

# OLAV THON EIENDOMSSSELKAP

Report for the third quarter 2013



Karl Johans gate 1

## KEY FIGURES

Amounts in NOK millions	At	At	2012
	30.09.2013	30.09.2012	
Net rental income	1 392	1 361	1 802
Income before tax	1 769	699	1 686
Equity per share (NOK)	1 167	970	1 061
Equity ratio	36 %	34 %	35 %
Long-term net asset value per share (EPRA NNAV) <sup>1)</sup>	1 476	1 247	1 348
Liquidity reserves <sup>2)</sup>	4 737	4 462	4 438
Amortisation next 12 months	6 706	1 892	2 580
Net cash flow from operations <sup>3)</sup>	726	797	1 060
Interest-bearing debt	15 341	13 945	14 298
Interest rate as at 30.09 / year end	4,5 %	4,6 %	4,7 %
Net investments	1 495	743	1 279
Book value of property portfolio	32 613	29 241	30 490
Rental value <sup>4)</sup>	2 250	2 070	2 150
Net yield	6,2 %	6,4 %	6,2 %
Turnover owned shopping centres	26 655	25 178	36 436
Turnover managed shopping centres	6 913	9 024	12 926
Stock exchange quotation as at 30.09 / year end (NOK)	970	862	890

A change in accounting policies, etc. has meant that some figures differ from those given in previous interim and annual reports.

1) EPRA, European Public Real Estate Association, is an organisation for listed property companies and investors in Europe, which prepares recommendations for financial reporting. This report uses EPRA NNAV, which indicates the net asset value (the majority's share of equity) per share. (The majority's share of equity + deferred tax - rated debt obligation (deferred tax 8%)).

2) Bank deposits, etc. + Unutilised borrowing facilities

3) Net cash flow from operating activities - Change in operations-related accruals - Difference between expensed and paid interest

4) Including share of rental income from associated companies



# OLAV THON EIENDOMSSSELKAP ASA

## Report for the third quarter

The positive development in Olav Thon Eiendomsselskap's profits continued during the third quarter. The result reflects growth in rental income and an increase in the value of the Group's financial instruments.

### The key points of the interim report are as follows: <sup>1</sup>

- The Group's rental income amounted to NOK 532 million (496). At the end of the quarter, the annual rental value had increased to NOK 2,250 million (2,070), while the vacancy rate in the property portfolio remained unchanged at 2% (2).
- Pre-tax profit amounted to NOK 429 million (-81).
- Net cash flow from operations amounted to NOK 300 million (288).
- At the end of the quarter, the Group's equity ratio was 36% (34), while book equity per share rose during the third quarter to NOK 1,167 (970).
- The Group's liquidity reserve as at 30 September 2013 was NOK 4,737 million (4,462).
- Store turnover in the shopping centre portfolio owned by the Group amounted to NOK 9.2 billion (8.9).

<sup>1</sup> The figures in parantheses concern the corresponding period/date last year.

Sandvika Storsenter

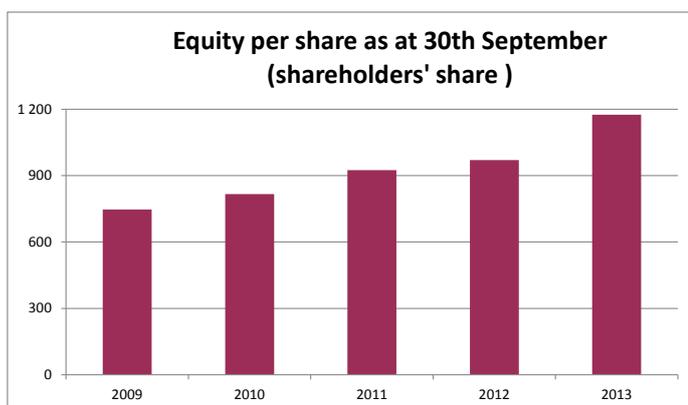


## Consolidated balance sheet as of 30 September 2013 <sup>1</sup>

The Group's assets had a combined value of NOK 35,028 million (31,220), of which the value of investment properties amounted to NOK 32,613 million (29,241).

Total equity was NOK 12,712 million (10,565) and the equity ratio was 36% (34).

