

OLAV THON EIENDOMSSELSKAP

Report for the third quarter 2012



KEY FIGURES

NOK millions	At	At	2011
	30.09.2012	30.09.2011	
Net rental income	1 361	1 274	1 700
Result before tax	699	732	1 051
Equity per share (NOK)	970	925	943
Equity share	34 %	33 %	33 %
EPRA NNAV ¹⁾	1 247	1 179	1 220
Liquid reserves ²⁾	3 513	3 414	3 513
Amortization next 12 months	872	1 163	1 206
Net cash flow from operations ³⁾	904	862	1 008
Interest bearing debt	13 945	13 959	14 008
Interest rate, at. 30.09/ year end	4,6 %	4,6 %	4,8 %
Net investments	781	743	853
Investment properties	29 241	28 100	28 304
Annual rental value ⁴⁾	2 070	1 970	2 025
Net yield	6,4 %	6,4 %	6,4 %
Turnover shopping malls ⁵⁾	34 202	32 922	47 434
Stock exchange quotation, 30.09/ year end	862	810	788

A change in accounting principles etc. means that some figures differ from those given in previous Annual Reports.

1) EPRA, European Public Real Estate Association, is an organization for listed property companies and investors in Europe, that prepares recommendations for financial reporting.

In this report is used EPRA NNAV, that indicates net asset value (majority's share of shareholders' equity) per share. (Majority share of equity + deferred taxes - Rated debt obligation (deferred tax 8%))

2) Bank deposits and unutilized borrowing facilities

3) Net cash flow from operating activities - operations - related accruals

4) Gross rental income from associated companies included

5) Owned and / or managed shopping malls



OLAV THON EIENDOMSSSELKAP ASA

Report for the third quarter

Olav Thon Eiendomsselskap continued to see positive operational developments in the third quarter, but the fall in long-term market interest rates and slightly downward adjusted property values led to negative results in the third quarter.

The key points in the third quarter were as follows: ¹

- Rental income came to NOK 496 million (NOK 464 million). The annual (theoretical) rental value of the property portfolio at the turn of the quarter was NOK 2,070 million (NOK 1,970 million), and the vacancy rate was 2% (3%).
- Pre-tax results amounted to - NOK 81 million (- NOK 307 million), and is influenced by reduced value of investment properties and financial instruments.
- Net cash flow from operations came to NOK 289 million (NOK 261 million).
- The group's equity ratio at the turn of the quarter was 34% (33%), and equity per share was NOK 970 (NOK 925).
- At the end of the quarter, liquidity reserves stood at NOK 3,442 million (NOK 3,414 million).
- Turnover in the group's portfolio malls was NOK 12.0 billion (NOK 11.4 billion), of which NOK 3.1 billion (NOK 2.7 billion) was from malls managed for external owners.

¹The figures in brackets are figures from the same period/date last year



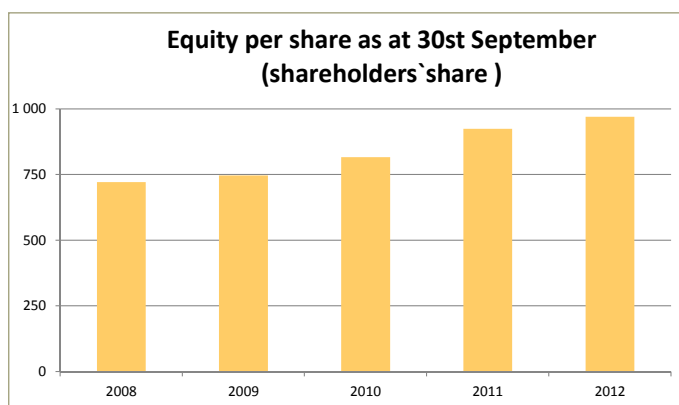
Balance sheet as at 30 September 2012

The aggregate value of the group's assets was NOK 31,220 million (NOK 29,939 million). Of this sum, the value of the investment properties was NOK 29,241 million (NOK 28,100 million).

Total shareholders' equity came to NOK 10,565 million (NOK 10,006 million), and the equity ratio was 34% (33%).

