



**OLAV THON**  
EIENDOMSSELSKAP ASA

REPORT Q1/2015

## KEY FIGURES

Amounts in NOK million	Q1 2015	Q1 2014	31.12.14
Net rental income	503	454	1 883
Fair value adjustments in investment properties and interest rate derivatives <sup>1</sup>	294	-9	281
Profit before taxes	636	306	1 562
Profit before tax and fair value adjustments <sup>1)</sup>	342	315	1 280
Equity per share (NOK)	135	123	131
Equity ratio	37 %	39 %	36 %
Non-current net asset value per share (NOK) (EPRA NNAV) <sup>2)</sup>	170	153	165
Liquidity reserves <sup>3)</sup>	3 924	5 460	3 941
Amortisation next 12 months	4 204	3 285	3 936
Net cash flow from operations <sup>4)</sup>	268	230	1 055
Interest-bearing debt	16 431	13 536	16 650
Interest rate as at 31.03 / 31.12	3.86 %	4.62 %	3.95 %
Loan to value ratio <sup>5)</sup>	46 %	45 %	47 %
Net investments	124	185	3 934
Carrying amount of investment property	35 097	29 633	34 661
Annual rental income	2 330	2 020	2 320
Net yield	5.88 %	6.08 %	5.91 %
Sales, owned shopping centres	10 223	8 583	44 718
Sales, managed shopping centres	2 429	2 352	10 715
Share price as at 31.03 / 31.12 (NOK)	159.5	110.0	125.5

Changes to accounting policies etc. mean that some figures differ from those presented in previous interim and annual reports.

1) Including value adjustments in joint ventures and associated companies.

2) 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 (majority share of equity) per share. This is calculated as majority share of equity + deferred tax liabilities - fair value of debt (deferred tax 8%).

3) Bank deposits etc. + Undrawn borrowing facilities

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

5) (Interest bearing debt - Bank deposits etc) / Book value of Investment property



# OLAV THON EIENDOMSSSELKAP ASA

## Report for Q1 2015

Olav Thon Eiendomsselskap had a good start to the year, with significant growth in earnings compared with the same period the previous year.

**The highlights of the interim report are as follows: <sup>1)</sup>**

- **The Group's rental income amounted to NOK 556 (493) million. At the end of the quarter, annual rental income was NOK 2,330 (2,020) million, while the vacancy rate was 3% (2%).**
- **Profit before tax amounted to NOK 636 (306) million.**
- **Net cash flow from operations was NOK 268 (230) million.**
- **The Group's equity ratio ended the quarter at 37% (39%), while equity per share increased to NOK 135 (123) during the quarter.**
- **The Group's liquidity reserves were NOK 3,924 (5,460) million at the end of the quarter.**
- **Sales in the shopping centre portfolio owned by the Group were NOK 10.2 (8.6) billion.**

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

Illustration. Amfi Moa, Ålesund



## Consolidated statement of financial position, 31 March 2015

The Group's total assets were NOK 39,427 (33,532) million, with investment properties accounting for NOK 35,097 (29,633) million of the figure.

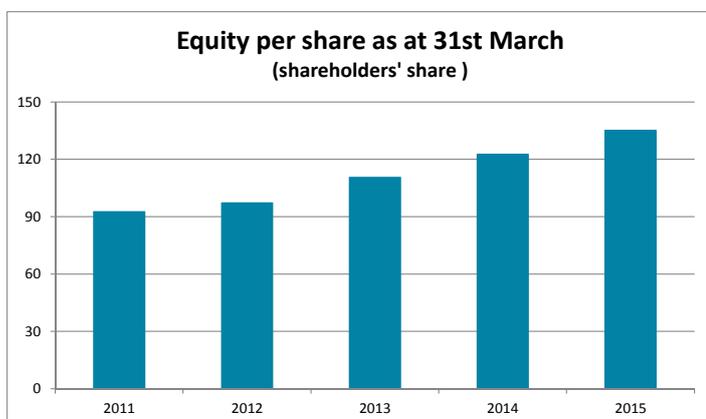
The Group's share of the book equity of joint ventures and associated companies amounted to NOK 2,598 (2,575) million. A list of these companies can be found on pages 32-34 of the Norwegian 2014 annual report and in note 3 of this interim report.

Total equity was NOK 14,518 (13,172) million and the equity ratio was 37% (39%).

Equity per share (majority share) was NOK 135 (123). The triple net asset value per share was calculated at NOK 170 (153) (EPRA NNAV) <sup>2)</sup>

Interest-bearing debt amounted to NOK 16,431 (13,536) million.

The loan to value ratio, which shows net interest-bearing debt in relation to property values, was 46% (45%).



Equity per share increased by 46 % during the period.

## Results for Q1 2015

The Group's operating profit amounted to NOK 818 (592) million.