Equity per share (shareholders' share) was NOK 1,167 (970). The triple net asset value per share has been calculated at NOK 1,476 (1,247) (EPRA NNAV) <sup>2</sup>.



Equity per share increased by 57% during the period.

The Group's interest-bearing debt amounted to NOK 15,341 million (13,945) and the loan-to-value ratio, which indicates the amount of debt in relation to property values, was 47% (48).

### Results during the third quarter 2013

The Group's operating result amounted to NOK 493 million (260). The increase over last year is largely explained by both growth in rental income and changes in the value of the property portfolio.

Pre-tax profit was NOK 429 million (-81), while the quarterly profit after tax was NOK 310 million (-60).

The profit before changes in the value of investment properties and financial instruments amounted to NOK 303 million (276).

### Rental income and property-related expenses

Rental income amounted to NOK 532 million (496).

Compared with the same period last year, rental income increased as a result of new properties and the completion of a number of property projects.

Other property-related income amounted to NOK 147 million (133) and consisted of payments from the Group's lessees to cover property service charges.

Property-related expenses amounted to NOK 203 million (181), including the aforementioned service charges of NOK 147 million (133).

Net rental income thus amounted to NOK 476 million (448).

### Other operating income and costs

The value of the investment properties was adjusted upwards by NOK 10 million (-182) net.

The share of net income of associated companies was NOK 5 million (1).

Other operating income amounted to NOK 62 million (48) and relates primarily to fees for property management for external owners and sales income from other activity.

Other operating and administration costs and ordinary depreciation amounted to NOK 59 million (55).

The operating result thus amounted to NOK 493 million (260).

The operating result before change in value of investment properties amounted to NOK 483 million (442).

### Financial income and expenses

Net financial expenses amounted to NOK 180 million (167). During the third quarter, the average interest rate was 4.6% (4.7).

Long-term market interest rates increased somewhat during the third quarter and the market value of the financial instruments rose by NOK 116 million (-175).

### Cash flow and liquidity

#### Third quarter

During the third quarter, net cash flow from operations was NOK 300 million (288), while the change in working capital amounted to NOK 72 million (-299).

<sup>1</sup> The figures in parantheses concern the corresponding period/date last year.

<sup>2</sup> See page 2 for definition

Net cash flow from operating activities was therefore NOK 372 million (-10).

Net cash flow from investment activities was NOK - 202 million (-257), while financing activities reduced liquidity by NOK 35 million (265).

During the third quarter, the Group's liquid assets increased by NOK 133 million (-1).

### As at the third quarter

During the first three quarters of the year, net cash flow from operations amounted to NOK 726 million (797).

The change in working capital during the same period was NOK -28 million (50), and net cash flow from operational activities was therefore NOK 698 million (847).

Net cash flow from investment activities was NOK -1,465 million (-743). Net cash flow from financing activities, including the payment of dividends, increased liquidity by NOK 918 million (-319).

During the first three quarters of the year, the Group's liquid assets increased by NOK 151 million (-214).

At the end of the quarter, the Group's liquidity reserve stood at NOK 4,737 million (4,462) and consisted of short-term investments of NOK 786 million (532) and committed long-term credit lines of NOK 3,950 million (3,930).

### Investments

The Group's investments during the third quarter amounted to NOK 232 million (257) and largely



concern investments in property projects under construction and refurbishment of the existing property portfolio.

During the first three quarters of the year, total investments amounted to NOK 1,495 million (743).

### Major property projects

At the end of the quarter, projects were under construction at the following shopping centres:

- **Sørlandssenteret, Kristiansand (50%)**  
Construction stage 2, involving approx. 33,000 sq. m. of retail space, was opened in October 2013. Following the expansion, the centre contains 195 stores with a retail space of 110,000 sq. m.
- **Mart'n Senteret/Amfi Elverum (50 %)**  
The final sub-stage of the expansion of 6,800 sq. m. of retail space will be completed during the fourth quarter of 2013.
- **Amfi Stord**  
The project includes the erection of a multi-storey car park, in addition to minor alterations and expansion of the existing centre. The project will be completed during the second quarter of 2014.