Equity per share (shareholders' share) was NOK 970 (NOK 925). Long-term net asset value per share is estimated to be NOK 1,247 (NOK 1,179) (EPRA NNAV) .

The group's interest-bearing debt was NOK 13,945 million (NOK 13,959 million) and the loan-to-value ratio was 48% (50%).



Since 2008 equity per share has risen by 35%.

Results in the third quarter 2012

The group's operating profit came to NOK 260 million (NOK 385 million). The decrease from last year is primarily attributable to a sizable downward revision of the property values, but it has been dampened by higher rental income.

Pre-tax results were - NOK 81 million (- NOK 307 million), whilst results for the quarter after tax were - NOK 60 million (- NOK 216 million).

Rental income and property-related expenses

Rental income was NOK 496 million (NOK 464 million). Compared to the third quarter last year, this is an increase, which is due to both completed property projects and a slightly lower portfolio vacancy rate.

Other property-related income was NOK 105 million (NOK 104 million) and consisted of payments from the group's lessees to cover the property service charges.

Property-related expenses came to NOK 157 million (NOK 156 million), including the aforementioned service charges of NOK 105 million (NOK 104 million).

Net rental income thus came to NOK 443 million (NOK 412 million).

Other operating income and expenses

In the third quarter, the value of the investment properties saw a downward adjustment of NOK 182 million (- NOK 47 million). The decrease is primarily the result of several small and medium-sized shopping malls having a lower market value.

The share of net income of associated companies was NOK 1 million (NOK 22 million). This drop is attributable to a small fair value adjustment on the properties of the associated companies.

Other operating income amounted to NOK 105 million (NOK 101 million) and relates primarily to the group's income from sales and the management of properties for external owners.

Other operating expenses, administration costs and ordinary depreciation came to NOK 107 million (NOK 103 million).

Operating profit was therefore NOK 260 million (NOK 385 million).

Operating profit before fair value adjustment on investment properties came to NOK 442 million (NOK 432 million).

Financial income and expenses

Net financial expenses were NOK 167 million (NOK 169 million). The average interest rate in the third quarter was 4.7% (4.6%).

The market value of the financial instruments fell in the third quarter by NOK 175 million (- NOK 523 million) as a result of a drop of about 0.30 percentage points in the long-term market interest rates.

²See page 2 for the definition

Cash flow and liquidity

Third quarter

In the third quarter, net cash flow from operations was NOK 289 million (NOK 261 million), whilst the change in working capital came to NOK 57 million (NOK 139 million).

Net cash flow from operational activities was thus NOK 345 million (NOK 401 million).

Investment activities generated a net cash flow of - NOK 257 million (- NOK 278 million), whilst financing activities put a burden of NOK 90 million (- NOK 89 million) on liquidity.

This means that in the third quarter the net change in liquid holdings was - NOK 1 million (NOK 33 million).

As at the third quarter

For the first three quarters of the year, net cash flow from operations was NOK 904 million (NOK 862 million).

The change in working capital in the same period was - NOK 56 million (- NOK 20 million), and net cash flow from operational activities was thus NOK 847 million (NOK 842 million).

Investment activities generated a net cash flow of - NOK 743 million (- NOK 625 million), whilst cash flow from financing activities, including dividend distribution, reduced liquidity by NOK 319 million (NOK 305 million).

This means that in the first three quarters of the year the group's liquid holdings saw a reduction of NOK



214 million (- NOK 88 million).

At the turn of the quarter, the group's liquidity reserves stood at NOK 3,442 million (NOK 3,414 million), and consisted of short-term investments of NOK 532 million (NOK 509 million) and committed long-term credit lines of NOK 2,910 million (NOK 2,905 million).

Investments

Investments in the third quarter were NOK 295 million (NOK 350 million), and relate to property purchases, investments in property projects under construction and rehabilitation of existing portfolio property.

Total investments so far in 2012 come to NOK 781 million (NOK 743 million).

