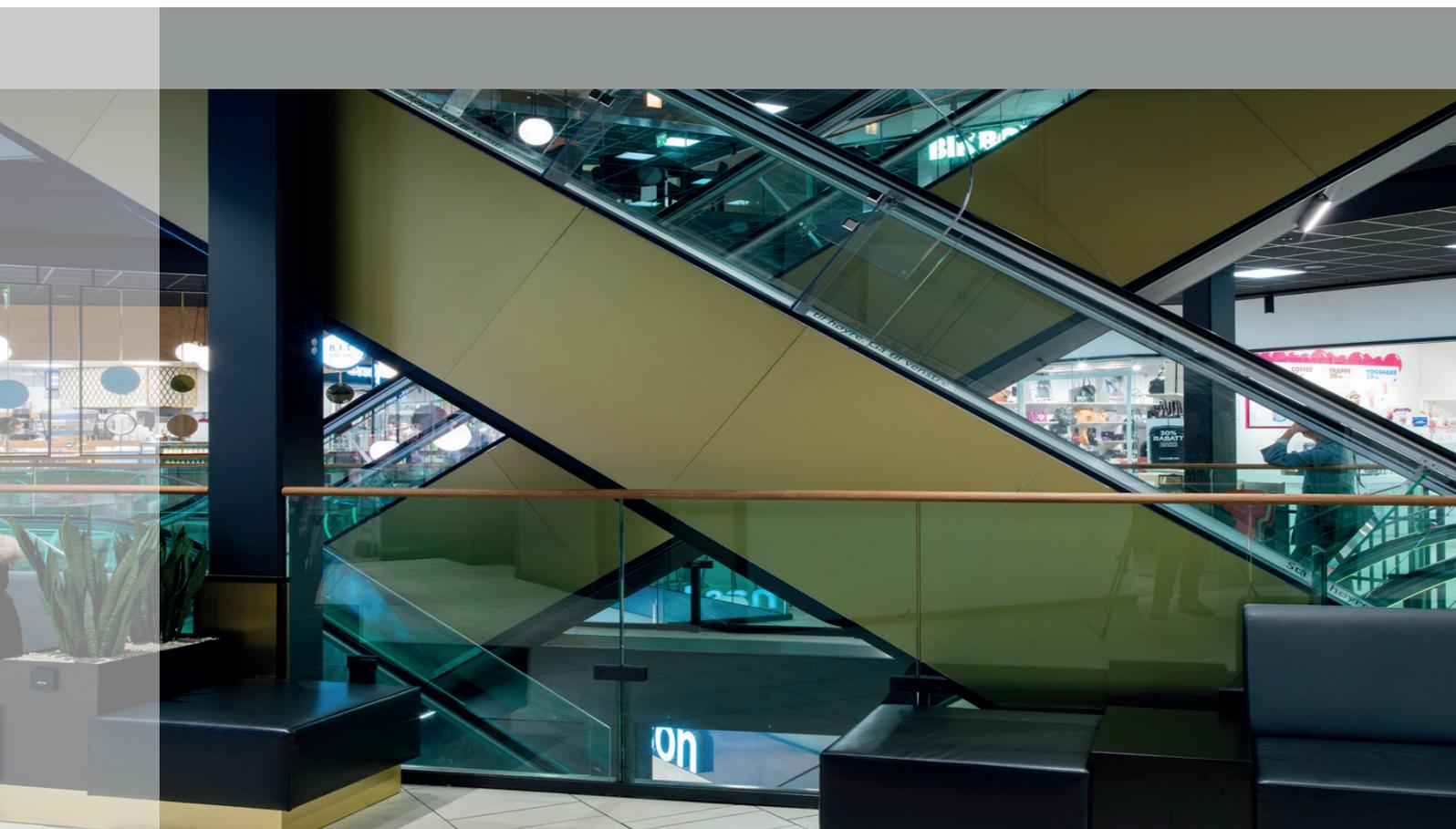


REPORT Q3
2018

OLAV THON
EIENDOMSSKAP ASA



KEY FIGURES

Amounts in NOK million	Q3 2018	Q3 2017	30.09.18	30.09.17	31.12.17
Net rental income	599	604	1 855	1 822	2 460
Fair value adjustments in investment properties and interest rate derivatives ¹⁾	314	831	849	2 044	2 438
Profit before taxes	747	1 261	2 223	3 336	4 193
Profit before tax and fair value adjustments ¹⁾	433	430	1 374	1 292	1 755
Equity per share (NOK)			241	219	228
Equity ratio			45 %	43 %	44 %
Non-current net asset value per share (NOK) ²⁾			291	266	276
Net cash flow from operations	398	447	1 259	1 202	1 640
Cash reserves ³⁾			6 450	6 973	8 137
Amortisation next 12 months			6 640	6 594	7 578
Interest-bearing debt ⁴⁾			21 394	21 557	21 713
Interest rate as at 30.09 / 31.12			3,06 %	3,04 %	2,98 %
Loan to value ratio ⁵⁾			40 %	42 %	42 %
Net investments ⁶⁾	252	389	907	1 265	1 734
Investment properties			52 411	50 358	51 435
Annual rental income ⁷⁾			2 980	2 890	2 910
Yield			5,16 %	5,16 %	5,17 %
Sales, owned shopping centres	12 505	12 344	35 811	35 247	50 768
Sales, managed shopping centres	1 836	3 353	6 660	9 151	13 273
Share price as at 30.09 / 31.12 (NOK)			149,4	163,5	163,0

Please note that as a result of rounding differences and reclassifications, figures and percentages will not always match the total sum.