Mart'n Senteret, Elverum



- **Råholtcenteret/Amfi Eidsvoll (50%)**  
This centre is being expanded by approx. 10,000 sq. m. of retail space with completion scheduled for the second quarter 2014.
- **Sartor Storsenter, Fjell**  
The Group's share of this centre will be increased by 3,200 sq. m. of retail space. The project will be completed during the third quarter of 2014.
- **Amfi Voss**  
Expansion of the centre by approx. 3,200 sq. m. of retail space will be completed during the fourth quarter 2014.
- **Amfi Orkanger (25%)**  
This centre is being expanded by approx. 9,500 sq. m. of retail space and will be completed during the fourth quarter 2014.
- **Amfi Mandal (50%)**  
The shopping centre is being expanded by approx. 26,000 sq. m. The project involves the expansion of the retail space by approx. 16,000 sq. m., 4,000 sq. m. of offices, 2,800 sq. m. of residential properties and the erection of a new multi-storey car park. The project is scheduled for final completion in 2015.

In addition to the abovementioned shopping centre projects, projects are under construction at the following properties:

- **Åsane Senter 51, Bergen**  
During the fourth quarter 2013, the upgrade and expansion of the retail property by approx. 2,000 sq. m. of retail space.
- **Gardermoen Park, Ullensaker**  
The refrigerated warehouse and office building are being expanded by a total of 3,700 sq. m. and will be completed during the first quarter of 2014.
- **Hausmannsgate 31, Oslo**  
A combined retail and residential property of 1,900 sq. m. is under construction. Upon completion in 2015, the property will consist of 15 apartments and a small retail area.

### The property portfolio as at 30 September 2013

At the end of the quarter, the property portfolio was valued at NOK 32,613 million (29,241).

The valuation was based on an average return requirement of 6.2% (6.4).

A breakdown of the figures between the various property segments produces the following average yield requirements:

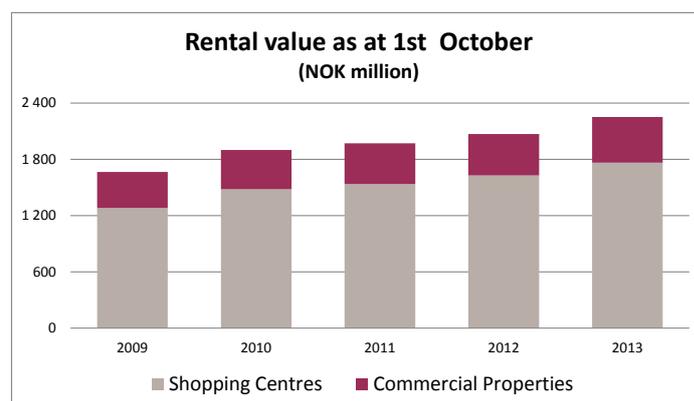
- Shopping centre property 6.1% (6.2)
- Other commercial property 6.5% (7.0)

The annual rental value (including share of rental income from associated companies) was NOK 2,250 million (2,070), with the following distribution per segment:

- Shopping centre property 79%
- Other commercial property 21%

The rental value has increased since last year as a result of the addition of new properties and the completion of property projects.

The average remaining term of the lease agreements is approx. 4 years (4).



The rental value of the property portfolio increased by 35 % during the period.

### Shopping centres

At the end of the quarter, the shopping centres business area encompassed the management of 81 shopping centres, of which 24 are managed for external owners.

The market position is strong and the portfolio includes five of Norway's six largest shopping centres in 2013.

### Shopping centres owned by the Group

Store turnover during the third quarter amounted to NOK 9.2 billion (8.2). As at 30 September 2013, turnover was NOK 26.7 billion (25.2).

Turnover growth in the shopping centre portfolio is



largely explained by new centres and expansions to existing centres.

In line with the general trend in the Norwegian retail sector, organic turnover growth among the shopping centres was sluggish during the third quarter at around 0.5%. During the first nine months of the year, the growth is estimated at 1%.

### Shopping centres managed for other owners

Store turnover during the third quarter amounted to NOK 2.5 billion (3.0). During the first nine months of the year, turnover was NOK 6.9 billion (9.0).

Store turnover in this part of the portfolio has fallen as a result of a major management contract terminating during the first half-year.

### Risk factors

The major risk factors for Olav Thon Eiendomsselskap are market and financial risks associated with the Norwegian property and financial markets.

