

REPORT FOR Q3
2017

OLAV THON
EIENDOMSSKAP ASA



KEY FIGURES

Amounts in NOK million	30.09.17	30.09.16	31.12.16
Net rental income	1 822	1 688	2 243
Fair value adjustments in investment properties and interest rate derivatives ¹⁾	2 045	1 332	2 984
Profit before taxes	3 336	2 457	4 472
Profit before tax and fair value adjustments ¹⁾	1 291	1 125	1 488
Equity per share (NOK)	219	181	197
Equity ratio	43 %	40 %	41 %
Non-current net asset value per share (NOK) (EPRA NNAV) ²⁾	266	223	241
Net cash flow from operations	1 198	886	1 234
Cash reserves ³⁾	6 973	5 478	4 950
Amortisation next 12 months	6 594	6 789	4 669
Interest-bearing debt ⁴⁾	21 557	19 704	21 252
Interest rate as at 30.09 / 31.12	3,04 %	3,28 %	3,24 %
Loan to value ratio ⁵⁾	42 %	43 %	44 %
Net investments ⁶⁾	1 312	2 023	4 239
Investment properties	50 358	44 932	47 695
Annual rental income ⁷⁾	2 890	2 685	2 850
Yield	5,16 %	5,40 %	5,32 %
Sales, owned shopping centres	35 236	34 165	50 475
Sales, managed shopping centres	9 151	8 564	12 442
Share price as at 30.09 / 31.12 (NOK)	163,0	165,0	160,0

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

1) Including value adjustments in joint ventures and associated companies

2) (Majority share of equity + deferred tax liabilities - fair value of debt (deferred tax 7%)) / Number of shares

3) Bank deposits etc. + Undrawn borrowing facilities

4) Unsecured part of interest-bearing debt NOK 6,008 million (30.09.2017), NOK 4,002 million (30.09.2016) and NOK 3,460 million (31.12.2016), respectively

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

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

7) Includes market rent for vacant premises



OLAV THON EIENDOMSSSELKAP ASA

Report for Q3 2017

Olav Thon Eiendomsselskap once again posted a good result in the third quarter, marked by substantial fair value adjustments in the Group's investment properties and increased rental income.

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

- Rental income was NOK 693 (650) million. Annual rental income was NOK 2,890 (2,685) million and the vacancy rate 2.7% (3.1%).
- Profit before tax amounted to NOK 1,261 (1,149) million.
- Profit before tax and fair value adjustments increased by 6% to NOK 430 (404) million.
- Net cash flow from operations was NOK 459 (296) million.
- The Group's equity ratio at the end of the third quarter was 43% (40%), and equity per share had risen to NOK 219 (181).
- Liquidity reserves ended the quarter at NOK 6,974 (5,478) million.
- Sales in the shopping centre portfolio owned by the Group were NOK 12.3 (11.8) billion.

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

Torggata by night, Oslo



Statement of financial position as at 30 September 2017

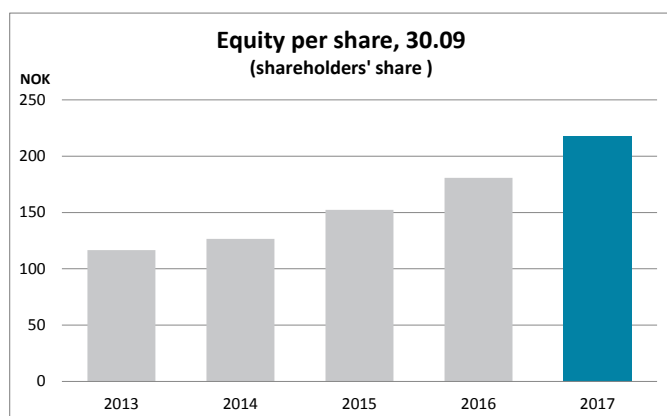
The Group's total assets were NOK 55,563 (48,896) million, with investment properties accounting for NOK 50,358 (44,392) million of that figure.

Equity amounted to NOK 23,646 (19,651) million and the equity ratio was 43% (40%).

Equity per share (majority share) was NOK 219 (181), while the triple net asset value per share was calculated at NOK 266 (223).