1) Including value adjustments in joint ventures and associated companies

2) (Majority share of equity + deferred tax liabilities - fair value of debt (deferred tax 6%)) / Number of shares

3) Bank deposits etc. + Undrawn borrowing facilities

4) Unsecured part of interest-bearing debt NOK 5,144 million (30.09.2018), NOK 6,008 million (30.09.2017) and NOK 6,399 million (31.12.2017), respectively

5) (Interest bearing debt - Bank deposits etc) / Investment properties

6) Net supply of investment properties with addition for activated upgrades and maintenance

7) Includes market rent for vacant premises



OLAV THON EIENDOMSSSELKAP ASA

Report for the third quarter of 2018

Olav Thon Eiendomsselskap achieved yet another good result in the third quarter, although the Group's result decreased due, in part, to lower fair value adjustments in the property portfolio than last year.

The highlights of the interim report are as follows: ¹⁾

- Rental income was NOK 707 (693) million. Annual rental income was NOK 2,980 (2,890) million and the vacancy rate 2.7% (2.7%).
- Profit before tax and fair value adjustments amounted to NOK 433 (430) million.
- Profit before tax amounted to NOK 747 (1,261) million.
- Net cash flow from operations was NOK 398 (447) million.
- The Group's equity ratio at the end of the third quarter was 45% (43%), and equity per share had risen to NOK 241 (219).
- Cash reserves ended the quarter at NOK 6,450 (6,974) million.
- Retail sales in the shopping centre portfolio owned by the Group were NOK 12,505 (12,344) million.

¹⁾ The figures in brackets are for the corresponding period/date last year.

Illustration: Lagunen, Bergen



Financial position/balance sheet as at 30 September 2018

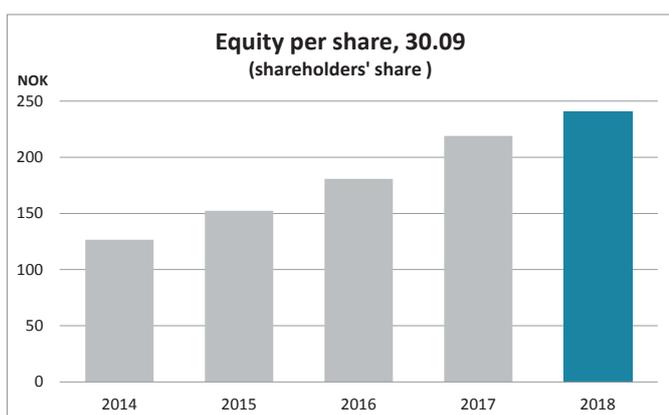
The Group's total assets were NOK 57,733 (55,563) million, with investment properties accounting for NOK 52,411 (50,358) million of that figure.

Total equity was NOK 26,002 (23,646) million and the equity ratio was 45 % (43 %).

Equity per share (majority share) was NOK 241 (219), while the non-current net asset value per share is NOK 291 (266).

Interest-bearing debt was NOK 21,394 (21,557) million, with a loan to value ratio ²⁾ of 40 % (42 %).

The Group's share of the equity in joint ventures and associated companies was NOK 2,885 (2,781) million.



Equity per share increased by 107 % during the period.

Summary of the results for Q3

Profit before tax amounted to NOK 747 (1,261) million.

Fair value adjustments in investment properties and interest rate derivatives totalled NOK 314 (831) million. ³⁾

Profit before tax and fair value adjustments therefore amounted to NOK 433 (430) million.

Rental income and property-related expenses

Rental income was NOK 707 (693) million.

Other property-related income amounted to NOK 199 (181) million and consisted mainly of payments from the Group's tenants to cover property service charges and operation of shopping centre associations.

Property-related expenses amounted to NOK 307 (270) million, including the above-mentioned service charges of NOK 199 (172) million. The increase since last year is largely attributable to costs associated with the establishment of new tenants.

Maintenance expenses for the property portfolio amounted to NOK 52 (45) million.

Net rental income was therefore NOK 599 (604) million.

Fair value adjustments, investment properties

The value of the Group's investment properties generally remained unchanged in the third quarter, although some rises in rent for some properties helped increase the value of the properties by NOK 171 (806) million.

Reference is otherwise made in later sections and in note 8 of this interim report.

Share of the results of joint ventures and associated companies

The Group's share of the results from joint ventures and associated companies amounted to NOK 19 (40) million.

A full overview of the income statements and balance sheets for these companies can be found in note 11 of this interim report.

Other operating income and expenses

Other operating income amounted to NOK 38 (39) million and consisted mainly of income from property management for external owners and sales

²⁾ See page 2 for definitions.

³⁾ Includes jointly controlled and affiliated companies.

revenue from other activities.

Other operating and administrative expenses amounted to NOK 79 (74) million, while scheduled depreciation amounted to NOK 6 (7) million.

Financial income and expenses

Net financial expenses amounted to NOK 160 (165) million. The reduction is attributable to a marginal fall in both the Group's average interest-bearing debt and average interest rate.

The Group's average interest rate for the third quarter was 3.05 % (3.06 %).

Fair value adjustments, interest rate derivatives

Long-term market interest rates rose in both Norway and Sweden in the third quarter.

In Norway, the ten-year swap rate rose by 0.15 of a percentage point to 2.30 %, while the corresponding rate in Sweden rose by 0.12 of a percentage point to 1.24 %.