Major property purchases

- **Åsane Senter 51 AS**
The group has entered into an agreement regarding the purchase of the shares in the company Senter 51 AS, which owns a 12,500sqm commercial property in Åsane in



Calmeyers gate 8b, Oslo

Bergen. (Take-over date: 1 November 2012)

Major property projects under construction

In the fourth quarter, the following property projects will be completed:

- **The Vestkanten mall, Bergen (70 %)**
This mall is having about 10,000sqm of retail space added.
- **The Lagunen Storsenter mall, Bergen (42 %)**
This project involves the addition of a new mutlistorey car park of about 19,500sqm, containing some 350 parking spaces.
- **The Sogningen Storsenter mall, Sogndal (50 %)**
This mall is having 4,500sqm of retail space added.
- **Calmeyers gate 8b, Oslo**
This property is a combined commercial and residential building of 2,700sqm in the centre of Oslo.

Major extension and alteration work, scheduled for completion in 2013 and 2014, has started at the following shopping malls:

- **The Mart'n Senteret mall, Elverum (50 %)**
An additional 6,800sqm of retail space is under construction, in addition to an upgrade and remodelling of the existing mall.
- **The Sørlandssenteret mall, Kristiansand (50 %)**
Building phase 2 consists of about 33,000sqm of retail space.

Reference is also made to page 68 in the Annual Report for 2011.

The property portfolio as at 30 September 2012

At the turn of the quarter, the value of the property portfolio was estimated to be NOK 29,241 million (NOK 28,100 million).

The investment properties are recorded at actual value. For information regarding the valuation model and the variables included in the assessment, reference is made to pages 19 and 32 in the Annual Report for 2011.

The value assessment is based on an average required rate of return or yield of 6.4% (6.4%), with

the required rate of return on individual properties varying between 5.5% and 10.0%.

The average required rate of return per property segment is as follows:

- Shopping mall property 6.2% (6.2%)
- Other commercial property 7.0% (7.0%)

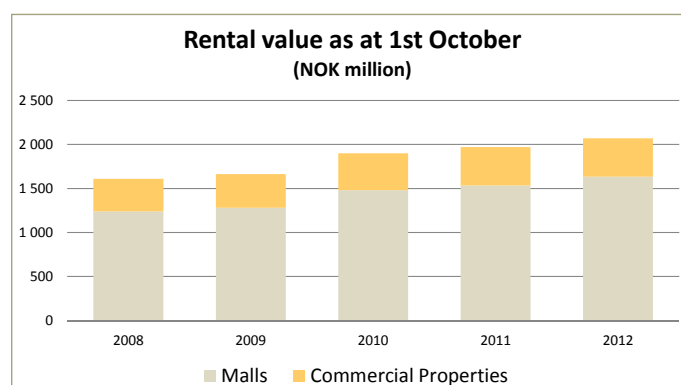
The annual (theoretical) rental value (including the share of rental income from associated companies) was NOK 2,070 million (NOK 1,970 million).

This increase on last year is the result of both new properties and completed property projects.

A breakdown of the rental value per property segment is as follows:

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

The average remaining term for the lease agreements is about four years (four years).



The rental value of the property portfolio has risen by 29% since 2008.

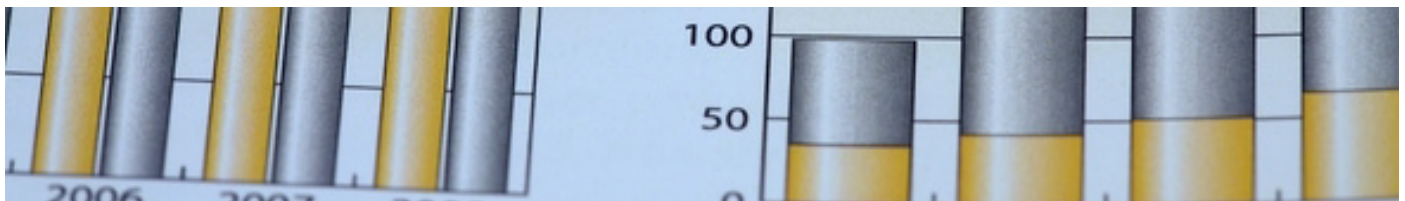
The shopping malls

At the turn of the quarter, shopping mall operations comprised the management of 79 malls, of which 24 are managed for external owners.