### The property market

Developments in the Norwegian property market are influenced by macroeconomic developments in Norway and the general demand for commercial property as investment objects.

Changes in the yield rate used in connection with the sale of commercial property have a direct effect on the value of the property portfolio.

As mentioned previously, the valuation as at 30 September 2013 is based on an average yield of 6.2%. The yield rate since 2008 has varied between 6.2% and 6.9%.

Changes in the yield rate and/or market rent impact on the value of the investment properties.

The Group's equity is considered to be robust in relation to altered yield. For example, a change in the yield rate of one percentage point to 7.2% would reduce the equity ratio to 32%.

The risk of a significant weakening of the Group's solvency ratio as a result of a change in the yield rate is therefore considered to be moderate.

### Financial risk

The greatest financial risk for Olav Thon Eiendomsselskap is linked to the Group's access to financing in the banking and capital markets.

The Group's financing is described in more detail in the next section.

The Group's financial instruments (interest rate swaps) are recognised at fair value. Interest rate swaps are primarily used to secure the Group long-term interest rate guarantees and a predictable cash flow.

The Group's portfolio of long-term interest rate swaps entered into for this purpose amounted to NOK 10,469 million (9,898) at the end of the quarter and had a market value of NOK -1,113 million (-1,281).

A change of one percentage point in the long-term interest rate level is estimated to result in a change in the market value of the portfolio of interest rate swaps of approx. NOK 850 - 900 million.

An increase of one percentage point in the short-term interest rate level is estimated to result in an increase in the Group's average interest rate of approx. 0.3 percentage points. In such a case, net annual interest expenses would increase by around NOK 50 million.

### Financing

The Group's debt portfolio consists of long-term credit lines arranged with Nordic banks and loans raised directly within the Norwegian capital market.

Access to financing in the banking and capital market is still considered to be extremely good. With the aim of refinancing debt with a maturity in summer 2014, the following financing agreements have been entered into:

- During the third quarter, an agreement was entered into concerning a long-term bank/mortgage loan of NOK 600 million and a bond loan of NOK 160 million (50%).
- In October, a further agreement was established concerning a bond loan, on this occasion for NOK 1,100 million.

At the end of the quarter, total loans and credit lines amounted to NOK 19,291 (17,875), including an undrawn component of NOK 3,950 million (3,930).

The Norwegian capital market is an increasingly important source of financing, and as at 30 September 2013, the Group had outstanding certificate and bond debts of NOK 4,265 million (2,860).

The debt had an average remaining life of 3.6 years (4.4).

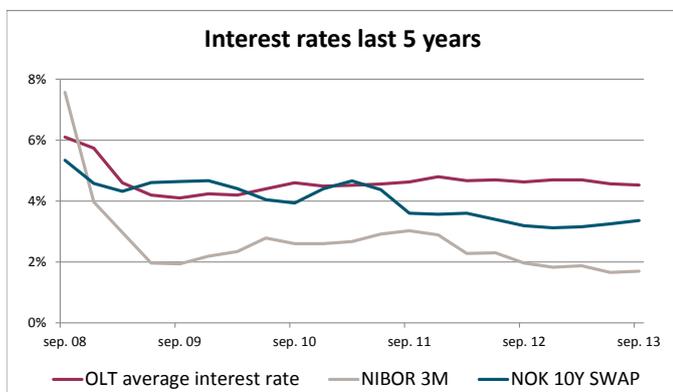
Forty four percent of the debt falls due for payment within one year and could largely be covered by existing available liquidity reserves.

The average nominal interest (including the credit margin) as at 30 September 2013 was 4.5% (4.6).

At the end of the quarter, the Group had the following interest rate maturity structure:

Interest rate guarantee period 0 - 1 year: 33% (29)  
 Interest rate guarantee period 1 - 5 years: 4% (7)  
 Interest rate guarantee period > 5 years: 63% (64)

The average interest rate guarantee period was 4.7 years (5.5 years), and the "fixed interest rate share" was consequently 67% (71).