The improvement is partly due to a fair value increase of NOK 310 million in investment property, compared with NOK 149 million the previous year.

Fair value adjustments to interest rate derivatives were NOK -15 million, compared with NOK -135 million in the same period the previous year.

Profit before tax for the quarter was NOK 636 (306) million, while comprehensive income was NOK 488 (223) million.

Profit before tax and fair value adjustments <sup>3)</sup> was NOK 342 (315) million.

## Rental income and property-related expenses

Rental income was NOK 556 (493) million.

The increase in rental income compared with the same period the previous year was due to new properties and completed property projects.

Other property-related income amounted to NOK 208 (178) million and consisted largely of payments from the Group's tenants to cover property service charges and operation of shopping centre associations.

Property-related expenses amounted to NOK 260 (217) million, including the above-mentioned service charges of NOK 198 (172) million, which meant that net rental income was NOK 503 (454) million.

## Fair value adjustments to investment properties

There was a net upward adjustment of NOK 310 (149) million to the fair value of investment properties in Q1. The increased market value of the Group's properties is mainly attributable to a downward adjustment of the property portfolio's net yield.

## Share of results of joint ventures and associated companies

The Group's share of results of joint ventures and associated companies amounted to NOK 37 (11) million. Condensed income statements and balance sheets for joint ventures and associated companies can be found in note 11 of this interim report.

## Other operating income and expenses

Other operating income amounted to NOK 42 (41) million, the majority of which was income from property management for external owners and sales revenue from other activities.

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

<sup>3)</sup> Including value adjustments in joint ventures and associated companies.

Other operating and administrative expenses and scheduled depreciation amounted to NOK 75 (61) million.

### Financial income and expenses

Net financial expenses amounted to NOK 168 (151) million.

The Group's average interest rate for Q1 was 3.91% (4.62%).

Long-term market interest rates in Norway were relatively stable and the Norwegian 10-year swap rate fell by 0.08 percentage point to 1.85%.

Long-term market interest rates in Sweden showed a further decline, with the Swedish 10-year swap rate falling by 0.29 percentage point to 0.97%.

The fair value of the Group's interest rate derivatives fell by NOK 15 (-135) million in Q1.

### Cash flow and liquidity

Net cash flow from operations for Q1 was NOK 268 (230) million. Changes in working capital amounted to NOK 73 (84) million, resulting in net cash flow from operating activities of NOK 341 (315) million.

Net cash flow from investing activities was NOK -124 (-185) million, while financing activities had an adverse effect of NOK 235 (-110) million on liquidity. Consequently, the Group's cash and cash equivalents declined by NOK 19 (+20) million in Q1.

Liquidity reserves were NOK 3,924 (5,460) million at the end of the quarter and consisted of short-term investments of NOK 264 (310) million and undrawn



long-term credit facilities of NOK 3,660 (5,150) million.

### Investments

The Group's net investments for Q1 were NOK 124 (185) million.

### Large property purchases and investments

In Q1, the Group entered into agreements to purchase the following properties.