Both the interest rate movements and shorter remaining terms contributed to the market value of the Group's interest rate derivatives increasing by NOK 163 (17) million.



Cash flow and liquidity

Q3

Net cash flow from operations was NOK 398 (447) million.

Net cash flow from operating activities was NOK 788 (395) million, while investing activities reduced cash by NOK 295 (263) million.

Financing activities reduced cash by NOK 188 (77) million, although overall the Group's cash and cash equivalents increased by NOK 306 (55) million in the third quarter.

Liquidity reserves were NOK 6,450 (6,974) million at the end of the quarter and consisted of short-term investments of NOK 560 (256) million and undrawn long-term credit facilities of NOK 5,890 (6,718) million.

Illustration: Skovly, Jessheim



Investments and sales

The Group's net investments for the third quarter were NOK 252 (389) million.

Total investments for the first three quarters of the year were NOK 907 (1,265) million.

Property sales

Amfi Kragerø

The group's 50% share in the Amfi Kragerø shopping centre was sold in the third quarter.

Major property projects ⁴⁾

Completed

- **Phase 3, Vitaminveien 11, Oslo**
The third phase of the expansion next to Storo Storsenter was completed in September 2018 when a modern conference hotel opened with 321 rooms. In March 2018, Norway's largest cinema complex opened with 14 screens and in July 2018 the first part of the Storotunet residential project was completed.
- **Amfi Moa, Ålesund**
The new building at Amfi Moa opened on 1 November 2018 with a total space of around 35,000 sq. m. This expanded the centre's provision of goods and services with a number of new shops and restaurants, as well as a new cinema complex with six screens and a library. The office premises in the new building will be completed in 2019. Following the expansion, Amfi Moa is Norway's largest shopping centre in terms of space.

Completed projects in joint ventures and associated companies

- **Jessheim Storsenter, Ullensaker**
In connection with the part of Jessheim Storsenter in which the Group has a stake of 34 %, 105 residential units have now been constructed for onwards sale in various construction phases. At the end of the quarter, 92 of the residential units had been sold and handed over to buyers.

⁴⁾ Over 50 million NOK.

Under construction

- **Vitaminveien 11, Oslo**
The remaining part of the project with total space of 60,000 sq. m. will be completed in phases from the fourth quarter of 2018 to the first quarter of 2019. November 2018 will see the opening of a number of new restaurants and shops, while the last phase of the residential project and retail spaces will be completed in the first quarter of 2019.
- **Oasen Storsenter, Haugesund**
The shopping centre is being refurbished and extended by around 4,200 sq. m. of retail space and 3,000 sq. m. of parking space. The project will be completed in the fourth quarter of 2018 and second quarter of 2019.
- **Amfi Steinkjer, Steinkjer**
The centre is being refurbished and expanded with a new 5,200 sq. m. building. An older section of the centre will be demolished and the retail space will thus increase by around 3,400 sq. m. The project will be completed in the fourth quarter of 2018.

Under construction in joint ventures and associated companies

- **Lagunen Storsenter, Bergen (42 % stake)**
The shopping centre is being expanded by around 50,000 sq. m., which includes around 10,000 sq. m. of parking space. A number of new shops and restaurants will open in November 2018, while the range of goods and services will expand further in the fourth quarter of 2019 with the opening of a new cinema complex with nine screens and a gym.

For more information about the Group's property projects, please see the company's website: www.olt.no.

Property portfolio as at 30 September 2018

Investment properties are carried at fair value. Information on the valuation model and the variables used in the valuation can be found in the Norwegian 2017 annual report.

The property portfolio was valued at NOK 52,411 (50,358) million, based on an average yield of 5.16% (5.16%).

Average yields by property segment were as follows:

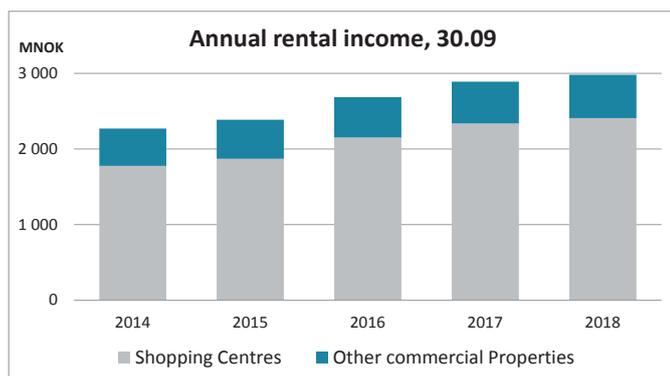
Shopping centre property	5.25 % (5.22 %)
Other commercial property	4.80 % (4.96 %)

Annual rental income was NOK 2,980 (2,890) million, with the following segment distribution:

Shopping centre property	80 % (81 %)
Other commercial property	20% (19 %)

The vacancy rate in the property portfolio was 2.7 % (2.7 %).

The increase in rental income was due to completed property projects and general growth in rental income.



The rental income of the property portfolio increased by 31 % during the period.

Property portfolio owned through joint ventures and associated companies

In addition to the property portfolio, which is recognised in the Group's balance sheet, the Group's share of the rental income of joint ventures and associated companies was NOK 290 (280) million. The Group's share of the property values in these companies was NOK 4,739 (4,493) million.

Shopping centres

At the end of the quarter, the shopping centre portfolio comprised 88 shopping centres, 20 of which are managed for external owners.