Interest-bearing debt was NOK 21,557 (19,704) million, with a loan to value ratio ²⁾ of 42% (43%).

The Group's share of the recorded equity in joint ventures and associated companies was NOK 2,781 (2,484) million.



Equity per share increased by 86 % during the period.

Summary of the results for Q3

Profit before tax amounted to NOK 1,261 (1,149) million.

Fair value adjustments in investment properties and interest rate derivatives amounted to NOK 831 (743) million. ³⁾

Profit before tax and fair value adjustments therefore amounted to NOK 430 (407) million.

Rental income and property-related expenses

Rental income was NOK 693 (650) million. The increase from the previous year is explained by new properties and completed property projects.

Other property-related income amounted to NOK 180 (171) million and consisted mainly of payments from the Group's tenants to cover property service charges and the operation of shopping centre associations.

Property-related expenses amounted to NOK 269 (244) million, including the above-mentioned service charges of NOK 172 (172) million.

Maintenance expenses for the property portfolio amounted to NOK 45 (43) million.

Net rental income was therefore NOK 604 (577) million.

Fair value adjustments, investment properties

The value of the Group's investment properties increased by NOK 806 (560) million.

The increase in market value was due to both a lower average yield and increased rental income in the property portfolio.

Share of the results of joint ventures and associated companies

The Group's share of the results from joint ventures and associated companies amounted to NOK 40 (30) million.

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

Other operating income and expenses

Other operating income amounted to NOK 33 (34) million and consisted mainly of income from property management for external owners and sales revenue from other activities.

²⁾ See page 2 for definition

³⁾ Includes joint ventures and associated companies

Other operating and administrative expenses amounted to NOK 69 (66) million, while scheduled depreciation amounted to NOK 7 (6) million.

Financial income and expenses

Net financial expenses amounted to NOK 165 (172) million. A drop in the Group's average interest rate has contributed to a decrease in financial expenses despite increased interest-bearing debt.

The Group's average interest rate for the third quarter was 3.06% (3.30%).

Fair value adjustments, interest rate derivatives

Long-term market interest rates in Norway and Sweden were stable in the third quarter.

In Norway, the ten-year swap rate rose by 0.01 of a percentage point to 1.95%, while the corresponding rate in Sweden rose by 0.04 of a percentage point to 1.25%.

As a consequence of the interest rate movements, the fair value of the Group's interest rate derivatives increased by NOK 17 (190) million.

Cash flow and liquidity Third quarter

Net cash flow from operations was NOK 459 (296)



million, while changes in working capital amounted to NOK -64 (24) million.

Net cash flow from operating activities was therefore NOK 395 (320) million.

Net cash flow from investing activities was NOK -263 (-92) million, while financing activities reduced cash by NOK 77 (-173) million.

The Group's cash increased by NOK 55 (55) million in the third quarter.

Therefore, at the end of the quarter, the Group's liquidity reserves were NOK 6,974 (5,478) million and consisted of short-term investments of NOK 256 (236) million and undrawn long-term credit facilities of NOK 6,718 (5,242) million.

Investments

The Group's net investments for the third quarter were NOK 366 (421) million.

Total investments for the first three quarters of the year were NOK 1,312 (2,023) million.

Universitetsgata 26, Oslo



Major property projects ⁴⁾

Under construction

- **Vitaminveien 11, Oslo**
Properties with a combined area of approx. 60,000 sq. m., including a 9,000 sq. m. parking facility, are being constructed in a block next to Storo Storsenter in Nydalen. The buildings will be completed in 2018 and 2019 and will house a 321-room hotel, Norway's largest cinema complex, 149 residential units, and other office and retail space.
- **Amfi Moa, Ålesund**
A 36,000 sq. m. commercial building is under construction at Amfi Moa, which includes 12,000 sq. m. of parking space. The building will connect Amfi Moa Øst and Amfi Moa Syd, and is planned for completion in the fourth quarter of 2018.
- **Oasen Storsenter**
The centre is being refurbished and expanded by approx. 4,200 sq. m. of retail space and 3,000 sq. m. of parking space. The project is scheduled for completion in the fourth quarter of 2018.
- **Amfi Steinkjer, Steinkjer**
The shopping centre is being renovated and extended with a new, 5,200 sq. m. building. An older part of the centre will be demolished and the retail space will then be increased by approximately 3,400 sq. m. The project is scheduled for completion in the fourth quarter of 2018.