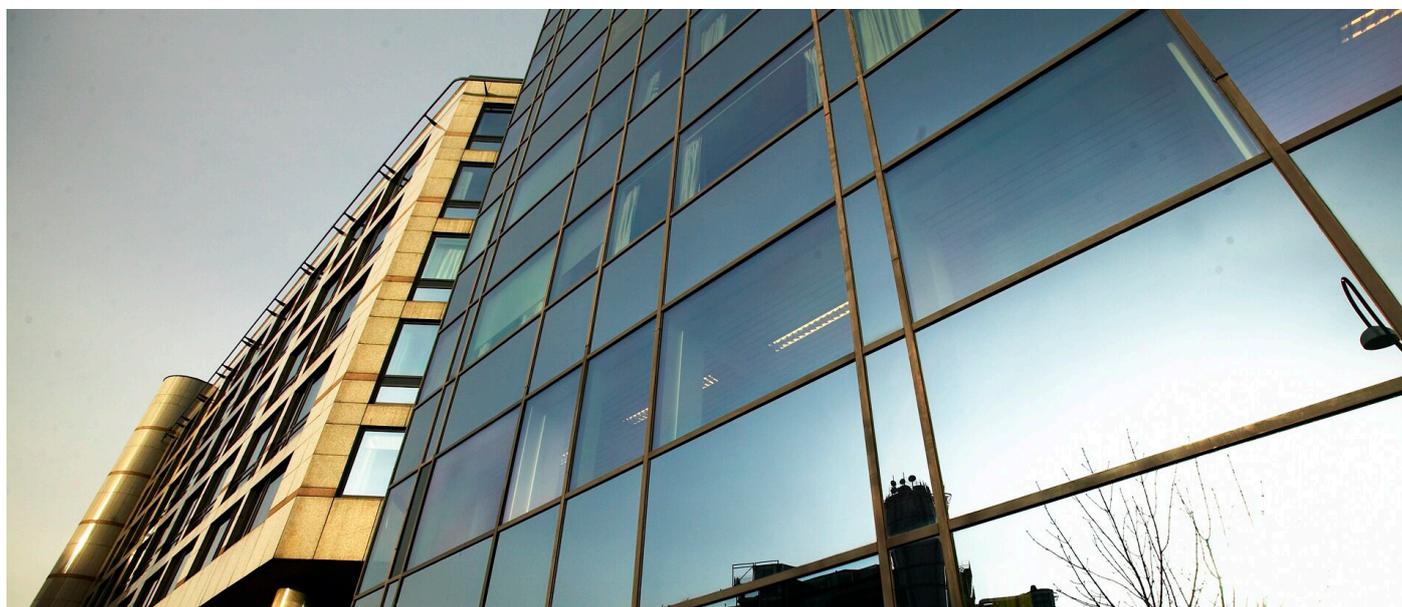
#### Subsidiaries

- **Amfi Moa, Ålesund**  
Plot of approx. 13,000 sq. m. in close proximity to Amfi Moa. The site has a zoning plan for retail use, and takeover is scheduled after the rezoning is completed.

#### Joint ventures and associated companies

- **Rygge Storsenter, Rygge (50 %)**  
Shopping centre of approx. 25,000 sq. m. of retail space just outside the centre of Moss. The centre was taken over in Q1 2015.

Vika Atrium, Oslo



## Major property projects

### Completed

- **Amfi Orkanger (25 %)**  
The centre has been expanded by approx. 9.500 sq. m. of retail space and was opened in Q1.

### Under construction

- **Hausmannsgate 31, Oslo**  
Combined commercial and residential property of 1,900 sq. m. On completion in 2015, the property will consist of 15 apartments and a small retail area.
- **Osterhausgate 11, Oslo**  
The property, covering 1,800 sq. m., is being refurbished and converted for residential use. On completion in 2015, the property will consist of 13 rental apartments.
- **Oskar Braatens gate 31, Oslo**  
The property, covering 4,900 sq. m., is being refurbished and converted for residential use. Once converted, the property will consist of 55 apartments and 19 outdoor parking spaces. The project will be completed in the first half of 2015.
- **Amfi Moa, Ålesund**  
A building with retail space of approx. 2,500 sq. m. is being constructed in the Moa area. The new building is an extension of the existing centre and will allow a larger proportion of the centre to be linked. The project is scheduled for completion in 2015.
- **Sartor Storsenter, Fjell**  
The Group's share of the centre will be extended by a further 5,000 sq. m. of retail space, as phase 2 of a large expansion undertaking. The project is scheduled for completion in summer 2016.

## Joint ventures and associated companies

- **Amfi Mandal (50 %)**  
The shopping centre is being extended by a total of approx. 26,000 sq. m. and will include shops, offices, residential units and a new parking facility. The project is scheduled for completion in 2015.

More information about the Group's property projects can be found on the company's website [www.olt.no](http://www.olt.no).

## Property portfolio at 31 March 2015

The property portfolio was valued at NOK 35,097 (29,633) million at the end of the quarter.

Investment property is carried at fair value. Information on the valuation model and the variables used in the valuation can be found on pages 23, 41 and 42 of the Norwegian 2014 annual report.

The valuation at 31 March 2015 was based on an average yield of 5.88% (6.08%).

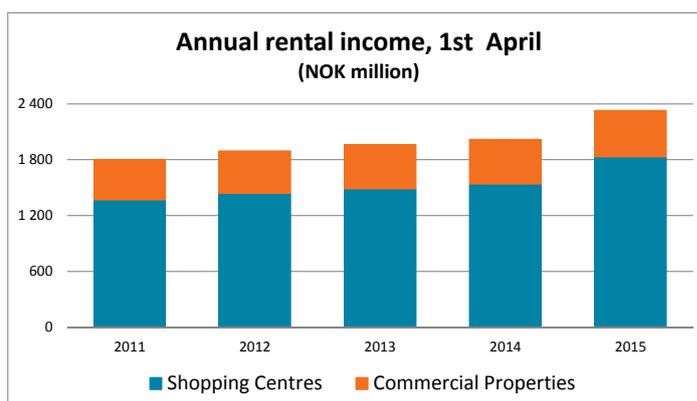
Average yields by property segment were as follows:

- Shopping centre property 5.83 % (6.00)
- Other commercial property 6.05 % (6.35)

Annual rental income was NOK 2,330 (2,020) million, with the following segment distribution:

- Shopping centre property 79 % (76)
- Other commercial property 21 % (24)

The increase in rental income compared with the previous year was due to new properties and completed property projects.