Olav Thon Eiendomsselskap is Norway's leading shopping centre player and has a solid market position. The shopping centre portfolio includes Norway's largest shopping centre, Sandvika Storsenter in Bærum, and a total of seven of the country's nine largest shopping centres.

Shopping centres owned by the Group

Retail sales in the shopping centre portfolio owned by the Group were NOK 12,505 (12,344) million for the third quarter, while sales for the first nine months of the year totalled NOK 35,810 (35,256) million.

Norway

The Group's Norwegian shopping centres reported retail sales of NOK 11,673 (11,457) million in the third quarter. At the end of the third quarter, sales for the year to date amounted to 33,256 (32,622) million.

Sweden

Retail sales in the Group's shopping centres in Sweden amounted to SEK 904 (907) million in the third quarter and SEK 2,726 (2,724) million in first nine months of the year.

Shopping centres managed for other owners

Retail sales in this part of the portfolio were NOK 1,836 (3,353) million in the third quarter. Retail sales for the first nine months of the year totalled NOK 6,600 (9,151) million. The decrease is related to the cancellation of a major management agreement in the second quarter of 2018.

Risk factors

The most important risk factors to which Olav Thon Eiendomsselskap is exposed are considered to be market and financial risks associated with the property and financial markets.

The property market

Trends in the property market in Norway and Sweden are affected by both macroeconomic factors and demand for commercial property as an investment object.

Changes in yield and market rents have a direct effect on the value of the property portfolio. Calculations of these effects can be found on page 47 of the Norwegian 2017 annual report and on the company's website: www.olt.no.

The valuation as at 30 September 2018 was based on an average yield of 5.16 %. The yield has varied between 5.16 % and 5.75 % over the last three years.

The financial markets

The most significant financial risk for Olav Thon Eiendomsselskap is considered to be the Group's access to financing in the banking and capital markets. The risk is mitigated by maintaining a low loan to value ratio, a balanced debt portfolio and significant liquidity reserves.

The Group's financing is described in more detail in the next section, and further information about financial risk management can be found on page 48 in the Norwegian 2017 annual report and the company's website: www.olt.no.

The Group's interest rate derivatives (interest rate swaps) are carried at fair value. Interest rate swaps are primarily used to secure the Group long-term fixed interest rates and thereby ensure more predictable cash flow.

At the end of the quarter, the portfolio of interest rate swaps entered into for this purpose was NOK 11,049 (11,115) million and had a fair value of NOK -1,341 (-1,808) million.

Fair value is affected by both changes in long-term interest rates and volatility in the financial markets in Norway and Sweden. It is estimated that a change of 1 percentage point in interest rates would change the fair value of the portfolio by approx. NOK 750-850 million.

It is estimated that a change of 1 percentage point in the short-term interest rate would change the Group's average interest rate by around 0.50 of a percentage point. Net annual interest expenses would be changed by NOK 100-110 million.

Financing

The Group's debt portfolio consists of long-term credit facilities with Nordic banks and direct borrowing in the capital markets in Norway and Sweden.

Access to financing is still considered extremely good, although the trend in credit spreads in the capital markets was moderately expansive in the third quarter.

The Group's sources of financing in the third quarter were the capital markets in both Norway and Sweden, as well as the Nordic bank market. New lending of NOK 1,050 million and SEK 1,250 million was raised in the capital markets. In addition, long-term loan agreements were entered into with a Nordic bank involving credit facilities totalling NOK 1,800 million.



At the end of the quarter, the outstanding certificate and bond debt amounted to NOK 12,679 (12,768) million, distributed as follows:

Norway: NOK 9.235 million (9.110)
 Sweden: SEK 3.750 million (3.750)

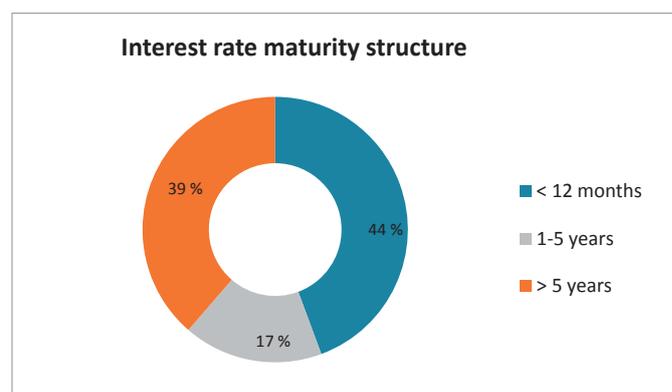
Total credit facilities were NOK 27,284 (28,275) million, NOK 5,890 (6,718) million of which was undrawn.

For details of the Group's interest-bearing debt, see notes 6 and 7 in the interim report.

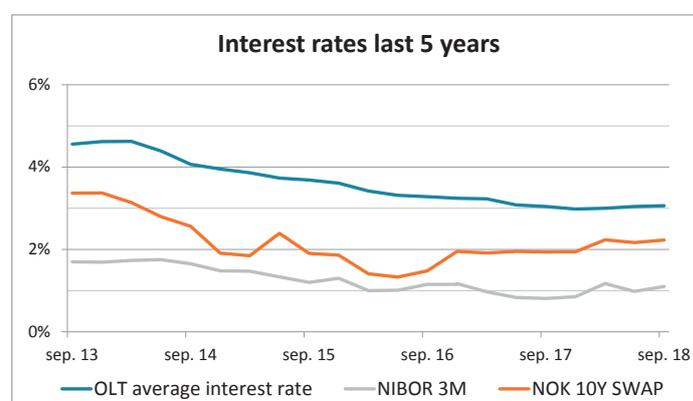
The debt had an average remaining term of 2.2 (2.4) years. 31 % (31 %) of the debt falls due for repayment within 1 year.