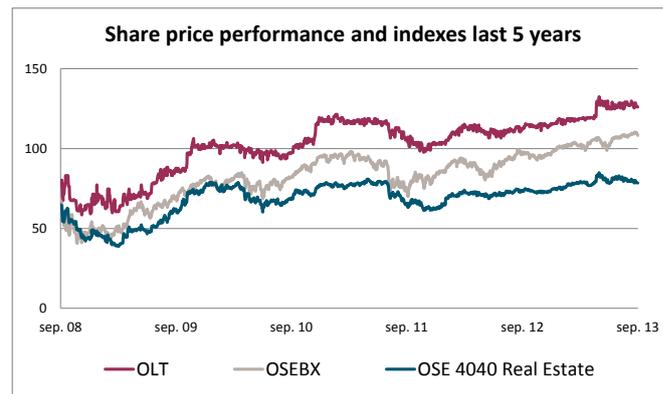
The Group's average interest rate during the period varied between 4,1 % and 6,1 %.

## Shares and shareholders

At the end of the third quarter, the closing price of the company's shares on Oslo Stock Exchange was NOK 970, compared with NOK 964 at the start of the quarter.

During the third quarter, the highest and lowest listings were NOK 1,000 and 953 respectively.

To date in 2013, the company's shares have given a total return (including dividends) of 10%, while the main index of Oslo Stock Exchange has increased 13%.



Over the past five years, the price of Olav Thon Eiendomsselskap shares has developed better than both the main and property indexes of Oslo Stock Exchange.

At the end of the quarter, the company's market capitalisation was NOK 10.3 billion, making Olav Thon Eiendomsselskap one of the largest listed property companies in the Nordic region.

As at 30 September 2013, the company's shareholders were:

Thon Gruppen AS and subsidiaries	71.9%
Folketrygdfondet (National Insurance Fund)	8.3%
Otto Olsen Eiendom and associates	2.6%
MP Pensjon	1.9%
Skagen Vekst	1.7%
Other shareholders	13.6%
<b>TOTAL</b>	<b>100.0%</b>



## Outlook

The global economy is developing positively, but growth remains low.

The growth in the Norwegian economy has tailed off considerably in recent months, but compared with our trading partners, growth remains relatively strong.

Development in the Norwegian retail sector is sluggish and this is reflected in the turnover figures for the shopping centres.

As at the third quarter, 2013, the shopping centres owned by the Group recorded organic growth in turnover of approx. 1%, roughly in line with the general trend in the Norwegian retail sector.

Modest growth in consumer spending is anticipated in Norway during the coming period and the operating conditions for the Group's shopping centres are therefore regarded as stable.

The vacancy rate in the office market is stable and rental prices show a stable or slightly rising trend. With somewhat more sluggish development in the Norwegian economy, there is also reason to expect relatively stable developments in this property segment.

Despite the slightly weaker operating conditions for the Group's business areas, the Board of Directors considers that Olav Thon Eiendomsselskap's sound market position in the property market and its strong financial position will contribute to further satisfactory development in the company's profits going forward.

*Every effort has been made to ensure that this translation of the Norwegian text and the report for the second quarter and first half-year is true translation. However, in case of any discrepancy, the Norwegian version takes place.*