*The rental income of the property portfolio increased by 29 % during the period.*

In addition, the Group's share of the rental income of joint ventures and associated companies was NOK 330 (300) million, while the value of the property portfolio was NOK 4,012 (3,709) million.

## Shopping centres

At the end of the quarter, the shopping centre portfolio comprised 93 shopping centres, 27 of which are managed for external owners.

The market position in the Norwegian shopping centre market is very solid, and the portfolio includes Norway's two largest shopping centres, and as many as six of the country's ten largest shopping centres in Q1 2015

### Shopping centres owned by the Group

#### Norway

Retail sales for Q1 were NOK 9.3 (8.6) billion. Organic growth from the same period the previous year is estimated at approx. 3.5%.

#### Sweden

The Group's Swedish shopping centres reported retail sales of SEK 1.0 billion for Q1.

### Shopping centres managed for other owners

Retail sales for Q1 were NOK 2.4 (2.4) billion.

## Risk factors

The main risk factors to which Olav Thon Eiendomsselskap is exposed are 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 macroeconomic factors and general demand for commercial property as an investment object.

Changes to the yield and/or market rents have a direct effect on the property values. Calculations of these effects can be found on page 42 of the Norwegian 2014 annual report.

The valuation at 31 March 2015 was based on an average net yield of 5.88%. The yield has varied between 5.88% and 6.40% over the last three years.

### Financial risk

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 Group's financing is described in the next section, and further information about financial risk management can be found on page 24 of the Norwegian 2014 annual report and the company's website [www.olt.no](http://www.olt.no).

The Group's financial instruments (interest rate swaps) are recognised at fair value at the reporting date.

Interest rate swaps are primarily used to hedge the Group's long-term fixed interest rates and ensure a predictable cash flow.

At the end of the quarter, the Group's portfolio of interest rate swaps entered into for this purpose was NOK 10,640 (10,150) million, and had a fair value of NOK -2,166 (-1.238) million.

The fair value is affected by changes in long-term interest rates. It is estimated that a change of 1 percentage point in long-term interest rates would change the fair value of the portfolio by approx. NOK 750-850 million.

An increase of 1 percentage point in short-term interest rates would increase the Group's average interest rate by approx. 0.4 percentage point. Net annual interest expenses would then increase by approx. NOK 60-70 million.

## Financing

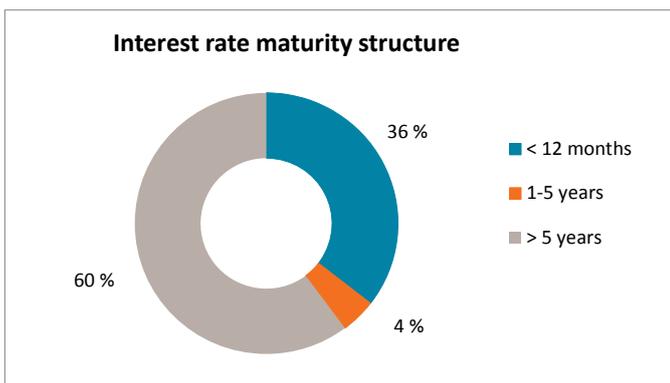
The Group's debt portfolio consists of long-term credit facilities with Nordic banks and direct loans from the Norwegian capital market.

Access to financing is still considered extremely good, and credit spreads in the banking and capital markets also showed a stable or slightly falling trend in Q1.

The Group's total credit facilities were NOK 20,091 (18,686) million at 31 March 2015, NOK 3,660 (5,150) million of which was undrawn at the end of the quarter.

The Norwegian capital market is an important source of financing, and outstanding commercial paper and bonded debt totalled NOK 7,230 (6,335) million at the end of the quarter.

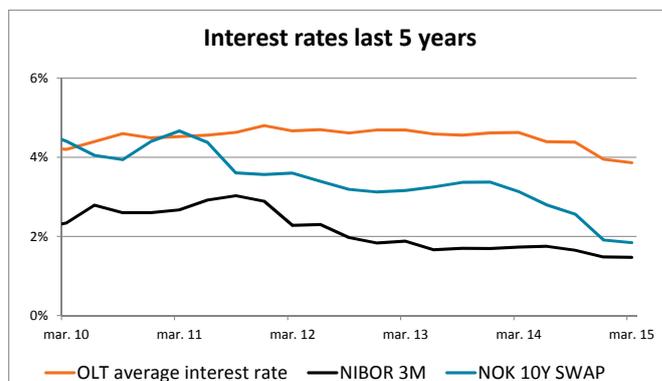
The debt has an average remaining term of 3.1 (3.7) years, with 26% (24%) of the debt due for repayment within 1 year.



60 % of interest-bearing debt has a fixed-interest period of over 5 years, and the average fixed-interest period is 5,4 years.