At the end of the third quarter, the Group had a fixed-rate ratio of 56 % (59 %), with an average fixed-rate period of 3.4 (4.0) years.

The Group's average interest rate was 3.06 % (3.04 %), divided into the following currencies



39% of interest-bearing debt has an fixed-interest period of over five years, and the average fixed-interest period is 3,4 years.



At 30.09.18, the Group's average interest rate ⁵⁾ 3.06 %.

Currencies	Share of debt	Average interest rate
NOK	84 %	3,53 %
SEK	16 %	0,64 %

⁵⁾ From Q3 2014 loans in NOK and SEK.

Thon Flex, Vika Atrium, Oslo



Shares and shareholders

The price of the Olav Thon Eiendomsselskap share was NOK 149.4 at the end of the third quarter, unchanged since the beginning of the quarter. The highest and lowest prices in the quarter were NOK 154.40 and NOK 146.00, respectively.

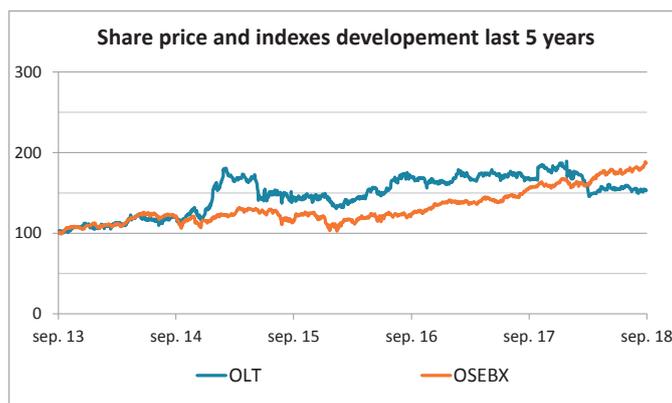
1.1 (1.7) million shares were traded in the third quarter with 6,684 (7,863) trades in the share completed on the Oslo Stock Exchange. over Oslo Børs.

The company's shares generated a total return of -7 % (including dividend) in the first nine months of the year, while the main index of the Oslo Stock Exchange rose by 15 %.

In the first nine months of the year seen as a whole, 4.6 (5.2) million shares were traded, with 15,391 (15,045) trades in the share completed on the Oslo Stock Exchange.

At the end of the quarter, the company's market capitalisation was NOK 15.9 (17.4) billion and the company's largest shareholders were:

Olav Thon Gruppen AS and subsidiaries	71,9 %
Folketrygdfondet	3,8 %
VPF Nordea Norge	2,2 %
MP Pensjon	2,2 %
Otto Olsen Invest AS	1,4 %
Other shareholders	18,5 %
TOTAL	100,0 %



Over the past five years, the price of Olav Thon Eiendomsselskap share has increased by 53 %.

Outlook

The Norwegian economy is developing well and relatively high growth is expected in the next few years. Norges Bank increased the key interest rate from 0.50 % to 0.75 % in September and is indicating that the rate will gradually be increased in the next few years, albeit at a moderate tempo.

In Norway, demand for commercial property is still high and with the prospect of continued moderate interest rates, this is expected to last.

Private consumption is expected to rise in the next few years and retail trade is also expected to develop positively in the time ahead.



Online shopping accounts for a small proportion of the total retail trade, although online shopping is expected to grow somewhat faster than the physical retail trade.

The Group's shopping centres are adapting to the digitalisation of the retail trade, both by making use of new technology and by expanding the range of goods and services offered in the centres.

The vacancy rate in the Oslo area office market is falling and rental prices are showing a positive trend. A low level of new construction and high demand for office premises are expected to result in a continued positive office market.

The Group's solid market position and financial position are expected to contribute to a satisfactory financial performance in the period ahead.

Every effort has been made to ensure that this translation of the Norwegian text and the report for the 3rd quarter is a true translation. However, in case of any discrepancy, the Norwegian version takes place.