The group's market position in the Norwegian shopping mall market is strong, and the portfolio includes Norway's five largest malls, and another two that are among the ten largest malls in the country.

Turnover in the third quarter was NOK 12.0 billion (NOK 11.4 billion), including NOK 3.1 billion (NOK 2.7 billion) from malls managed for external owners.

Total turnover to date this year is NOK 34.2 billion (NOK 32.9 billion), including NOK 9.0 billion (NOK



8.6 billion) in shopping malls under management.

In line with general developments in Norwegian retail turnover, the organic growth in the group-owned malls showed a slight drop in the third quarter and is estimated to be 2%. For the first nine months of the year as a whole, growth is estimated to be 3%.

Risk factors

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

The property market

Developments in the Norwegian property market are affected by macroeconomic developments in Norway and the general demand for commercial property as an investment object.

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

As mentioned previously, the value assessment as at 30 September 2012 is based on an average yield of 6.4%. In the last five years, the group's yield rate has varied between 6.3% and 6.9%.

Changes in the yield rate and/or market rent affect the value of the investment properties. For a description of how a change in yield rate and market rent affect the market values of the property portfolio, reference is made to page 32 in the Annual Report for 2011.

The group's equity capital is considered to be robust in relation to changed yield. For example, an increase in yield rate of one percentage point to 7.4% would reduce the equity ratio to 28%.

The risk of a substantial weakening of the group's financial solidity as a result of a higher required rate of return is therefore considered to be moderate.

Financial risk

The greatest financial risk for Olav Thon

Eiendomsselskap is related to the group's access to financing in the bank and credit markets.

The group's financing is described in more detail in the next section, and for further details regarding financial risk management, reference is made to pages 58-60 in the Annual Report for 2011. The group's financial instruments (interest rate swaps) are recorded at market value on the balance date.

The rate swaps are used primarily to secure long-term interest rate guarantees and a stable cash flow.

The group's portfolio of long-term interest rate swaps entered into for this purpose totalled NOK 9,898 million at the turn of the quarter and had a market value of -NOK 1,281 million.

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

The estimated effect of a one percentage point increase in the short-term interest rate is a rise in the group's average interest rate of about 0.3 percentage point. Net annual interest expenses would then increase by about NOK 40 million.

Financing

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

Access to financing in the bank and capital market is considered to be very good. In the third quarter, agreements were entered into regarding long-term bank loans of NOK 1,320 million and one bond loan of NOK 350 million.

So far in 2012, the group has taken out three long-term bond loans totalling NOK 990 million, six short-term certificate loans totalling NOK 1,120 million and long-term bank loans of NOK 1,350 million.

Total loans and credit lines at the turn of the quarter were NOK 16,855 million (NOK 16,854 million), of which the undrawn portion was NOK 2,910 million (NOK 2,905 million).

The Norwegian capital market is a very important source of financing, and as at 30 September 2012 the group had outstanding bond and certificate debts of NOK 2,860 million (NOK 2,540 million).

The debt has an average remaining life of 4.7 years (5.2 years). Six percent of the debt falls due for payment within one year, and the refinancing need could be covered in its entirety by existing liquidity reserves.

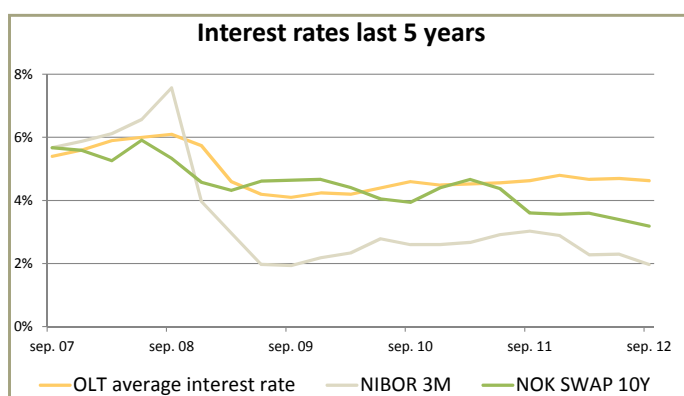
As at 30 September 2012, the average nominal interest rate (including credit margin) was 4.6% (4.6%).

