

# OLAV THON EIENDOMSSKAP

Report for the fourth quarter and preliminary results for 2012



Amfi Moa. Illustration extension north

## KEY FIGURES

Amounts in NOK million	As at 31.12.2012	As at 31.12.2011
Net rental income	1 803	1 700
Income before tax	1 685	1 051
Equity per share (NOK)	1 036	943
Equity ratio	35 %	33 %
Long-term net asset value per share (EPRA NNAV) <sup>1)</sup>	1 331	1 220
Liquidity reserves <sup>2)</sup>	4 438	4 988
Amortisation next 12 mths	2 580	2 681
Net cash flow from operations <sup>3)</sup>	1 020	1 008
Interest-bearing debt	14 298	14 024
Interest rate as at 31.12	4,7 %	4,8 %
Net investments	1 279	853
Book value of property portfolio	30 490	28 304
Rental value <sup>4)</sup>	2 150	2 025
Net yield	6,2 %	6,4 %
Turnover, shopping centres <sup>5)</sup>	49 364	47 434
Stock exchange quotation as at 31.12 (NOK)	890	788

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

5) Owned and/or managed shopping centres





# OLAV THON EIENDOMSSSELKAP ASA

## Report for the fourth quarter and preliminary results for 2012

Olav Thon Eiendomsselskap had good results in the fourth quarter, with a substantial increase in value of the group's investment properties.

### The key points in the quarterly report are as follows:<sup>1</sup>

- Rental income came to NOK 492 million (NOK 487 million) for the quarter, and NOK 1,986 million (NOK 1,889 million) for the whole of 2012. At the turn of the year, the annual (theoretical) rental value of the property portfolio was NOK 2,150 million (NOK 2,025 million), and the vacancy rate was 2% (2%).
- Pre-tax profit amounted to NOK 986 million (NOK 319 million) for the quarter, and to NOK 1,685 million (NOK 1,051 million) for the year as a whole.
- Net cash flow from operations came to NOK 289 million (NOK 237 million) for the quarter and NOK 1,020 million (NOK 1,008 million) for the whole of 2012.
- At the turn of the year, the group's equity ratio was 35% (33%) and recorded equity per share rose in the quarter by NOK 66 to NOK 1,036 (NOK 943).
- Liquidity reserves at the turn of the year stood at NOK 4,438 million (NOK 4,988 million).
- Turnover in the shopping mall portfolio as a whole was NOK 15.2 billion (NOK 14.9 billion). Turnover for the full year was NOK 49.4 billion (NOK 47.4 billion).
- The Board proposes that a dividend of NOK 12 (NOK 10) per share be paid for 2012.

<sup>1</sup> The figures in brackets are figures from the same period/date last year.



Vestkanten Storsenter

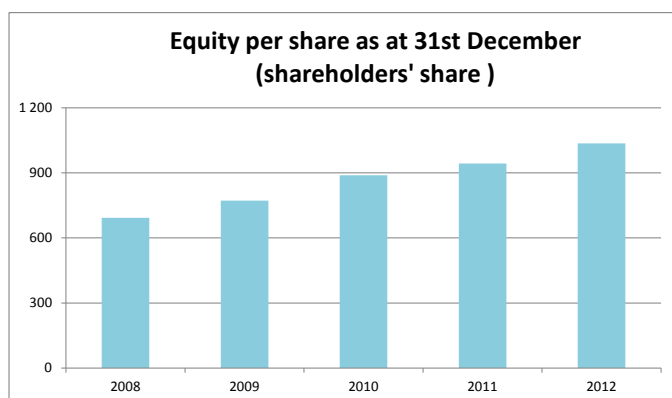
## The group's balance sheet as at 31 December 2012

The aggregate value of the group's assets was NOK 32,673 million (NOK 30,623 million). Of this sum, the value of the investment properties was NOK 30,490 million (NOK 28,304 million).

Total shareholders' equity was NOK 11,295 million (NOK 10,208 million) and the equity ratio was 35% (33%).