Under construction in joint ventures and associated companies

- **Jessheim Storsenter, Ullensaker**
In connection with the part of Jessheim Storsenter in which the Group has a 34% stake, a new, 15,000 sq. m. commercial property and a 32,000 sq. m. parking facility were completed in October 2017.

The project also includes the construction of 129 residential units in various phases, with the first phase scheduled for completion in December 2017.
- **Lagunen Storsenter, Bergen (42 % stake)**
The centre is being expanded by approx.

40,000 sq. m. of rentable space, as well as approx. 10,000 sq. m. of parking space. The project will be completed in 2018 and 2019.

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

Property portfolio as at 30 September 2017

Investment properties are carried at fair value. Information on the valuation model and the variables used in the valuation can be found on pages 25 and 43-45 in the Norwegian 2016 annual report.

The property portfolio was valued at NOK 50,358 (44,932) million, based on an average yield of 5.16% (5.40%).

Average yields by property segment were as follows:

- Shopping centre property 5.22% (5.39%)
- Other commercial property 4.96% (5.44%)

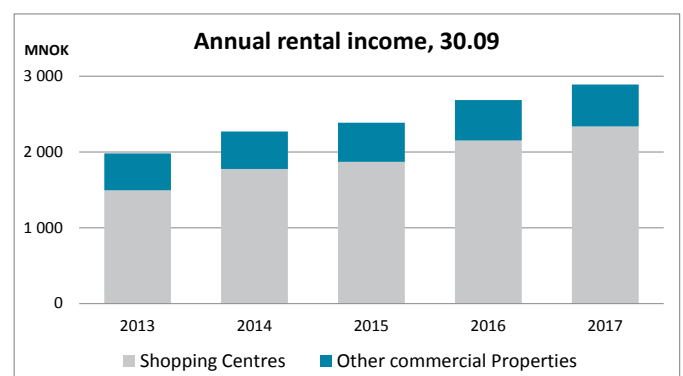
Annual rental income was NOK 2,890 (2,685) million, with the following segment distribution:

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

The vacancy rate in the property portfolio was 2.7% (3.1%).

Rental income has increased due to new properties, completed property projects and general rental growth.

In addition, the Group's share of the rental income of joint ventures and associated companies was NOK 280 (265) million, while the value of the property portfolio was NOK 4,493 (4,047) million.



The rental income of the property portfolio increased by 43 % during the period.

⁴⁾ Over 50 millions

The shopping centre business area

At the end of the quarter, the shopping centre portfolio comprised 97 shopping centres, 29 of which are managed for external owners.

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

Shopping centres owned by the Group

In the third quarter, total retail sales in the shopping centre portfolio owned by the Group were NOK 12.3 (11.8) billion, while retail sales in the first nine months of the year were NOK 35.2 (34.2) billion.

Norway

The Group's Norwegian shopping centres reported retail sales of NOK 11.5 (10.9) billion for the third quarter. Retail sales in the year-to-date were NOK 32.6 (31.3) billion.

Sweden

Retail sales in the shopping centres in Sweden were SEK 0.9 (0.9) billion in the third quarter and SEK 2.7 (2.8) billion in the first nine months of the year.

Shopping centres managed for other owners

Retail sales in the third quarter were NOK 3.4 (3.0) billion and for the first three quarters of the year they were NOK 9.2 (8.6) billion.

Risk factors

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

The property market

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

Changes in yield and market rents have a direct effect on the value of the property portfolio.

Calculations of these effects can be found on page 45 in the Norwegian 2016 annual report and on the company's website: www.olt.no.

The valuation as at 30 September 2017 was based on an average yield of 5.16%. The yield has varied between 5.16% and 5.75% over the last three years.

The financial markets

The most significant financial risk for Olav Thon Eiendomsselskap is considered to be the Group's access to financing in the banking and capital markets.