Oslo, 7th November 2018

The Board of Directors,
Olav Thon Eiendomsselskap ASA

AMFI Moa, Ålesund



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Q3 2018	Q3 2017	30.09.2018	30.09.2017	31.12.2017
Rental income	5, 8	707	693	2 105	2 071	2 770
Other property-related income	8	199	181	635	611	850
Property-related expenses	8	-307	-270	-885	-860	-1 160
Net rental income		599	604	1 855	1 822	2 460
Fair value adjustments, investment property	9	171	806	429	1 859	2 216
Results from joint ventures and associates	11	19	40	128	159	199
Other operating income	8	38	39	128	139	193
Other operating expenses	8	-35	-35	-114	-111	-160
Administrative expenses	5, 8	-44	-39	-134	-120	-164
Depreciation		-6	-7	-17	-20	-27
Operating profit		743	1 408	2 274	3 728	4 717
Financial income	12	5	0	13	5	6
Fair value adjustments, interest rate derivatives		163	18	424	122	165
Financial expenses	12	-165	-165	-488	-518	-695
Profit before tax		747	1 261	2 223	3 336	4 193
Income taxes		-169	-282	-497	-779	-712
Profit for the period		578	979	1 726	2 557	3 482
Other Comprehensive income						
<i>Items to be reclassified to P&L in subsequent periods:</i>						
Exchange differences from foreign operations		16	-26	-133	38	77
Hedging of net investment		-18	30	130	-38	-72
Change in deferred tax on other comprehensive income		4	-7	-30	9	16
Total comprehensive income		580	975	1 693	2 566	3 503
Profit for the periode attributable to:						
Shareholders of the parent		572	953	1 704	2 512	3 406
Non-controlling interests		6	26	22	45	76
Total comprehensive income attributable to:						
Shareholders of the parent		574	950	1 671	2 521	3 427
Non-controlling interests		6	26	22	45	76
Earnings per share, basic and diluted (NOK)		5	9	16	24	32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	30.09.2018	30.09.2017	31.12.2017
ASSETS				
Deferred tax asset		412	550	412
Investment properties	3, 9	52 411	50 358	51 435
Other fixed assets		88	93	99
Investments in joint ventures and associates	11	2 885	2 781	2 838
Other non-current assets		502	234	294
Total non-current assets		56 296	54 016	55 078
Trade and other current receivables		878	1 291	1 050
Bank deposits and cash		560	256	366
Total current assets		1 437	1 547	1 415
Total assets		57 733	55 563	56 493
EQUITY AND LIABILITIES				
Majority share of equity		25 498	23 151	24 061
Non-controlling interests		504	494	518
Total equity		26 002	23 646	24 580
Deferred tax liabilities		7 162	7 020	6 945
Non-current liabilities	6	16 146	16 774	15 701
Current liabilities	7	8 423	8 123	9 267
Total liabilities		31 731	31 918	31 914
Total equity and liabilities		57 733	55 563	56 493

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium reserve	Exchange differences from foreign operations	Retained earnings	Hedging reserve	Shareholders of the parent	Non-controlling interests	Total
Equity 31.12.2016	106	318	-120	20 565	81	20 950	447	21 397
Profit for the period			-	2 512	-	2 512	45	2 557
Other comprehensive income			38	-	-29	9	-	9
Acquisitions of own shares			-	-100	-	-100	-	-100
Dividends paid			-	-214	-	-214	-	-214
Other changes			-	-4	-	-4	2	-3
Equity 30.09.2017	106	318	-82	22 758	52	23 151	494	23 646
Profit for the period			-	894	-	894	31	924
Other comprehensive income			39	-	-26	12	-	12
Other changes			-	3	-	3	-7	-3
Equity 31.12.2017	106	318	-43	23 655	26	24 061	518	24 580
Profit for the period			-	1 704	-	1 704	22	1 726
Other comprehensive income			-133	-	100	-33	-	-33
Dividends paid			-	-233	-	-233	-35	-268
Other changes			-	-1	-	-1	-0	-2
Equity 30.09.2018	106	318	-177	25 125	126	25 498	504	26 002

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	Q3 2018	Q3 2017	30.09.2018	30.09.2017	31.12.2017
Net cash flow from operations	398	447	1 259	1 202	1 640
Expensed interest	157	161	466	501	666
Interest paid	-160	-149	-468	-486	-652
Income tax paid	-2	-	-75	-19	-19
Change in working capital	395	-64	277	-422	-9
Net cash flow from operating activities	788	395	1 459	776	1 626
Payment on the sale of tangible fixed assets	-	-	-	-	-
Acquisition of investment properties	-223	-242	-837	-725	-1 452
Acquisition of subsidiaries	-22	-	-22	-9	-9
Other investments	-49	-21	-	-21	-90
Net cash flow from investing activities	-295	-263	-969	-754	-1 551
Proceeds from interest-bearing liabilities	6 226	3 323	14 845	8 758	10 894
Repayment of interest-bearing liabilities	-6 364	-3 400	-14 859	-8 544	-10 609
Dividends paid	-50	-	-282	-215	-214
Acquisition of own shares	-	-	-	-100	-100
Net cash flow from financing activities	-188	-77	-297	-100	-29
Net change in cash	306	55	193	-78	46
Cash at beginning of period	256	193	366	325	325
Currency effects	-1	9	1	10	-5
Cash at end of period	560	256	560	256	366

NOTES TO THE ACCOUNTS 30. SEPTEMBER 2018

(NOK million)

Note 1 GENERAL INFORMATION

Olav Thon Eiendomsselskap ASA is based in Norway and is listed on Oslo Stock Exchange. The head office is situated in Oslo.

The Group's consolidated financial statements encompass Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's interests in joint ventures and associated companies.

The Group has activities in Norway and Sweden.

Note 2 ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB and as adopted by EU. The consolidated accounts have been prepared in accordance with IAS 34 Interim Financial Reporting.

The new accounting standards, IFRS 9 - Financial instruments and IFRS 15 - Revenue from Contracts with Customers, were implemented with effect from 1. January 2018 and no consequences for the Group have been identified.

With the exception of the implementation of the new standards, IFRS 9 and IFRS 15, the accounting principles that were used as a basis for the interim report are in accordance with the principles used when preparing the 2017 annual report and should be read together with this.

The interim financial statements were adopted by the Board October 7th 2018.

There has been no audit of the interim financial information.

Note 3 CHANGES IN GROUP STRUCTURE

There are no significant changes in the group structure during the quarter.

Note 4 ESTIMATES

Preparation of interim financial statements involves the use of judgements, estimates and assumptions that affect the application of accounting principles and amounts recognised for assets, liabilities, income and expenses.

In preparing these interim financial statements, management has used the same judgements regarding application of accounting principles that were used in the consolidated financial statements for 2017.