Equity per share (shareholders' share) was NOK 1,036 (NOK 943). Long-term net asset value<sup>2</sup> (EPRA NNAV) is estimated to be NOK 1,331 (NOK 1,220).

The group's interest-bearing debt was NOK 14,298 million (NOK 14,024 million) and the loan-to-value ratio was 47% (49%).



Equity per share increased by 50 % during the period.

## Results in the fourth quarter 2012

The group's operating results came to NOK 1,172 million (NOK 529 million). The rise from last year is primarily attributable to a higher increase in the value of the property portfolio.

Pre-tax profit was NOK 987 million (NOK 319 million), whilst profit for the quarter after tax was NOK 708 million (NOK 233 million).

## Rental income and property-related expenses

Rental income was NOK 492 million (NOK 487 million). This is an increase on the fourth quarter last year, and is due to completed property projects and new properties. However, reconstruction work on a few large properties has dampened the increase.

Other property-related income was NOK 157 million

(NOK 142 million), and consists of payments from the group's lessees to cover the property service charges.

Property-related expenses came to NOK 209 million (NOK 203 million), and included the aforementioned service charges of NOK 157 million (NOK 142 million).

Net rental income thus came to NOK 441 million (NOK 426 million).

## Other operating income and expenses

In the fourth quarter, the value of the investment properties saw a net upward adjustment of NOK 744 million (NOK 82 million). The increase in value is primarily due to a higher market value for some of the group's largest properties.

The share of net income of associated companies came to - NOK 1 million (NOK 27 million). This decrease is ascribable to a fall in the value of some of the properties in the associated companies.

Other operating income came to NOK 155 million (NOK 147 million) and relates primarily to fees for managing properties for external owners, and sales revenues from other operations.

Other operating expenses, administration costs and ordinary depreciation came to NOK 168 million (NOK 154 million).

Operating profit was therefore NOK 1,172 million (NOK 529 million).

Operating profit before fair value adjustment on investment properties came to NOK 432 million (NOK 420 million).

## Financial income and expenses

Net financial expenses were NOK 157 million (NOK 154 million). The average interest rate in the fourth quarter was 4.7% (4.7%).

As a result of the fall in long-term market rates also in the fourth quarter, the market value of the financial instruments dropped by NOK 28 million (- NOK 56 million) in the quarter.

## Preliminary results for 2012

Rental income came to NOK 1,986 million (NOK 1,889 million).

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

The value of the group's investment properties saw a net upward adjustment of NOK 902 million (NOK 555 million).

Operating profit was NOK 2,697 million (NOK 2,280 million).

Operating profit before fair value adjustment on investment properties came to NOK 1,789 million (NOK 1,683 million).

Net financial expenses, excluding fair value adjustment on financial instruments, came to NOK 655 million (NOK 649 million). In 2012, the average interest rate was 4.7% (4.6%).

The market value of the financial instruments fell by NOK 356 million (- NOK 580 million).

Pre-tax profit was NOK 1,685 million (NOK 1,051 million), and profit for the year after tax was NOK 1,215 million (NOK 770 million).

### Cash flow and liquidity in the fourth quarter 2012

In the fourth quarter net cash flow from operations was NOK 116 million (NOK 146 million), whilst the change in working capital came to NOK 280 million (NOK 264 million).

Net cash flow from operational activities was thus NOK 397 million (NOK 410 million).

Investment activities generated a net cash flow of - NOK 496 million (- NOK 68 million), whilst



financing activities contributed NOK 202 million (- NOK 105 million).

This means that in the fourth quarter the group's liquid holdings rose by NOK 103 million (NOK 237 million).

### Cash flow and liquidity for 2012

For the year as a whole, net cash flow from operations was NOK 1,020 million (NOK 1,008 million).