The Group's financing is described in more detail in the next section, and further information about financial risk management can be found on page 46 in the Norwegian 2016 annual report and the company's website: www.olt.no.

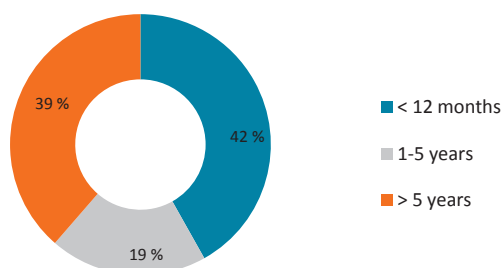
The Group's interest rate derivatives (interest rate swaps) are carried at fair value. Interest rate swaps are mainly used to hedge the Group's long-term fixed interest rates and ensure a predictable cash flow.

At the end of the quarter, the portfolio of interest rate swaps entered into for this purpose was NOK 11,115 (11,074) million and had a fair value of NOK -1,808 (-2,412) million.

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

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

Interest rate maturity structure



58% of interest-bearing debt has an fixed-interest period of over five years, and the average fixed-interest period is 4 years.

Norway: NOK 9,110 (6,450) million
Sweden: SEK 3,750 (2,400) million

Total credit facilities were NOK 28,275 (24,949) million, NOK 6,718 (5,242) million of which was undrawn.

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

The debt had an average remaining term of 2.4 (2.4) years. 31% (30%) of the debt due falls for repayment within one year.

At the end of the third quarter, the Group had a fixed-rate ratio of 59% (56%), with an average fixed-rate period of 4.0 (4.5) years.

The Group's average interest rate was 3.04% (3.28%), divided into the following currencies:

Financing

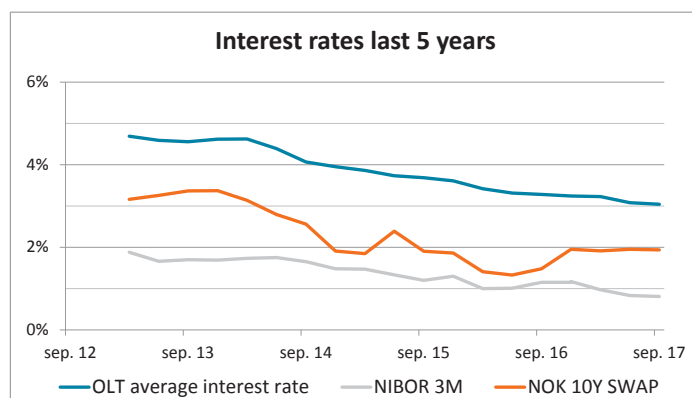
The Group's debt portfolio consists of long-term credit facilities with Nordic banks and direct borrowing in the capital markets in Norway and Sweden.

Access to financing is still considered extremely good and credit spreads in the capital markets contracted in the third quarter.

The Group's primary funding sources in the third quarter were the capital markets in Norway and Sweden, in which new borrowing of NOK 2,550 million and SEK 1,600 million was raised. A financing agreement was also entered into with a Nordic bank with a long-term credit limit of NOK 1,200 million.

At the end of the quarter, the outstanding certificate and bond debt amounted to NOK 12,768 (8,692) million, distributed as follows:

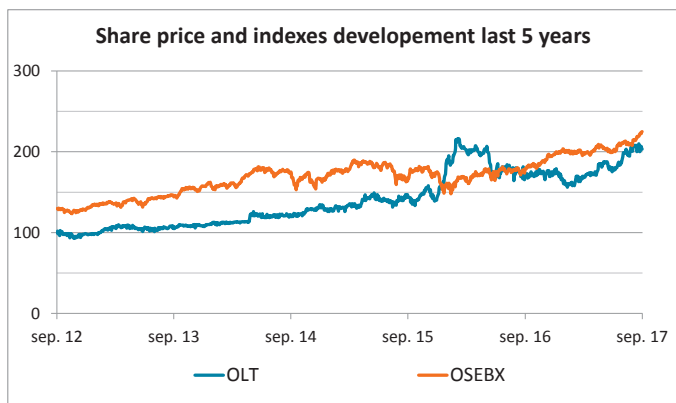
Valuta	Andel av gjeld	Gjennomsnittsrente
NOK	83 %	3,52 %
SEK	17 %	0,71 %



At 30.09.17, the Group's average interest rate ⁵⁾ 3.04 %.