The Group's average interest rate at the end of the quarter was 3.86% (4.62%), divided into the following currencies:

Currencies	Share of debt	Average interest rate
NOK	88 %	4,23 %
SEK	12 %	1,25 %



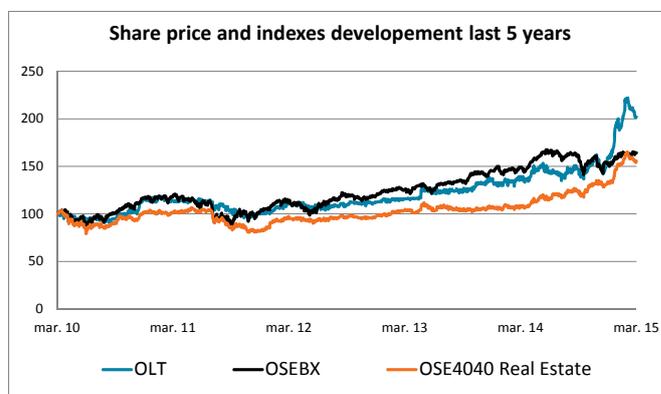
The average interest rate <sup>4)</sup> for Olav Thon Eiendomsselskap's loans over the last five years has varied between 3,86 % and 4.80 %.

### Shares and shareholders

The price of the Olav Thon Eiendomsselskap share increased by 27% in Q1, ending the quarter at NOK 159.5 on 31 March 2015. The main index of the Oslo Stock Exchange rose by 7% in the same quarter.

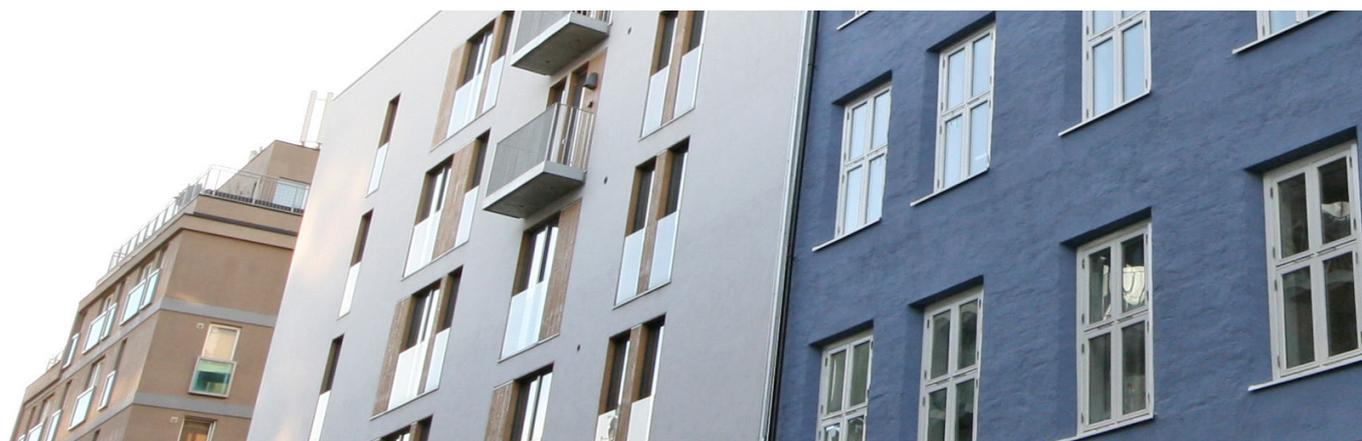
Liquidity in the Olav Thon Eiendomsselskap share has shown a strong increase, with 3,137 trades on the Oslo Stock Exchange in Q1, compared with 542 trades for the same period the previous year.

The highest and lowest prices in Q1 were NOK 179 and NOK 124.



Over the past five years, the price of Olav Thon Eiendomsselskap share has increased by 102 %.

<sup>4)</sup> From Q3 2014 loans in NOK and SEK.



The company had a market capitalisation of NOK 17.0 billion at the end of the quarter, making Olav Thon Eiendomsselskap one of the Nordic region's largest listed property companies.

The company's largest shareholders at 31 March 2015:

Olav Thon Gruppen AS and subsidiaries	71,9 %
Folketrygdfondet	8,3 %
MP Pensjon	1,9 %
Otto Olsen Invest	1,5 %
VPF Nordea Norge	1,1 %
<u>Other shareholders</u>	<u>15,8 %</u>
<u>SUM</u>	<u>100,0 %</u>

## Outlook

Growth in the Norwegian economy is slowing and Norway has entered an economic downturn. Low growth in the Norwegian economy is also expected in the period ahead, and Norges Bank has signalled a further reduction of the key policy rate.