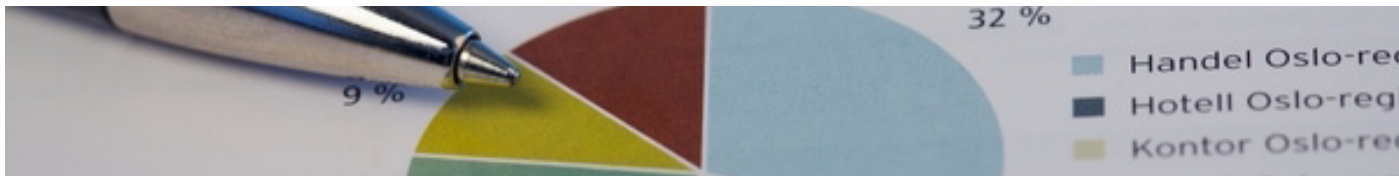
The change in working capital in the same period was NOK 224 million (NOK 244 million), and net cash flow from operational activities was thus NOK 1,245 million (NOK 1,252 million).

Investment activities generated a net cash flow of - NOK 1,239 million (- NOK 693 million), whilst financing activities, including dividend payments, reduced liquidity by NOK 117 million (- NOK 410 million).



Amfi Elverum





This means that in 2012 liquid holdings fell by NOK 111 million (NOK 149 million).

At the turn of the year, the group's liquidity reserves stood at NOK 4,438 million (NOK 4,988 million), and consisted of short-term investments of NOK 635 million (NOK 746 million) and committed long-term credit lines of NOK 3,803 million (NOK 4,241 million).

## Investments

The group's investments in the fourth quarter were NOK 498 million (NOK 110 million), and relate to property purchases, investments in property projects under construction and the rehabilitation of properties in the existing portfolio.

Total investments in 2012 came to NOK 1,279 million (NOK 853 million).

## Major property purchases

- **Åsane Senter 51**  
In November the group purchased a retail property of 12,500sqm in Åsane, Bergen.

## Major property projects

### Completed in the fourth quarter.

- **The Vestkanten kjøpesenter mall, Bergen**  
About 10,000sqm of retail space has been added.
- **The Lagunen Storsenter mall, Bergen (42%)**  
A new multi-storey car park of about 19,500sqm, containing some 350 parking spaces, has been added.
- **The Amfi Sogningen mall, Sogndal (50%)**  
Retail space of 4,500sqm has been added.
- **The Amfi Moa shopping mall, Ålesund.**  
Second sub-phase of extension work to add 5,700sqm of new retail space.
- **Calmeyers gate 8b, Oslo**  
A combined commercial and office building of

2,700sqm in the centre of Oslo.

- **The Mart'n Senteret mall, Elverum (50%)**  
The first sub-phase of construction work to add 6,800sqm of retail space.

## Under construction

In addition to an upgrading and reconstruction of the existing malls, substantial extension work is underway at the following shopping malls:

- **The Mart'n Senteret mall, Elverum (50%)**  
The second sub-phase of work to add 6,800sqm of retail space will be completed in 2013.
- **The Sørlandssenteret mall, Kristiansand (50%)**  
Building phase 2 consisting of about 33,000sqm of retail space will be completed in 2013
- **The Sartor Storsenter mall, Fjell**  
The group's share of the mall will have 2,800sqm of retail space added in 2014.
- **The Råholtssenteret mall, Eidsvoll (50%)**  
This mall is being extended by about 10,000sqm of retail space, which is due to be completed in 2014.

## The property portfolio as at 31 December 2012

At the turn of the year, the value of the property portfolio was estimated to be NOK 30,490 million (NOK 28,304 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 as at 31 December 2012 is based on an average required rate of return or yield of 6.2% (6.4%).

Average yield per property segment is as follows:

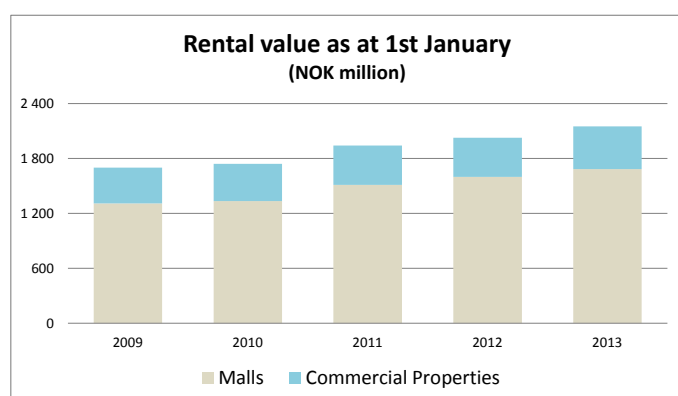
- Shopping mall property 6.1% (6.2%)
- Other commercial property 6.8% (7.0%)

The annual (theoretical) rental value (including share of rental income in associated companies) was NOK 2,150 million (NOK 2,025 million), with the following breakdown of rental value per property segment:

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

Rental value has increased from last year as a result of both new properties and completed property projects.