Oslo, 7 November 2013

*The Board of Directors, Olav Thon Eiendomsselskap ASA*

*Olav Thon  
(Chairman)*

*Sissel Berdal Haga  
(Board Member)*

*Stig O. Jacobsen  
(Board Member)*

*Kristian Leer-Salvesen  
(Board Member)*

*Elin Ørjasæter  
(Board Member)*

*Dag Tangevald-Jensen  
(CEO)*

Sørlandssenteret



# OLAV THON EIENDOMSSSELKAP ASA - GROUP ACCOUNTS

## CONSOLIDATED INCOME STATEMENT

Amounts in NOK million	Note	Q3 2013	Q3 2012	As at 30.09.2013	As at 30.09.2012	As at 31.12.2012
Gross rental income	5, 8	532	496	1 575	1 494	1 986
Other property operating income	8, 12	147	133	461	409	598
Property operating expenses	8, 12	-203	-181	-644	-540	-782
<b>Net rental income</b>		<b>476</b>	<b>448</b>	<b>1 392</b>	<b>1 361</b>	<b>1 802</b>
Fair value adjustments of invest. properties	9	10	-182	690	158	902
Share of profits of associates		5	1	15	19	18
Other operating income	8, 12	62	48	174	155	227
Other operating expenses	8, 12	-23	-20	-71	-64	-111
Administrative expenses	5, 8	-33	-32	-93	-98	-131
Ordinary depreciation	12	-3	-3	-11	-8	-11
<b>Net operating income</b>		<b>493</b>	<b>260</b>	<b>2 095</b>	<b>1 524</b>	<b>2 697</b>
Financial income		6	3	15	9	23
Fair value adjustments of interest rate derivatives		116	-175	195	-328	-356
Financial expenses		-186	-170	-536	-507	-678
<b>Income before taxes</b>		<b>429</b>	<b>-81</b>	<b>1 769</b>	<b>699</b>	<b>1 686</b>
Income tax		-119	22	-494	-192	-468
<b>Net income for the period</b>		<b>310</b>	<b>-60</b>	<b>1 275</b>	<b>506</b>	<b>1 218</b>
<b>Attributable to:</b>						
Shareholders		297	-70	1 247	436	1 119
Non-controlling interests		13	10	28	70	99
Earnings per share (basic) (NOK)		28	-7	117	41	105
Earnings per share (diluted) (NOK)		28	-7	117	41	105

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK million	Note	Q3 2013	Q3 2012	As at 30.09.2013	As at 30.09.2012	As at 31.12.2012
Net income for the period before other comprehensive income		310	-60	1 275	506	1 218
<b>Total comprehensive income</b>		<b>310</b>	<b>-60</b>	<b>1 275</b>	<b>506</b>	<b>1 218</b>
<b>Attributable to:</b>						
Shareholders		297	-70	1 247	436	1 119
Non-controlling interests		13	10	28	70	99

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	As at 30.09.2013	As at 30.09.2012	As at 31.12.2012
<b>ASSETS</b>				
Deferred tax asset		390	287	390
Investment properties	3, 9	32 613	29 241	30 490
Other fixed assets		74	59	74
Shares in associated companies		341	330	329
Other investments		113	55	58
<b>Total non-current assets</b>		<b>33 531</b>	<b>29 972</b>	<b>31 341</b>
Trade receivables and other current assets		712	716	796
Cash and cash equivalents		786	532	635
<b>Total current assets</b>		<b>1 498</b>	<b>1 249</b>	<b>1 431</b>
<b>Total assets</b>		<b>35 028</b>	<b>31 220</b>	<b>32 772</b>
<b>EQUITY AND LIABILITIES</b>				
Non-controlling interests share of equity		292	239	262
Majority's share of shareholders' equity		12 420	10 326	11 289
<b>Total equity</b>	10	<b>12 712</b>	<b>10 565</b>	<b>11 552</b>
Deferred tax liabilities		4 603	4 122	4 277
Non-current liabilities	6	9 627	13 154	13 032
Current liabilities	7	8 086	3 379	3 912
<b>Total liabilities</b>		<b>22 316</b>	<b>20 655</b>	<b>21 220</b>
<b>Total equity and liabilities</b>		<b>35 028</b>	<b>31 220</b>	<b>32 772</b>

## STATEMENT OF CASH FLOW

Amounts in NOK million	Note	As at 30.09.2013	As at 30.09.2012	As at 31.12.2012
Net cash flow from operations		726	797	1 060
Change in working capital		-28	50	185
<b>Net cash flow from operating activities</b>		<b>698</b>	<b>847</b>	<b>1 245</b>
Acquisition of investment properties	3	-1 495	-743	-1 239
Payments linked to other investments		30	0	0
<b>Net cash flow from investment activities</b>		<b>-1 465</b>	<b>-743</b>	<b>-1 239</b>
Proceeds from borrowings		4 232	2 493	4 580
Repayment of borrowings		-3 184	-2 705	-4 590
Dividends paid		-130	-106	-106
<b>Net cash flow from financing activities</b>	6, 7	<b>918</b>	<b>-319</b>	<b>-117</b>
<b>Net change in cash and cash equivalents</b>		<b>151</b>	<b>-214</b>	<b>-111</b>
Cash and cash equivalents at start of period		635	746	746
Cash and cash equivalents at end of period		786	532	635

## STATEMENT OF CHANGES IN EQUITY

(Shows transactions with owners)