The high demand for commercial property from both Norwegian and foreign investors continued in Q1. In the face of continuing low interest rates, the high demand for commercial property is expected to continue.

With growth in private consumption in Norway expected to remain stable or show a moderate increase in the period ahead, the framework conditions for the Group's shopping centres are considered positive.

The vacancy rate in the Oslo area office market is showing a slightly rising tendency, while rental prices are showing a slightly falling trend. There is reason to expect that the trend will also continue for this property segment.

The Board considers that the Group's solid market position in the property market and its strong financial position will contribute to a satisfactory financial performance in the period ahead.

Oslo, 20 May 2015

The Board of Directors,  
Olav Thon Eiendomsselskap ASA

*Every effort has been made to ensure that this translation of the Norwegian text and the report for the 1<sup>st</sup> quarter is true translation. However, in case of any discrepancy, the Norwegian version takes place.*

Osterhaus gate 11, Oslo





Illustration; Amfi Moa, Ålesund



## CONSOLIDATED INCOME STATEMENT

(NOK millions)	Note	Q1 2015	Q1 2014	31.12.2014
Rental income	5, 8	556	493	2 092
Other property-related income	8	208	178	748
Property-related expenses	8	-260	-217	-957
<b>Net rental income</b>		<b>503</b>	<b>454</b>	<b>1 883</b>
Fair value adjustments, investment property	9	310	149	1 343
Share of results of joint ventures and associated companies	11	37	11	113
Other operating income	8	42	41	164
Other operating expenses	8	-37	-34	-151
Administrative expenses	5, 8	-33	-24	-107
Depreciation		-5	-3	-14
<b>Operating profit</b>		<b>818</b>	<b>592</b>	<b>3 233</b>
Financial income		1	4	38
Fair value adjustments, interest rate derivatives		-15	-135	-1 050
Financial expenses		-169	-155	-659
<b>Profit before tax</b>		<b>636</b>	<b>306</b>	<b>1 562</b>
Taxes		-166	-83	-389
<b>Profit for the periode before other comprehensive income</b>		<b>470</b>	<b>223</b>	<b>1 172</b>
Exchange differences, foreign operations		18	0	16
<b>Other comprehensive income</b>		<b>488</b>	<b>223</b>	<b>1 188</b>
<b>Attributable to:</b>				
Shareholders of the parent		482	220	1 186
Non-controlling interests		6	3	2
Earnings per share, basic (NOK)		4.53	2.7	11.14
Earnings per share, diluted (NOK)		4.53	2.7	11.14

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK millions)	Note	Q1 2015	Q1 2014	31.12.2014
<b>ASSETS</b>				
Deferred tax asset		668	319	668
Investment properties	3, 9	35 097	29 633	34 661
Property, plant & equipment		63	64	86
Investments in joint ventures and associated companies	11	2 598	2 575	2 572
Other financial assets		186	198	179
<b>Total non-current assets</b>		<b>38 612</b>	<b>32 789</b>	<b>38 166</b>
Trade and other receivables		551	433	431
Bank deposits, cash and cash equivalents		264	310	283
<b>Total current assets</b>		<b>815</b>	<b>743</b>	<b>714</b>
<b>Total assets</b>		<b>39 427</b>	<b>33 532</b>	<b>38 880</b>
<b>EQUITY AND LIABILITIES</b>				
Non-controlling interests		120	105	115
Majority share of equity		14 398	13 067	13 920
<b>Equity</b>	10	<b>14 518</b>	<b>13 172</b>	<b>14 035</b>
Deferred tax		5 221	4 571	5 034
Non-current liabilities	6	14 449	11 815	14 674
Current liabilities	7	5 239	3 974	5 137
<b>Total liabilities and debt</b>		<b>24 909</b>	<b>20 360</b>	<b>24 845</b>
<b>Total equity and liabilities</b>		<b>39 427</b>	<b>33 532</b>	<b>38 880</b>

## CONSOLIDATED CASH FLOW STATEMENT

(NOK millions)	Note	Q1 2015	Q1 2014	31.12.2014
Net cash flow from operations		268	230	1 055
Change in working capital		73	84	127
<b>Net cash flow from operating activities</b>		<b>341</b>	<b>315</b>	<b>1 182</b>
Acquisition of investment properties		-124	-185	-4 017
Other investments				83
<b>Net cash flow from investing activities</b>		<b>-124</b>	<b>-185</b>	<b>-3 934</b>
Proceeds from interest-bearing liabilities		1 465	4 572	11 898
Repayment of interest-bearing liabilities		-1 700	-4 683	-9 006
Dividends paid				-149
<b>Net cash flow from financing activities</b>	6, 7	<b>-235</b>	<b>-110</b>	<b>2 744</b>
<b>Net change in cash and cash equivalents</b>		<b>-19</b>	<b>20</b>	<b>-8</b>
Cash and cash equivalents at beginning of period		283	291	291
Cash and cash equivalents at end of period		264	311	283