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



The rental value of the property portfolio increased by 26 % during the period.

## The shopping malls

At the turn of the year, shopping mall operations included the management of 78 malls, of which 24 are managed for external owners.

The group's market position in the Norwegian shopping mall market is strong, and its portfolio includes Norway's four largest malls, and as many as seven of the ten biggest in the country.

In the fourth quarter, turnover was NOK 15.2 billion (NOK 14.9 billion), including NOK 3.9 billion (NOK 4.2 billion) in malls managed for external owners.

Total turnover in the malls in 2012 was NOK 49.4 billion (NOK 47.4 billion), including NOK 12.9 billion (NOK 12.8 billion) in shopping malls under management.

In line with developments in the Norwegian retail trade, organic growth in turnover in the shopping malls owned by the group slowed down in the fourth

quarter and is estimated to be 1.5%. For the year as a whole, growth is estimated to be 2.0%.

## 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 31 December 2012 is based on an average yield of 6.2%. In the last five years, the group's yield rate has varied between 6.2% 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 yield rate and market rent affects 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 7.2% would reduce the equity ratio to 30%.

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 capital markets.

A more detailed description of the group's financing is given 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.

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 predictable cash flow.

The group's portfolio of long-term interest rate swaps entered into for this purpose totalled NOK 9,972 million at the turn of the year and had a market value of NOK 1,309 million.

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

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 points. 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 good. In the fourth quarter, four short-term certificate loans totalling NOK 700 million were taken out

In 2012, the group took out three long-term bond loans totalling NOK 990 million, ten short-term certificate loans totalling NOK 1,820 million and new long-term bank loans of NOK 1,652 million.

Total loans and credit lines at the turn of the year were NOK 18,100 million (NOK 18,265 million), of which the undrawn portion was NOK 3,803 million (NOK 4,241 million).

The Norwegian capital market is an important source of financing, and as at 31 December 2012 the group had outstanding bond and certificate debts of NOK 3,410 million (NOK 2,615 million).

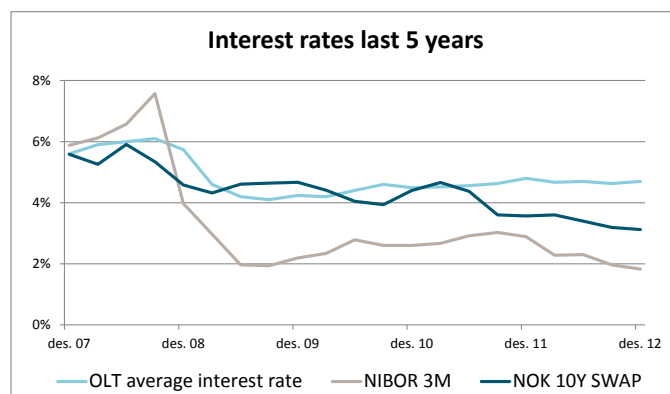
The debt has an average remaining life of 3.6 years (4.4 years). Eighteen percent (19%) of the debt falls due for payment within one year, and the refinancing need could be covered in its entirety by existing liquidity reserves.

As at 31 December 2012, the average nominal interest rate (including credit margin) was 4.7% (4.8%).

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

- Rate guarantee period 0 -1yr: 31% (35%)
- Rate guarantee period 1 -5yrs: 6% (6%)
- Rate guarantee period > 5yrs: 63% (59%)

The average interest rate guarantee period was 5.3 years (5.4 years).