⁵⁾ From Q3 2014 loans in NOK and SEK





Over the past five years, the price of Olav Thon Eiendomsselskap share has increased by 90 %.

At the end of the quarter, the company's market capitalisation was NOK 17.4 (17.6) billion and the company's largest shareholders were:

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

Shares and shareholders

The price of the Olav Thon Eiendomsselskap share was NOK 163.5 at the end of the third quarter, having started the quarter at NOK 168.

The company's shares generated a total return of 3% (including dividend) in the first nine months of the year, while the main index of the Oslo Stock Exchange rose by 15%.

1.7 (1.3) million shares were traded in the third quarter with 7,863 (2,260) trades in the share on the Oslo Stock Exchange.

In the first nine months of the year seen as a whole, 5.2 (4.8) million shares were traded, with 15,045 (6,650) trades in the share on the Oslo Stock Exchange.

The highest and lowest prices in the quarter were NOK 172 and NOK 160, respectively.

Outlook

Growth in the Norwegian economy is increasing and most areas of the economy are developing positively. Nonetheless, less activity in the oil sector is contributing to relatively moderate growth prospects for the next few years and Norges Bank is indicating that interest rates will be kept low going forward.

Demand for commercial property in Norway is still strong and, given the expectation of continued low interest rates, is also expected to remain strong.

Growth in private consumption is expected to increase over time, and a positive trend in retail sales is expected. E-commerce is expected to get a higher rate of growth than the remaining retail trade in the period ahead, but the share of e-commerce in retail is still low. The shopping centers are positioning and adapting to the digitization of retail trade, and the prospects are therefore considered satisfactorily for the group's shopping centers portfolio.

Åsane Storsenter, Bergen



The vacancy rate in the Oslo area office market is falling and rental prices are developing positively in most areas of the city. A low level of new construction and high demand for office premises are expected to contribute to a continued positive office market.

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

Oslo, 8 November 2017

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 2nd quarter is true translation. However, in case of any discrepancy, the Norwegian version takes place.



Illustration: Stortunet, Vitaminveien 11, Oslo



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	3. quarter 2017	3. quarter 2016	Per 30.09.2017	Per 30.09.2016	Per 31.12.2016
Rental income	5, 8	693	650	2 071	1 918	2 590
Other property-related income	8	180	171	607	596	835
Property-related expenses	8	-269	-244	-857	-826	-1 183
Net rental income		604	577	1 822	1 688	2 243
Fair value adjustments, investment property	9	806	560	1 859	1 619	2 651
Results from joint ventures and associates	11	40	30	159	154	315
Other operating income	8	33	34	122	107	153
Other operating expenses	8	-30	-31	-94	-91	-131
Administrative expenses	5, 8	-39	-35	-120	-105	-141
Depreciation		-7	-6	-20	-18	-28
Operating profit		1 408	1 129	3 728	3 354	5 062
Financial income		0	1	5	4	8
Fair value adjustments, interest rate derivatives		18	190	122	-363	119
Financial expenses		-165	-172	-518	-538	-714
Profit before tax		1 261	1 149	3 336	2 457	4 474
Income taxes		-282	-252	-779	-549	-866
Profit for the period		979	897	2 557	1 908	3 607
Other Comprehensive income						
<i>Items to be reclassified to P&L in subsequent periods:</i>						
Exchange differences, from foreign operations		30	29	-38	113	-28
Hedging of net investment		-26	-64	38	-149	-126
Change in deferred tax on other comprehensive income		-7	-7	9	-28	-23
Total comprehensive income		975	855	2 566	1 843	3 430
Profit for the periode attributable to:						
Shareholders of the parent		948	904	2 512	1 891	3 573
Non-controlling interests		30	-7	45	17	34
Total comprehensive income attributable to:						
Shareholders of the parent		945	862	2 521	1 827	3 396
Non-controlling interests		30	-7	45	17	34
Earnings per share, basic and diluted (NOK)		9	8	24	17	32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	Per 30.09.2017	Per 30.09.2016	Per 31.12.2016
ASSETS				
Deferred tax asset		550	583	550
Investment properties	3, 9	50 358	44 392	47 695
Other fixed assets		93	93	98
Investments in joint ventures and associates	11	2 781	2 484	2 646
Other non-current assets		234	185	198
Total non-current assets		54 016	47 737	51 187
Trade and other current receivables		1 291	923	1 017
Bank deposits and cash		256	236	325
Total current assets		1 547	1 159	1 342
Total assets		55 563	48 896	52 529
EQUITY AND LIABILITIES				
Majority share of equity		23 151	19 221	20 950
Non-controlling interests		494	430	447
Total equity		23 646	19 651	21 397
Deferred tax liabilities		7 020	6 266	6 494
Non-current liabilities	6	16 774	15 357	18 516
Current liabilities	7	8 123	7 622	6 122
Total liabilities		31 918	29 245	31 132
Total equity and liabilities		55 563	48 896	52 529