Amounts in NOK million	Note	Share capital	Reserves	Retained earnings	Non-controlling interests	Total
<b>As at 31.12.2011</b>		<b>106</b>	<b>318</b>	<b>9 614</b>	<b>169</b>	<b>10 208</b>
Total comprehensive income				436	70	506
Acquisitions of other companies				-42		-42
Dividends				-106		-106
<b>As at 30.09.2012</b>		<b>106</b>	<b>318</b>	<b>9 902</b>	<b>239</b>	<b>10 565</b>
Total comprehensive income				683	29	712
Acquisitions of other companies / mergers				25	-6	19
Reversing deferred tax				255		255
<b>As at 31.12.2012</b>		<b>106</b>	<b>318</b>	<b>10 865</b>	<b>262</b>	<b>11 552</b>
Total comprehensive income				1 247	28	1 275
Change in stake in other companies	3			16	2	18
Dividends				-131		-131
<b>As at 30.09.2013</b>		<b>106</b>	<b>318</b>	<b>11 996</b>	<b>292</b>	<b>12 713</b>

## NOTES TO THE ACCOUNTS AS AT 30 SEPTEMBER 2013

Amounts in 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 enterprise's consolidated accounts encompass Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's shares in jointly controlled and associated companies.

**Note 2** Accounting policies, etc.

The financial statements have been drawn up in accordance with International Standards for Financial Reporting (IFRS).

The consolidated accounts for the third quarter were compiled in accordance with IAS 34 - Interim Financial Reporting.

The interim financial statements represent an update concerning new circumstances since submission of the most recent annual report and are therefore intended to be read in conjunction with the 2012 annual report.

The interim financial statements were adopted by the Board of Directors on 7 November 2013.

The interim accounts have not been audited.

**Note 3** Changes in corporate structure

No changes were made to the corporate structure during the third quarter.

**Note 4** Estimates

The preparation of interim financial statements involves the use of valuations, estimates and assumptions which impact on the application of accounting policies and recognised amounts linked to assets and liabilities, income and expenses.

During the preparation of these interim financial statements, the management used the same valuations relating to the application of accounting policies as those used for the consolidated accounts for 2012.

**Note 5** Transactions with related parties

The following transactions with related parties were executed/agreed as at 30 September 2013

Transactions	Counterparty	Counterparty associate of	Amount
Current lease agreements	Companies in Thon Gruppen AS	Olav Thon	44
Current operating and administration agreements	Thon Eiendomsdrift AS	Olav Thon	42

**Note 6** Non-current liabilities

	30.09.2013	30.09.2012	31.12.2012
Bond loans	2 515	1 840	1 840
Credit institutions	5 955	10 006	9 819
Other debt	44	27	64
Non interest-bearing debt (fair value interest rate swaps)	1 113	1 281	1 309
Total	<b>9 627</b>	<b>13 154</b>	<b>13 032</b>

**Note 7** Current liabilities

	30.09.2013	30.09.2012	31.12.2012
Certificate loans	1 750	1 020	1 570
Interest-bearing current liabilities	5 109	682	1 005
Trade creditors	144	124	165
Current taxes	166	193	153
Other current liabilities	917	1 360	1 019
Total	<b>8 086</b>	<b>3 379</b>	<b>3 912</b>

**Note 8 Segment information**

As at 30 September 2013, the Group has activities within two strategic operating segments.

This is based on the same reporting as the internal management reporting.

These two segments are:

- \* Shopping centres
- \* Commercial property

**Segment results as at 30 September 2013**

	Shopping centres	Commercial property	Other activity	Not allocated	Group
Rental income	1 251	323			1 575
Other property-related income	409	52			461
Property-related expenses	-538	-106			-644
<b>Net rental income</b>	<b>1 122</b>	<b>270</b>	<b>0</b>	<b>0</b>	<b>1 392</b>
Change in value, investment properties	527	163			690
Share of profits of associated companies	15	0			15
Other operating income	84	41	49		174
Other operating expenses	-13	-38	-20		-71
Administrative expenses	-81	-12			-93
Ordinary depreciation	-11	0			-11
<b>Operating result</b>	<b>1 642</b>	<b>424</b>	<b>29</b>	<b>0</b>	<b>2 095</b>
Financial income				15	15
Change in value of financial instruments				195	195
Financial expenses				-536	-536
<b>Pre-tax profit</b>	<b>1 642</b>	<b>424</b>	<b>29</b>	<b>-326</b>	<b>1 769</b>
Tax				-494	-494
<b>Result for the period</b>					<b>1 275</b>