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



Amfi Sogningen

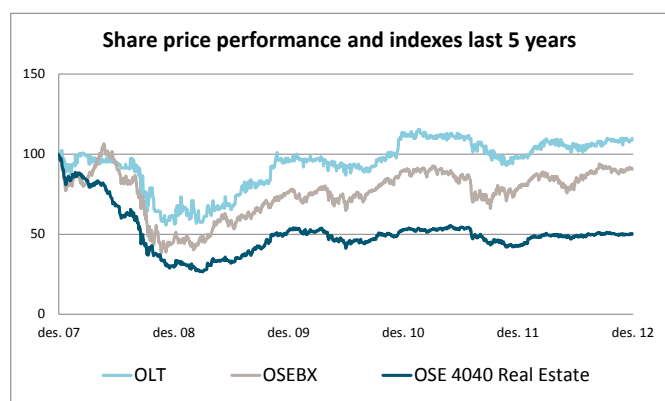


## Shares and shareholders

The price of shares in Olav Thon Eiendomsselskap rose in the fourth quarter by 3%, closing at NOK 890 on 28 December 2012.

The highest and the lowest share price in the fourth quarter were NOK 890 and NOK 851, respectively.

This means that the company shares gave a total return (including dividend) of 14% in 2012, on a level with the main index of the Oslo Stock Exchange.



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 turn of the year, the company's capitalisation was NOK 9.5 billion, making Olav Thon Eiendomsselskap the third largest listed property company in the Nordic region.

The company's owners as at 31 December 2012 were:

Thon Gruppen AS with subsidiaries	71.9%
Folketrygdfondet (National Insurance Fund)	9.0%
Otto Olsen Eiendom with related parties	2.6%
MP Pensjon	1.9%
Skagen Vekst	1.7%
Other owners	12.9%
<b>TOTAL</b>	<b>100.0%</b>

## Outlook

Growth in the global economy is rising again, but is still at a relatively low level.

Most areas of the Norwegian economy are performing well, and growth is still relatively high. Nevertheless, 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 saw organic turnover growth of about 2% in 2012, roughly in line with developments in the Norwegian retail trade.

Continued growth in consumer spending is expected in Norway in the future, and the operating conditions for the group's shopping malls are therefore regarded as positive.

Vacancy 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, 14 February 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)

Every effort has been made to ensure that this translation of the Norwegian text and the report for 4th quarter is true translation. However, in case of any discrepancy, the Norwegian version takes place.

## CONSOLIDATED INCOME STATEMENT

Amounts in NOK million	Note	Fourth quarter 2012	Fourth quarter 2011	As at 31.12.2012	As at 31.12.2011
Gross rental income	5, 8	492	487	1 986	1 889
Other property operating income	8	157	142	501	496
Property operating expenses		-209	-203	-685	-685
<b>Net rental income</b>		<b>441</b>	<b>426</b>	<b>1 803</b>	<b>1 700</b>
Fair value adjustments of investment properties	9	744	82	902	555
Share of profits of associates		-1	27	18	54
Other operating income		155	147	459	448
Other operating expenses		-131	-124	-363	-365
Administrative expenses	5	-34	-27	-112	-101
Ordinary depreciation		-3	-3	-11	-12
<b>Net operating income</b>		<b>1 172</b>	<b>529</b>	<b>2 697</b>	<b>2 280</b>
Financial income		7	7	19	19
Fair value adjustments of interest rate derivatives		-28	-56	-356	-580
Financial expenses		-164	-161	-674	-668
<b>Income before taxes</b>		<b>987</b>	<b>319</b>	<b>1 686</b>	<b>1 051</b>
Total tax expenses		-278	-86	-470	-281
<b>Net income for the period</b>		<b>708</b>	<b>233</b>	<b>1 215</b>	<b>770</b>
<b>Attributable to:</b>					
Shareholders		680	225	1 116	739
Non-controlling interests		28	8	99	31
Earnings per share (basic and diluted)		64	21	105	69