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(shows owner transactions)

(NOK millions)	Note	Share capital	Share premium reserve	Retained earnings	Non-controlling interests	Total
<b>Equity 31.12.2013</b>		<b>106</b>	<b>318</b>	<b>12 510</b>	<b>132</b>	<b>13 067</b>
Total comprehensive income for the period				220	3	223
Acquisitions of other companies				-26	-31	-57
<b>Equity 31.03.2014</b>		<b>106</b>	<b>318</b>	<b>12 704</b>	<b>104</b>	<b>13 233</b>
Total comprehensive income for the period				966	-1	965
Changed ownership interest in other companies	3			-25	12	-14
Dividends paid				-149	0	-149
<b>Equity 31.12.2014</b>		<b>106</b>	<b>318</b>	<b>13 496</b>	<b>115</b>	<b>14 035</b>
Total comprehensive income for the period				482	6	488
Other changes				-4	0	-4
<b>Equity 31.03.2015</b>		<b>106</b>	<b>318</b>	<b>13 975</b>	<b>120</b>	<b>14 519</b>

## NOTES TO THE ACCOUNTS, 31. MARCH 2015

(NOK millions)

**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 interests in joint ventures and associated companies.

**Note 2 ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).  
The consolidated accounts for the 1st quarter have been prepared in accordance with IAS 34 Interim Financial Reporting.  
The interim financial report represents an update on new circumstances arising after the most recent annual report was presented and is therefore intended to be read in connection with the 2014 annual report.

The interim financial statements were adopted by the Board 20 May 2015.

The interim accounts have not been audited.

**Note 3 CHANGES IN GROUP STRUCTURE**

There were no significant changes in the Group's structure in Q1.

**Note 4 ESTIMATES**

Preparation of interim financial statements involves the use of judgements, estimates and assumptions that affect the application of accounting policies 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 policies that were used in the consolidated financial statements for 2014.

**Note 5 RELATED PARTY TRANSACTIONS**

The following related party transactions had been conducted or agreed at 31 March 2015:

Transactions	Counterparty	Counterparty associate of	31.03.2015	31.03.2014	31.12.2014
Current leases	Companies in Olav Thon Gruppen AS	Olav Thon Stiftelsen	17	14	56
Current operating and administration agreements	Thon Eiendomsdrift AS	Olav Thon Stiftelsen	21	15	60

**Note 6 NON-CURRENT LIABILITIES**

	31.03.2015	31.03.2014	31.12.2014
Bond loans	4 180	3 295	4 530
Credit institutions	8 064	7 264	7 960
Other liabilities	39	19	31
Non-interest-bearing liabilities (fair value interest rate swaps)	2 166	1 237	2 154
<b>Total</b>	<b>14 449</b>	<b>11 815</b>	<b>14 675</b>

**Note 7 CURRENT LIABILITIES**

	31.03.2015	31.03.2014	31.12.2014
Commercial paper debt	2 100	2 150	1 900
Bond loans	950	890	950
Interest-bearing current liabilities	1 120	236	1 307
Trade payables	88	101	121
Income tax payable	161	129	150
Other current liabilities	820	468	709
<b>Total</b>	<b>5 239</b>	<b>3 974</b>	<b>5 137</b>

## Note 8 SEGMENT INFORMATION

At 31 March 2015, the Group has activities within two strategic operating segments.  
From Q3 2014, the Group also has activities in Sweden.

The two operating segments are:

- \* Shopping centres
- \* Commercial property

The two geographical segments are:

- \* Norway
- \* Sweden

Segment reporting is based on internal management reporting.

Operating segment results, 31 March 2015	Shopping centres	Commercial property	Other activity	Unallocated	Group
Rental income	426	129			556
Other property-related income	187	21			208
Property-related expenses	-204	-56			-260
<b>Net rental income</b>	<b>409</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>503</b>
Fair value adjustments, investment property	206	104			310
Share of results of associated companies	37	0			37
Other operating income	22		20		42
Other operating expenses	-20		-17		-37
Administrasjonskostnader	-28	-5			-33
Ordinære avskrivninger	-5	0			-5
<b>Driftsresultat</b>	<b>622</b>	<b>193</b>	<b>3</b>	<b>0</b>	<b>818</b>
Financial income				1	1
Fair value adjustments, interest rate derivatives				-15	-15
Financial expenses				-169	-169
<b>Profit before tax</b>	<b>622</b>	<b>193</b>	<b>3</b>	<b>-182</b>	<b>636</b>
Taxes				-166	-166
<b>Profit for the period</b>					<b>470</b>