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium reserve	Exchange differences from foreign operations	Retained earnings	Non-controlling interests	Total
Equity 31.12.2015	106	318	6	17 194	416	18 040
Profit for the period				1 908	17	1 925
Other Comprehensive income			113	-28		84
Acquisitions of own shares				-13		-13
Other changes				4	-2	2
Equity 30.09.2016	106	318	119	19 064	430	20 038
Profit for the period				1 665	18	1 683
Other Comprehensive income			-141	5		-136
Dividends paid				-190		-190
Other changes				2	0	2
Equity 31.12.2016	106	318	-22	20 547	447	21 397
Profit for the period				2 512	45	2 557
Other Comprehensive income			0	9		9
Acquisitions of own shares				-100		-100
Dividends paid				-205		-205
Other changes				-13	2	-11
Per 30.09.2017	106	318	-22	22 749	494	23 646

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	3. quarter 2017	3. quarter 2016	Per 30.09.2017	Per 30.09.2016	Per 31.12.2016
Net cash flow from operations	459	296	1198	886	1334
Change in working capital	-64	24	-422	77	446
Net cash flow from operating activities	395	320	776	963	1 780
Payment on the sale of tangible fixed assets					3
Acquisition of investment properties	-243	-160	-725	-767	-962
Acquisition of subsidiaries			-9		-2 168
Other investments		68		-436	-259
Net cash flow from investing activities	-263	-92	-754	-1 203	-3 387
Proceeds from interest-bearing liabilities	3 322	2 216	8 758	6 740	11 549
Repayment of interest-bearing liabilities	-3 400	-2 389	-8 544	-6 260	-9 604
Dividends paid	0	0	-215	-192	-194
Acquisition of own shares	0	0	-100	0	-13
Net cash flow from financing activities	6, 7	-77	-173	288	1 738
Net change in cash	55	55	-78	48	132
Cash at beginning of period	193	187	325	191	191
Currency effects	9	-6	10	-3	3
Cash at end of period	257	236	257	236	325

NOTES TO THE ACCOUNTS 30. SEPTEMBER 2017

(NOK million)

Note 1 GENERAL INFORMATION

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

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

The Group has activities in Norway and Sweden.

Note 2 ACCOUNTING PRINCIPLES

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

The 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 2016 annual report.

The interim financial statements were adopted by the Board November 11th 2017.

The report has not been audited.

Note 3 CHANGES IN GROUP STRUCTURE

There are no significant changes in the group structure during the first nine months of the year.

Note 4 ESTIMATES

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

In preparing these interim financial statements, management has used the same judgements regarding application of accounting principles that were used in the consolidated financial statements for 2016.