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK million	Note	Fourth quarter 2012	Fourth quarter 2011	As at 31.12.2012	As at 31.12.2011
Net income for the period before other comprehensive income		708	233	1 215	770
<b>Total comprehensive income</b>		<b>708</b>	<b>233</b>	<b>1 215</b>	<b>770</b>
<b>Attributable to:</b>					
Shareholders		680	225	1 116	739
Non-controlling interests		28	8	99	31

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	As at 31.12.2012	As at 31.12.2011
<b>ASSETS</b>			
Deferred tax asset		291	287
Investment properties	3, 9	30 490	28 304
Other fixed assets		74	61
Other investments		387	393
<b>Total non-current assets</b>		<b>31 242</b>	<b>29 045</b>
Trade receivables and other current assets		796	831
Cash and cash equivalents		635	746
<b>Total current assets</b>		<b>1 431</b>	<b>1 578</b>
<b>Total assets</b>		<b>32 673</b>	<b>30 623</b>
<b>EQUITY AND LIABILITIES</b>			
Non-controlling interests share of equity		262	169
Majority's share of shareholders' equity		11 032	10 039
<b>Total equity</b>	<b>10</b>	<b>11 295</b>	<b>10 208</b>
Deferred tax liabilities		4 392	4 133
Non-current liabilities	6	13 032	12 276
Current liabilities	7	3 955	4 005
<b>Total liabilities</b>		<b>21 379</b>	<b>20 415</b>
<b>Total equity and liabilities</b>		<b>32 673</b>	<b>30 623</b>



## STATEMENT OF CASH FLOW

Amounts in NOK million	Note	Fourth quarter 2012	Fourth quarter 2011	As at 31.12.2012	As at 31.12.2011
Net cash flow from operations		116	146	1 020	1 008
Change in working capital		280	264	224	244
<b>Net cash flow from operating activities</b>		<b>397</b>	<b>410</b>	<b>1 245</b>	<b>1 252</b>
Acquisition of investment properties	3	-496	-68	-1 239	-693
<b>Net cash flow from investment activities</b>		<b>-496</b>	<b>-68</b>	<b>-1 239</b>	<b>-693</b>
Proceeds from borrowings		1 670	472	4 580	3 647
Repayment of borrowings		-1 468	-577	-4 590	-3 950
Dividends paid				-106	-106
<b>Net cash flow from financing activities</b>	6, 7	<b>202</b>	<b>-105</b>	<b>-117</b>	<b>-410</b>
<b>Net change in cash and cash equivalents</b>		<b>103</b>	<b>237</b>	<b>-111</b>	<b>149</b>
Cash and cash equivalents at start of period		532	509	746	597
Cash and cash equivalents at end of period		635	746	635	746

## 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 31.12.2010</b>		<b>106</b>	<b>318</b>	<b>9 045</b>	<b>186</b>	<b>9 656</b>
Total comprehensive income				724	31	755
Acquisitions of other companies				-48	-48	-96
Dividends paid				-106		-106
<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				1 116	99	1 215
Acquisitions of other companies				-15	-6	-21
Dividends paid				-106		-106
<b>As at 31.12.2012</b>		<b>106</b>	<b>318</b>	<b>10 608</b>	<b>262</b>	<b>11 295</b>

## NOTES TO THE ACCOUNTS AS AT 31 DECEMBER 2012

Amounts in NOK million

**Note 1** General information

Olav Thon Eiendomsselskap ASA is based in Norway and 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 Financial Reporting Standards (IFRS).

The consolidated accounts for the fourth 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 is therefore to be read in conjunction the 2011 annual report.

The interim financial statements were adopted by the Board of Directors on 14 February 2013.

The interim financial statements are being audited.

**Note 3** Changes in corporate structure

During the fourth quarter of 2012, Åsane Senter 51 AS was acquired in its entirety. The company was renamed Thon Åsane AS. There were no other significant changes in corporate structure.

**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 2011.

**Note 5** Transactions with related parties

The following transactions with related parties were executed/agreed as at 31 December 2012:

Transactions	Counterparty	Counterparty to	Amount
Current lease agreements	Companies in Thon Gruppen AS	Olav Thon	55
Current operating and administrative agreements	Thon Eiendomsdrift AS	Olav Thon	55

**Note 6** Long-term debt

	31.12.2012	31.12.2011
Bond loans	1 840	850
Credit institutions	9 819	10 424
Other debt	64	51
Non interest-bearing debt (fair value interest rate swaps)	1 309	951
Total	<b>13 032</b>	<b>12 276</b>

With effect from the fourth quarter of 2012, the Group's certificate loans were classified as current debt.