Note 5 RELATED PARTY TRANSACTIONS

Transactions	Counterparty	Counterparty associate of	30.09.2018	30.09.2017	31.12.2017
Current leases	Companies in Olav Thon Gruppen AS	Olav Thon Foundation	71	40	52
Current operating and administration agreements	Thon Eiendomsdrift AS	Olav Thon Foundation	85	76	98

Note 6 NON-CURRENT LIABILITIES

	30.09.2018	30.09.2017	31.12.2017
Bonds	6 107	7 456	6 384
Other interest-bearing liabilities	8 646	7 508	7 751
Non-interest-bearing liabilities (fair value interest rate swaps)	1 342	1 808	1 543
Other liabilities	52	2	23
Total	16 146	16 774	15 701

Note 7 CURRENT LIABILITIES

	30.09.2018	30.09.2017	31.12.2017
Commercial paper debt	3 491	4 052	4 399
Bonds	3 081	1 260	2 375
Interest-bearing current liabilities	69	1 281	804
Trade payables	143	177	203
Accrued interest	56	59	58
Duties payable	128	151	104
Income tax payable	323	229	116
Other current liabilities	1 133	913	1 208
Total	8 423	8 123	9 267

Note 8 BUSINESS SEGMENTS

At 30.09.2018, the Group has activities within two strategic business segments.

The two operating segments are:

- * Shopping centres
- * Commercial property

The two geographical segments are:

- * Norway
- * Sweden

Segment reporting is based on internal management reporting.

Business segments	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Q3 2018							
Rental income	552	156	-	707	660	48	707
Other property-related income	182	16	-	199	183	16	199
Property-related expenses	-241	-65	-	-307	-280	-27	-307
Net rental income	493	107	-	599	563	36	599
Fair value adjustments, investment property	93	79	-	171	223	-51	171
Results from joint ventures and associates	19	-	-	19	19	-	19
Other operating income	20	-	18	38	38	-	38
Other operating expenses	-17	-	-18	-35	-35	-	-35
Administrative expenses	-35	-10	-	-44	-41	-3	-44
Depreciation	-4	-2	-	-6	-6	-0	-6
Operating profit	569	173	0	743	761	-18	743

Business segments	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Q3 2017							
Rental income	545	148	-	693	641	52	693
Other property-related income	168	13	-	181	163	18	181
Property-related expenses	-226	-44	-	-270	-243	-28	-270
Net rental income	487	117	-	604	562	42	604
Fair value adjustments, investment property	467	339	-	806	809	-3	806
Results from joint ventures and associates	40	-	-	40	40	-	40
Other operating income	22	-	17	39	39	-	39
Other operating expenses	-18	-	-17	-35	-35	-	-35
Administrative expenses	-33	-6	-	-39	-36	-3	-39
Depreciation	-5	-2	-	-7	-7	-0	-7
Operating profit	960	448	0	1 408	1 372	36	1 408

Business segments	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
30.09.2018							
Rental income	1 636	469	-	2 105	1 953	152	2 105
Other property-related income	584	51	-	635	582	53	635
Property-related expenses	-694	-192	-	-885	-800	-85	-885
Net rental income	1 526	329	-	1 855	1 735	121	1 855
Fair value adjustments, investment property	-30	459	-	429	389	39	429
Results from joint ventures and associates	128	-	-	128	128	-	128
Other operating income	67	-	60	128	128	-	128
Other operating expenses	-59	-	-55	-114	-114	-	-114
Administrative expenses	-113	-21	-	-134	-124	-10	-134
Depreciation	-10	-6	-	-17	-16	-0	-17
Operating profit	1 509	760	5	2 274	2 125	149	2 274

Business segments	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
30.09.2017							
Rental income	1 613	458	-	2 071	1 918	153	2 071
Other property-related income	561	50	-	611	557	55	611
Property-related expenses	-701	-159	-	-860	-777	-83	-860
Net rental income	1 473	349	-	1 822	1 698	125	1 822
Fair value adjustments, investment property	1 198	661	-	1 859	1 874	-15	1 859
Results from joint ventures and associates	159	-	-	159	159	-	159
Other operating income	76	-	63	139	139	-	139
Other operating expenses	-57	-	-54	-111	-111	-	-111
Administrative expenses	-101	-19	-	-120	-110	-10	-120
Depreciation	-14	-6	-	-20	-20	-0	-20
Operating profit	2 734	985	9	3 728	3 629	99	3 728

Business segments	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
31.12.2017							
Rental income	2 154	616	-	2 770	2 564	206	2 770
Other property-related income	784	66	-	850	774	76	850
Property-related expenses	-960	-200	-	-1 160	-1 047	-113	-1 160
Net rental income	1 978	482	-	2 460	2 291	169	2 460
Fair value adjustments, investment property	1 343	873	-	2 216	2 247	-31	2 216
Results from joint ventures and associates	199	-	-	199	199	-	199
Other operating income	101	-	92	193	193	-	193
Other operating expenses	-81	-	-79	-160	-160	-	-160
Administrative expenses	-140	-24	-	-164	-150	-14	-164
Depreciation	-19	-8	-	-27	-27	-0	-27
Operating profit	3 381	1 324	13	4 717	4 593	124	4 717

Note 9 INVESTMENT PROPERTY

	30.09.2018	30.09.2017	31.12.2017
Opening balance	51 435	47 695	47 695
Acquisitions/expenditure on properties	803	718	1 465
Change in fair value recognised in the period	429	1 859	2 216
Investment property from companies bought in the period	22	9	9
Effect of currency exchange differences i foreign operations	-300	78	181
Other changes	22	-	-131
Closing balance	52 411	50 358	51 435

Note 10 SUBSEQUENT EVENTS

The parent company is a party to an ongoing legal dispute concerning the final settlement in connection with a property purchase. Oslo District Court found in favour of Olav Thon Eiendomsselskap ASA in the judgment that was handed down on 19 March 2018. The opposing party has since appealed the judgment. No provisions have been made for the claim.