Operating segment results, 31 March 2014	Shopping centres	Commercial property	Other activity	Unallocated	Group
Rental income	366	126			493
Other property-related income	158	21			178
Property-related expenses	-178	-39			-217
<b>Net rental income</b>	<b>346</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>454</b>
Fair value adjustments, investment property	118	30			149
Share of results of associated companies	11	0			11
Other operating income	18		22		41
Other operating expenses	-15		-19		-34
Administrative expenses	-20	-4			-24
Depreciation	-3	0			-3
<b>Operating profit</b>	<b>455</b>	<b>134</b>	<b>3</b>	<b>0</b>	<b>592</b>
Financial income				4	4
Fair value adjustments, interest rate derivatives				-135	-135
Financial expenses				-155	-155
<b>Profit before tax</b>	<b>455</b>	<b>134</b>	<b>3</b>	<b>-286</b>	<b>306</b>
Taxes				-83	-83
<b>Profit for the period</b>					<b>223</b>

Note 8 SEGMENT INFORMATION CONTINUED

Operating segment results, 31 December 2014	Shopping centres	Commercial property	Other activity	Unallocated	Group
Rental income	1 586	506			2 092
Other property-related income	678	70			748
Property-related expenses	-752	-205			-957
<b>Net rental income</b>	<b>1 512</b>	<b>371</b>	<b>0</b>	<b>0</b>	<b>1 883</b>
Fair value adjustments, investment property	975	368			1 343
Share of results of associated companies	113	0			113
Other operating income	84		81		164
Other operating expenses	-81		-70		-151
Administrative expenses	-89	-19			-107
Depreciation	-14	0			-14
<b>Operating profit</b>	<b>2 501</b>	<b>720</b>	<b>11</b>	<b>0</b>	<b>3 233</b>
Financial income				38	38
Fair value adjustments, interest rate derivatives				-1 050	-1 050
Financial expenses				-659	-659
<b>Profit before tax</b>	<b>2 501</b>	<b>720</b>	<b>11</b>	<b>-1 671</b>	<b>1 562</b>
Taxes				-389	-389
<b>Profit for the period</b>					<b>1 172</b>

Geographical segment

Geographical segment results, 31 March 2015	Norway	Sweden	Group
Rental income	502	53	556
Other property-related income	181	27	208
Property-related expenses	-224	-36	-260
<b>Net rental income</b>	<b>459</b>	<b>44</b>	<b>503</b>
Fair value adjustments, investment property	224	86	310
Share of results of associated companies	37		37
Other operating income	42		42
Other operating expenses	-37		-37
Administrative expenses	-28	-5	-33
Depreciation	-3	-1	-5
<b>Operating profit</b>	<b>695</b>	<b>124</b>	<b>818</b>
Financial income	1		1
Fair value adjustments, interest rate derivatives	-15		-15
Financial expenses	-162	-7	-169
<b>Profit before tax</b>	<b>519</b>	<b>117</b>	<b>636</b>
Taxes	-176	10	-166
<b>Profit for the period</b>	<b>343</b>	<b>127</b>	<b>470</b>

<b>Note 9 INVESTMENT PROPERTY</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.12.2014</b>
Opening balance	34 661	29 307	29 327
Additions from acquisitions/expenditure	124	178	3 987
Change in fair value recognised in the period	310	149	1 345
Other changes	2	0	2
<b>Closing balance</b>	<b>35 097</b>	<b>29 633</b>	<b>34 661</b>

#### Note 10 EVENTS AFTER THE REPORTING DATE

No events have occurred after the reporting date that are of significance to the assessment of the Group's position and results.

#### Note 11 JOINT VENTURES AND ASSOCIATED COMPANIES

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

<b>Joint ventures</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.12.2014</b>
Net rental income	81	50	334
Fair value adjustments, investment properties	-15	-17	-49
Expenses	-43	-20	-221
<b>Profit for the period</b>	<b>24</b>	<b>12</b>	<b>64</b>
Fixes assets	4 012	3 709	3 850
Current assets	155	123	182
<b>Total assets</b>	<b>4 168</b>	<b>3 832</b>	<b>4 032</b>
Equity	2 199	2 231	2 175
Non-current liabilities	1 842	1 546	1 798
Current liabilities	127	55	58
<b>Total equity and liabilities</b>	<b>4 168</b>	<b>3 832</b>	<b>4 032</b>
<b>Associated companies</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.12.2014</b>
Net rental income	10	9	42
Fair value adjustments, investment properties	10	-4	44
Expenses	-6	-6	-37
<b>Profit for the period</b>	<b>14</b>	<b>-1</b>	<b>49</b>
<b>Total assets</b>	<b>724</b>	<b>660</b>	<b>718</b>
Equity	399	344	396
Liabilities	325	316	322
<b>Total equity and liabilities</b>	<b>724</b>	<b>660</b>	<b>718</b>



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