At the turn of the quarter, the group had the following interest rate maturity structure:

- Rate guarantee period 0 -1yr: 29% (35%)
- Rate guarantee period 1 -5yrs: 7% (11%)
- Rate guarantee period > 5yrs: 64% (54%)

The average interest rate guarantee period was 5.5 years (5.5 years).

So far in 2012, the group's nominal average interest rate has fallen from 4.8% to 4.6%.



Shares and shareholders

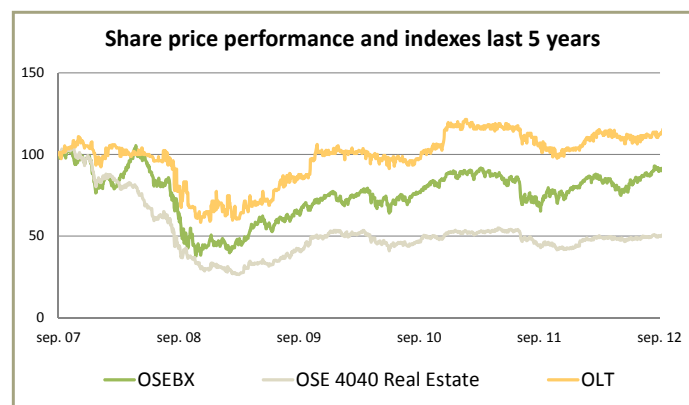
At the end of the third quarter, the closing price of the company's shares on the Oslo Stock Exchange was NOK 862, as against NOK 860 at the start of

the quarter.

The highest and the lowest share price in the third quarter were NOK 875 and NOK 816, respectively.

The shares the company has so far this year given a total yield (including dividend) of 11%, slightly below the main index of the Oslo Stock Exchange, which rose by 14% in the same period.

In the last five years the price of shares in Olav Thon



Eiendomsselskap has performed better than the main and property indexes of the Oslo Stock Exchange.

At the turn of the quarter, the company's market capitalisation was NOK 9.2 billion, making Olav Thon Eiendomsselskap one of the three largest listed property companies in the Nordic countries.

As at 30 September 2012, the company's owners were:

Thon Gruppen AS with subsidiaries	71.4%
Folketrygdfondet (National Insurance Fund)	9.0%
Otto Olsen Eiendom with related parties	2.6%
MP Pensjon	1.9%
Skagen Vekst	1.7%
Other owners	13.4%
TOTAL	100.0%



Vestkanten

Outlook

Growth in the global economy is slowing down, partly as a result of increased uncertainty associated with the government debt crisis in Europe.

The Norwegian economy's growth is still relatively high, with most areas continuing to perform well. However, the uncertainty prevailing in the international economy has prompted the Central Bank of Norway to maintain the interest rate at 1.50%.

The shopping malls in the group's ownership have so far in 2012 had an organic growth in turnover of about 3%, roughly in line with developments in the Norwegian retail trade.

A substantial rise in consumer spending is expected in Norway in the time ahead, and the operating conditions for the group's shopping malls are therefore regarded as positive.

The vacancy rate in the office market is slightly falling and rental prices are showing a stable or slightly rising tendency. The office rental market is considered to be cyclically sensitive, and with the Norwegian economy performing well, it is believed that this positive trend will be maintained in the future.

Despite the ongoing uncertainty in the global economy, 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 continued satisfactory profit developments in the future.

Oslo, 5 November 2012

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)