Note 5 RELATED PARTY TRANSACTIONS

Transactions	Counterparty	Counterparty associate of	30.09.2017	30.09.2016	31.12.2016
Current leases	Companies in Olav Thon Gruppen AS	Olav Thon Foundation	40	42	53
Current operating and administration agreements	Thon Eiendomsdrift AS	Olav Thon Foundation	76	59	87

Note 6 NON-CURRENT LIABILITIES

	30.09.2017	30.09.2016	31.12.2016
Bonds	7 456	4 771	6 681
Other interest-bearing liabilities	7 508	8 147	9 903
Non-interest-bearing liabilities (fair value interest rate swaps)	1 808	2 412	1 930
Other liabilities	2	27	3
Total	16 774	15 357	18 516

Note 7 CURRENT LIABILITIES

	30.09.2017	30.09.2016	31.12.2016
Commercial paper debt	4 052	2 751	2 377
Bonds	1 260	1 170	855
Interest-bearing current liabilities	1 281	2 865	1 437
Trade payables	177	145	237
Accrued interest	59	49	44
Duties payable	151	171	109
Income tax payable	229	-72	19
Other current liabilities	913	543	1 044
Total	8 123	7 622	6 122

Note 8 BUSINESS SEGMENTS

At 30 September 2017, the Group has activities within two strategic business segments.

The two operating segments are:

- * Shopping centres
- * Commercial property

The two geographical segments are:

- * Norway
- * Sweden

Segment reporting is based on internal management reporting.

Business segments	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
3. quarter 2017							
Rental income	545	148		693	641	52	693
Other property-related income	166	13		180	162	18	180
Property-related expenses	-225	-44		-269	-242	-27	-269
Net rental income	486	118	0	604	562	42	604
Fair value adjustments, investment property	467	339		806	809	-3	806
Results from joint ventures and associates	40			40	40		40
Other operating income	16		17	33	33		33
Other operating expenses	-13		-17	-30	-30		-30
Administrative expenses	-33	-6		-39	-36	-3	-39
Depreciation	-5	-2		-7	-7	0	-7
Operating profit	959	449	0	1408	1372	36	1408
3. quarter 2016							
Rental income	506	143	0	650	586	64	650
Other property-related income	150	21	0	171	161	10	171
Property-related expenses	-202	-42	0	-244	-212	-32	-244
Net rental income	455	123	0	577	535	43	577
Fair value adjustments, investment property	189	370		560	486	74	560
Results from joint ventures and associates	30			30	30		30
Other operating income	18		16	34	34		34
Other operating expenses	-15		-16	-31	-31		-31
Administrative expenses	-35	0		-35	-33	-2	-35
Depreciation	-4	-2		-6	-6	0	-6
Operating profit	639	490	0	1129	1014	114	1129

Per 30.09.2017	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	1 613	458		2 071	1 918	153	2 071
Other property-related income	557	50		607	553	55	607
Property-related expenses	-698	-159		-857	-774	-83	-857
Net rental income	1 472	350	0	1 822	1 697	125	1 822
Fair value adjustments, investment property	1 198	661		1 859	1 874	-15	1 859
Results from joint ventures and associates	159			159	159		159
Other operating income	59		63	122	122		122
Other operating expenses	-40		-54	-94	-94		-94
Administrative expenses	-101	-19		-120	-109	-11	-120
Depreciation	-14	-6		-20	-20	0	-20
Operating profit	2 733	986	9	3 728	3 629	99	3 728
Per 30.09.2016							
Rental income	1 486	431		1 918	1 760	158	1 918
Other property-related income	535	61		596	526	70	596
Property-related expenses	-663	-163		-826	-720	-106	-826
Net rental income	1 358	330	0	1 688	1 565	122	1 688
Fair value adjustments, investment property	999	620		1 619	1 479	140	1 619
Results from joint ventures and associates	154			154	154		154
Other operating income	55		52	107	107		107
Other operating expenses	-42		-48	-91	-91		-91
Administrative expenses	-88	-17		-105	-96	-9	-105
Depreciation	-11	-7		-18	-18	0	-18
Operating profit	2 424	926	4	3 354	3 100	254	3 354
Per 31.12.2016							
Per 31.12.2016	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 013	578		2 590	2 387	204	2 590
Other property-related income	755	80		835	739	96	835
Property-related expenses	-959	-224		-1 183	-1 039	-144	-1 183
Net rental income	1 809	434	0	2 243	2 087	156	2 243
Fair value adjustments, investment property	1 737	914		2 651	2 503	148	2 651
Results from joint ventures and associates	315			315	315		315
Other operating income	77		76	153	153		153
Other operating expenses	-57		-73	-131	-131		-131
Administrative expenses	-120	-21		-141	-126	-15	-141
Depreciation	-15	-13		-28	-28	0	-28
Operating profit	3 746	1 313	3	5 062	4 774	288	5 062