**Segment results as at 30 September 2012**

	Shopping centres	Commercial property	Other activity	Not allocated	Group
Rental income	1 158	335			1 494
Other property-related income	377	32			409
Property-related expenses	-459	-81			-540
<b>Net rental income</b>	<b>1 076</b>	<b>286</b>	<b>0</b>	<b>0</b>	<b>1 361</b>
Change in value, investment properties	165	-7			158
Share of profits of associated companies	19	0			19
Other operating income	75	33	47		155
Other operating expenses	-21	-25	-18		-64
Administrative expenses	-85	-13			-98
Ordinary depreciation	-8	0			-8
<b>Operating result</b>	<b>1 221</b>	<b>273</b>	<b>29</b>	<b>0</b>	<b>1 524</b>
Change in value of financial instruments				9	9
Financial income				-328	-328
Financial expenses				-507	-507
<b>Pre-tax profit</b>	<b>1 221</b>	<b>273</b>	<b>29</b>	<b>-826</b>	<b>699</b>
Tax				-192	-192
<b>Result for the period</b>					<b>506</b>

**Note 8 Segment results as at 31 December 2012**

continued

	Shopping centres	Commercial property	Other activity	Not allocated	Group
Rental income	1 566	420			1 986
Other property-related income	532	66			598
Property-related expenses	-634	-148			-782
<b>Net rental income</b>	<b>1 464</b>	<b>339</b>	<b>0</b>	<b>0</b>	<b>1 802</b>
Change in value, investment properties	720	182			902
Share of profits of associated companies	18	0			18
Other operating income	117	47	63		227
Other operating expenses	-49	-39	-24		-111
Administrative expenses	-114	-17			-131
Ordinary depreciation	-11	0			-11
<b>Operating result</b>	<b>2 145</b>	<b>512</b>	<b>39</b>	<b>0</b>	<b>2 697</b>
Financial income				23	23
Change in value of financial instruments				-356	-356
Financial expenses				-678	-678
<b>Pre-tax profit</b>	<b>2 145</b>	<b>512</b>	<b>39</b>	<b>-1 011</b>	<b>1 686</b>
Tax				-468	-468
<b>Result for the period</b>					<b>1 218</b>

**Note 9 Investment property**

	30.09.2013	30.09.2012	31.12.2012
<b>Opening balance</b>	<b>30 490</b>	<b>28 304</b>	<b>28 304</b>
Additions through acquisitions/expenditure	1 433	780	1 285
Change in fair value, recognised as profit (loss) during the period	690	158	902
Other changes	-1	0	-1
<b>Closing balance</b>	<b>32 613</b>	<b>29 242</b>	<b>30 490</b>

**Note 10 Shares**

No shares were issued during 2013.

**Note 11 Events since the balance sheet date**

No events have occurred since the balance sheet date of significance to an assessment of the Group's position and results.

**Note 12 Change in classification of income and costs**

From the first quarter of 2013 onwards, the marketing activity of the centre associations is included in the consolidated financial statements, classified as property-related income and costs.

The centre associations were previously separate legal entities and the activity was excluded from the consolidated financial statements. The centre associations are now organised as departments within the respective property companies and are recognised in the consolidated financial statements. This has resulted in a relatively large increase in property-related income and property-related costs compared with the previous year. As of the third quarter 2013, this change amounted to NOK 65 million for both items.

**Change in comparative figures**

Due to changes in reporting policies, there are a number of minor non-conformities between the financial figures for 2012 in the 2012 annual report and the comparative figures for 2012 in this interim report.

The changes concern service charges linked to managed shopping centres which are recognised net.

	Previously reported as at 30 September 2012	Changed to	Previously reported as at 31 December 2012	Changed to
Other property-related income	344	409	501	598
Other property-related expenses	-476	-540	-685	-782
Other operating income	304	155	459	227
Other operating expenses	-232	-64	-363	-111
Administrative expenses	-78	-98	-112	-131

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