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

STATEMENT OF COMPREHENSIVE INCOME

NOK millions	Q3 2012	Q3 2011	At 30.09.2012	At 30.09.2011	At 31.12.2011
Gross rental revenue	496	464	1 494	1 402	1 889
Other property operating income	105	104	344	354	496
Property operating expenses	-157	-156	-476	-482	-685
Net rental income	443	412	1 361	1 274	1 700
Fair value adjustments - investment properties	-182	-47	158	473	555
Share of profit of associates	1	22	19	27	54
Other operating income	105	101	304	301	449
Other operating expenses	-77	-74	-232	-241	-365
Administrative expenses	-27	-25	-78	-74	-101
Depreciations property, plant and equipment	-3	-4	-8	-9	-12
Net operating result	260	385	1 524	1 751	2 280
Financial income	3	4	9	12	19
Interest rate derivatives	-175	-523	-328	-524	-580
Financial expenses	-170	-173	-507	-507	-668
Result before tax	-81	-307	699	732	1 051
Taxes	22	91	-192	-195	-281
Result for the period	-60	-216	506	537	770
Other comprehensive income and expenses	0	0	0	0	0
Total comprehensive income	-60	-216	506	537	770
Total comprehensive income attributable to:					
Owner of parent	-70	-213	436	514	739
Non-controlling interests	10	-3	70	23	31
Earnings per share (basic and diluted)	-7	-20	41	48	68

STATEMENT OF FINANCIAL POSITION

NOK millions	At 30.09.2012	At 30.09.2011	At 31.12.2011
ASSETS			
Deferred tax assets	287	142	287
Investment properties	29 241	28 100	28 304
Other fixed assets	59	42	61
Other investments	385	361	393
Non-current assets	29 972	28 645	29 045
Trade receivables and other current assets	716	785	831
Cash and cash equivalents	532	509	746
Total current assets	1 249	1 294	1 578
Total assets	31 220	29 939	30 623
EQUITY AND LIABILITIES			
Non-controlling interests	239	164	169
Majority's share of shareholders equity	10 326	9 842	10 039
Total equity	10 565	10 006	10 208
Deferred tax liabilities	4 122	3 792	4 133
Non-current liabilities	14 174	13 957	13 751
Current liabilities	2 359	2 184	2 530
Total liabilities	20 655	19 933	20 415
Total equity and liabilities	31 220	29 939	30 623

STATEMENT OF CASH FLOW

NOK millions	At 30.09.2012	At 30.09.2011	At 31.12.2011
Net cash flow from operations	904	862	1 008
Change in working capital	-56	-20	244
Cash flow from operating activities	847	842	1 252
Cash flow from investment activities	-743	-625	-693
Cash flow from financing activities	-212	-199	-304
Dividends paid	-106	-106	-106
Cash flow from financing activities	-319	-305	-410
Net change in cash and cash equivalents	-214	-88	149
Cash and cash equivalents at 1 January	746	597	597
Cash and cash equivalents at 30 September	532	509	746

STATEMENT OF CHANGES IN EQUITY

(Shows transactions with owners)

NOK millions	Share capital	Reserves	Retained earnings	Non controlling interests	Total equity
At 31.12.2010	106	318	9 045	186	9 656
Total comprehensive income			497	23	520
Acquisitions of companies			-18	-45	-63
Dividends paid			-106		-106
At 30.09.2011	106	318	9 417	164	10 006
Total comprehensive income			227	8	235
Acquisitions of companies			-30	-3	-33
Dividends paid					0
At 31.12.2011	106	318	9 614	169	10 208
Total comprehensive income			436	70	506
Acquisitions of companies			-42		-42
Dividends paid			-106		-106
At 30.09.2012	106	318	9 902	239	10 565

NOTES TO INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2012

NOK millions

Note 1 General Information

Olav Thon Eiendomsselskap ASA is resident in Norway and is listed at the Oslo Stock Exchange. The headquarter is located in Oslo.

The group accounts includes Olav Thon Eiendomsselskap ASA with subsidiaries and the shares in associated companies.

Note 2 Accounting principles etc.

The consolidated financial statements for the 3. quarter 2012 have been drawn up in accordance with stock exchange rules and regulations and IAS 34 "Interim reporting".

The interim financial statements should be read in connection with the annual report 2011.

The interim financial statements were adopted by the Board of Directors on 5 November 2012

The interim financial statements are not audited

Note 3 Change in group structure

There has been none significant changes in the Group structure as at 30 September 2012.

Note 4 Estimates

The preparation of the interim reports means application of reviews, estimates and assumptions which affect the application of accounting principles and reported figures in association with assets and liabilities, income and expenses.