Note 9 INVESTMENT PROPERTY

	30.09.2017	30.09.2016	31.12.2016
Opening balance	47 695	40 177	40 177
Acquisitions/expenditure on properties	805	2 590	4 869
Change in fair value recognised in the period	1 859	1 619	2 651
Other changes	0	5	-1
Closing balance	50 358	44 392	47 695

Note 10 SUBSEQUENT EVENTS

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

Note 11 JOINT VENTURES AND ASSOCIATED COMPANIES

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

Joint ventures	3. quarter 2017	3. quarter 2016	30.09.2017	30.09.2016	31.12.2016
Net rental income	80	82	253	251	345
Fair value adjustments, investment property	7	-3	47	55	179
Fair value adjustments, interest rate derivatives	0	5	4	-5	12
Expenses	-54	-50	-176	-181	-262
Profit	34	34	129	120	274
Investment properties			3 579	3 233	3 376
Other assets			218	248	212
Total assets			3 797	3 481	3 588
Equity			2 264	2 009	2 155
Non-current liabilities			1 409	1 316	1 315
Current liabilities			124	155	118
Total equity and liabilities			3 797	3 480	3 588
Associated companies	3. quarter 2017	3. quarter 2016	30.09.2017	30.09.2016	31.12.2016
Net rental income	14	12	41	38	53
Fair value adjustments, investment property	0	-10	13	26	24
Fair value adjustments, interest rate derivatives	0	0	0	0	0
Expenses	-6	-7	-24	-31	-36
Profit	7	-5	30	33	41
Investment properties			914	814	846
Other assets			141	81	99
Total assets			1 054	895	945
Equity			517	476	491
Non-current liabilities			357	350	353
Current liabilities			181	69	102
Total equity and liabilities			1 054	895	945

Amounts in NOK million

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

Fair value adjustments in investment properties and interest rate derivatives

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

	3. quarter		30.09.2017	30.09.2016	31.12.2016
	2017	2016			
Fair value adjustments, investment property from profit and loss	806	560	1 859	1 619	2 651
Fair value adjustments, investment property - Joint ventures	7	-3	47	55	179
Fair value adjustments, investment property - Associated companies	0	-10	13	26	24
Fair value adjustments, interest rate derivatives from profit and loss	18	190	122	-363	119
Fair value adjustments, interest rate derivatives - Joint ventures	0	5	4	-5	12
Fair value adjustments in investment property and interest rate derivatives	831	742	2 045	1 332	2 984

Profit before tax and fair value adjustments

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

	3. quarter		30.09.2017	30.09.2016	31.12.2016
	2017	2016			
Profit before tax	1 261	1 149	3 336	2 457	4 474
derivatives	-831	-742	-2 045	-1 332	-2 984
Profit before tax and fair value adjustments	430	407	1 291	1 125	1 489

Non-current net asset value per share

Normalised net asset value per share after taking into account a fair value assessment of the deferred tax liabilities.

	30.09.2017	30.09.2016	31.12.2016
Majority share of equity	23 151	19 221	20 950
Deferred tax liabilities	7 006	6 259	6 487
Fair value of debt - deferred tax liabilities - 7%	-2 044	-1 753	-1 816
Non-current net asset value	28 114	23 728	25 621
Number of shares (own shares not included)	105 745 320	106 345 320	106 345 320
Non-current net asset value per share in NOK	266	223	241

Interest-bearing debt

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

	30.09.2017	30.09.2016	31.12.2016
Bonds, non-current	7 456	4 771	6 681
Bonds, current	1 260	1 170	855
Commercial paper debt, current	4 052	2 751	2 377
Other interest-bearing liabilities, non-current	7 508	8 147	9 903
Other interest-bearing liabilities, current	1 281	2 865	1 437
Interest-bearing debt	21 557	19 704	21 252
Bank deposits and cash	-256	-236	-325
Net interest-bearing debt	21 301	19 468	20 927



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