Note 11 JOINT VENTURES AND ASSOCIATED COMPANIES

The table below shows underlying figures in the income statement and financial position for joint ventures and associated companies.

Joint ventures	Q3 2018	Q3 2017	30.09.2018	30.09.2017	31.12.2017
Net rental income	89	80	273	253	351
Fair value adjustments, investment property	-27	7	-25	47	26
Fair value adjustments, interest rate derivatives	5	-	36	4	5
Expenses	-66	-54	-189	-176	-235
Profit	-0	34	96	129	147
Investment properties			3 888	3 579	3 641
Other assets			338	218	256
Total assets			4 226	3 797	3 897
Equity			2 376	2 264	2 298
Non-current liabilities			1 716	1 409	1 488
Current liabilities			135	124	111
Total equity and liabilities			4 226	3 797	3 897

Associated companies	Q3 2018	Q3 2017	30.09.2018	30.09.2017	31.12.2017
Net rental income	70	14	163	41	58
Fair value adjustments, investment property	2	0	-15	13	26
Fair value adjustments, interest rate derivatives	-	-	-	-	-0
Expenses	-53	-6	-116	-24	-32
Profit	19	7	32	30	52
Investment properties			851	914	957
Other assets			180	141	211
Total assets			1 031	1 054	1 168
Equity			510	517	540
Non-current liabilities			466	357	628
Current liabilities			55	181	-
Total equity and liabilities			1 031	1 054	1 168

Note 12 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q3 2018	Q3 2017	30.09.2018	30.09.2017	31.12.2017
Renteinntekter	1	2	4	4	5
Finansinntekter	4	-2	9	1	1
Total financial income	5	0	13	5	6
Rentekostnader	-157	-161	-466	-501	-666
Finanskostnader	-8	-4	-23	-17	-29
Total financial expenses	-165	-165	-488	-518	-695

ALTERNATIVE PERFORMANCE MEASURES

Amounts in NOK million

Olav Thon Eiendomsselskap ASA prepares financial information in accordance with the International Financial Reporting Standards (IFRS). The company also wishes to present alternative performance measures (APM) in order to provide readers with a better understanding of the company's underlying financial results.

Fair value adjustments in investment properties and interest rate derivatives

Fair value adjustments in investment properties and interest rate derivatives affect the company's profit before tax, both in the Group's accounts and in joint ventures and associated companies. These income statement items are considered to be more exogenously determined than the other income statement

	Q3 2018	Q3 2017	30.09.2018	30.09.2017	31.12.2017
Fair value adjustments, investment property from profit and loss	171	806	429	1 859	2 216
Fair value adjustments, investment property - Joint ventures	-27	7	-25	47	26
Fair value adjustments, investment property - Associated companies	2	0	-15	13	26
Fair value adjustments, interest rate derivatives from profit and loss	163	18	424	122	165
Fair value adjustments, interest rate derivatives - Joint ventures	5	-	36	4	5
Fair value adjustments in investment property and interest rate derivatives	314	831	849	2 044	2 438

Profit before tax and fair value adjustments

Profit before fair value adjustments in investment properties and interest rate derivatives is intended to give readers a better understanding of the Group's operating business development. Fair value adjustments in investment properties and interest rate derivatives affect the company's profit before tax, both in the Group's accounts and in joint ventures and associated companies.

	Q3 2018	Q3 2017	30.09.2018	30.09.2017	31.12.2017
Profit before tax	747	1 261	2 223	3 336	4 193
Adjusted for fair value adjustments in investment property and interest rate derivatives	-314	-831	-849	-2 044	-2 438
Profit before tax and fair value adjustments	433	430	1 374	1 292	1 755

Non-current net asset value per share

Normalised net asset value per share after taking into account a fair value

	30.09.2018	30.09.2017	31.12.2017
Majority share of equity	25 498	23 151	24 061
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 156	7 006	6 945
Fair value of debt - deferred tax liabilities - 6 %	-1 867	-2 044	-1 812
Non-current net asset value	30 787	28 114	29 195
Number of shares (own shares not included)	105 745 320	105 745 320	105 745 320
Non-current net asset value per share in NOK	291	266	276

Interest-bearing debt

Splitting the Group's total debt into interest-bearing debt and non-interest-bearing debt is intended to give readers a better understanding of the Group's debt situation and the Group's financial position. Net interest-bearing debt is arrived at by deducting the Group's bank deposits and cash from its interest-bearing debt. Net interest-bearing debt is used in, among other things, the calculation of the Group's loan to value ratio.

	30.09.2018	30.09.2017	31.12.2017
Bonds, non-current	6 107	7 456	6 384
Bonds, current	3 081	1 260	2 375
Commercial paper debt, current	3 491	4 052	4 399
Other interest-bearing liabilities, non-current	8 646	7 508	7 751
Other interest-bearing liabilities, current	69	1 281	804
Interest-bearing debt	21 394	21 557	21 713
Bank deposits and cash	-560	-256	-366
Net interest-bearing debt	20 834	21 301	21 348

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