In the preparation of this interim report, the reviews, estimates and assumptions which affect the application of accounting principles are the same as in the Group accounts for 2011

Note 5 Transactions with related parties

The following transactions with related parties have been carried out or agreed as at 30 September 2012

Transactions	Counterparty	Counterparty to	Amount
Current lease agreement	Companies in Thon Gruppen AS	Olav Thon	42
Current operating and administrative agreements	Thon Eiendomsdrift AS	Olav Thon	41

Note 6 Long term dept

	30.09.2012	30.09.2011	31.12.2011
Bonds	1 840	1 140	850
Credit Institutions	10 006	10 489	10 427
Commercial Papers	1 020	1 400	1 475
Other debt	27	29	48
Fair Value - financial instruments	1 281	899	951
Total	14 174	13 957	13 751

Note 7 Segment information

As at 30 September 2012 the group has activities in two main segments:

Primary reporting format - operational segments

The two main segments is:

- * Shopping Malls
- * Commercial Property

Segment results at 30.09.2012

	Shopping mall	Commercial Property	Other operations	Not allocated	Group
Gross rental revenue	1 159	335			1 494
Other property operating income	312	32			344
Property operating expenses	-396	-81			-476
Net rental income	1 075	286	0	0	1 361
Fair value adjustments - investment properties	165	-7			158
Share of profit of associates	19	0			19
Other operating income	227	33	45		304
Other operating expenses	-174	-25	-32		-232
Administrative expenses	-65	-13			-78
Depreciations property, plant and equipment	-8	0			-8
Net operating result	1 238	273	13	0	1 524
Financial income				-328	-328
Interest rate derivatives				9	9
Financial expenses				-507	-507
Result before tax	1 238	273	13	-826	699
Taxes				-192	-192
Result for the period					506

Segment results at 30.09.2011

	Shopping mall	Commercial Property	Other operations	Not allocated	Group
Gross rental revenue	1 095	307			1 402
Other property operating income	320	34			354
Property operating expenses	-398	-84			-482
Net rental income	1 017	257	0	0	1 274
Fair value adjustments - investment properties	446	27			473
Share of profit of associates	27	0			27
Other operating income	234	26	41		301
Other operating expenses	-188	-23	-30		-241
Administrative expenses	-63	-11			-74
Depreciations property, plant and equipment	-9	0			-9
Net operating result	1 464	275	12	0	1 751
Financial income				-524	-524
Interest rate derivatives				12	12
Financial expenses				-507	-507
Result before tax	1 464	275	12	-1 019	732
Taxes				-195	-195
Result for the period					537

Note 7 Segment results at 31.12.2011

Continues

	Shopping mall	Commercial Property	Other operations	Not allocated	Group
Gross rental revenue	1 479	410			1 889
Other property operating income	453	43			496
Property operating expenses	-578	-108			-685
Net rental income	1 355	345	0	0	1 700
Fair value adjustments - investment properties	395	160			555
Share of profit of associates	54				54
Other operating income	364	36	49		449
Other operating expenses	-297	-33	-35		-365
Administrative expenses	-87	-14			-101
Depreciations property, plant and equipment	-11	-1			-12
Net operating result	1 772	494	14	0	2 280
Financial income				-580	-580
Interest rate derivatives				19	19
Financial expenses				-668	-668
Result before tax	1 772	494	14	-1 229	1 051
Taxes				-281	-281
Result for the period					770

Note 8 Investment properties

	At 30.09.2012	At 30.09.2011	At 31.12.2011
Opening balance	28 303	27 003	27 003
Acquisitions through purchases/expenditures	780	625	746
Fair Value adjustments recorded as profit(loss) in the period	158	473	555
Changes due to reclassification	0	0	0
Other changes	0	-1	-1
Closing balance	29 241	28 100	28 303

Note 9 Shares

There has not been issued shares as at 30 September 2012

Note 10 Events after 30.09.12

There has not occurred events of significance for assessment of Olav Thon Eiendomsselskap ASA after 30 September 2012

Olav Thon Eiendomsselskap ASA

Stenersgata 2
P.O. Box 489 Sentrum
0105 Oslo
Norway

Tel.: 23 08 00 00
Fax.: 23 08 01 00

E-mail: firmapost.olt@olavthon.no

www.olt.no