<b>Note 7</b>	<b><u>Current liabilities</u></b>	<b>31.12.2012</b>	<b>31.12.2011</b>
	Interest-bearing certificate loans	1 570	1 475
	Other interest-bearing current liabilities	1 005	1 224
	Trade creditors	152	150
	Current taxes	197	72
	Other current liabilities	1 031	1 084
	<b>Total</b>	<b>3 955</b>	<b>4 005</b>

**Note 8** **Segment information**

As at 31 December 2012, the Group has activities within two str  
This is based on the same reporting as the internal management reporting.

These two segments are:

- \* Shopping centres
- \* Commercial property

**Segment income as at 31 December 2012**

	<b>Shopping centres</b>	<b>Commercial property</b>	<b>Other activity</b>	<b>Not allocated</b>	<b>Group</b>
Gross rental income	1 567	420			1 987
Other property operating income	453	49			501
Property operating expenses	-554	-131			-685
<b>Net rental income</b>	<b>1 465</b>	<b>338</b>	<b>0</b>	<b>0</b>	<b>1 803</b>
Fair value adjustments of investment properties	721	182			902
Share of profits of associates	18	0			18
Other operating income	339	47	73		459
Other operating expenses	-270	-39	-55		-363
Administrative expenses	-95	-17			-112
Ordinary depreciation	-11	0			-11
<b>Net operating income</b>	<b>2 168</b>	<b>511</b>	<b>18</b>	<b>0</b>	<b>2 697</b>
Financial income				19	19
Fair value adjustments of interest rate derivatives				-356	-356
Financial expenses				-674	-674
<b>Income before tax</b>	<b>2 168</b>	<b>511</b>	<b>18</b>	<b>-1 011</b>	<b>1 685</b>
Total tax expenses				-470	-470
<b>Net income for the period</b>					<b>1 215</b>

**Segment income as at 31 December 2011**

	<b>Shopping centres</b>	<b>Commercial property</b>	<b>Other activity</b>	<b>Not allocated</b>	<b>Group</b>
Gross rental income	1 479	410			1 889
Other property operating income	453	43			496
Property operating expenses	-577	-108			-685
<b>Net rental income</b>	<b>1 355</b>	<b>345</b>	<b>0</b>	<b>0</b>	<b>1 700</b>
Fair value adjustments of investment properties	395	160			555
Share of profits of associates	54	0			54
Other operating income	364	36	49		449
Other operating expenses	-297	-33	-35		-365
Administrative expenses	-87	-14			-101
Ordinary depreciation	-11	-1			-12
<b>Net operating income</b>	<b>1 773</b>	<b>493</b>	<b>14</b>	<b>0</b>	<b>2 280</b>



<b>Note 8</b>	Financial income				19	19
<b>continued</b>	Fair value adjustments of interest rate derivatives				-580	-580
	Financial expenses				-668	-668
	<b>Income before tax</b>	<b>1 773</b>	<b>493</b>	<b>14</b>	<b>-1 229</b>	<b>1 051</b>
	Total tax expenses				-281	-281
	<b>Net income for the period</b>					<b>770</b>

**Note 9**     **Investment property**

	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>Opening balance</b>	<b>28 303</b>	<b>27 003</b>
Additions through acquisitions/expenditure	1 285	746
Change in fair value, recognised as profit (loss) during the period	902	555
Changes due to reclassification	0	0
Other changes	-1	-1
<b>Closing balance</b>	<b>30 490</b>	<b>28 303</b>

**Note 10**     **Shares**

No shares were issued during 2012.

**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**     **Changes in comparative figures**

Due to changes in the reporting policies, there are a number of minor non-conformities between the financial figures for 2011 in the Annual Report for 2011 and the comparative figures for 2011 in this interim report.

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