

REPORT FOR Q4
AND PRELIMINARY
YEAR-END RESULTS
2017

OLAV THON
EIENDOMSSKAP ASA



KEY FIGURES

Amounts in NOK million

	Q4 2017	Q4 2016	31.12.17	31.12.16
Net rental income	637	555	2 459	2 243
Fair value adjustments in investment properties and interest rate derivatives ¹⁾	398	1 652	2 443	2 984
Profit before taxes	868	2 008	4 204	4 465
Profit before tax and fair value adjustments ¹⁾	469	356	1 761	1 481
Equity per share (NOK)			227	197
Equity ratio			43 %	41 %
Non-current net asset value per share (NOK) ²⁾			274	241
Net cash flow from operations	435	429	1 626	1 315
Cash reserves ³⁾			8 137	4 950
Amortisation next 12 months			7 578	4 669
Interest-bearing debt ⁴⁾			21 713	21 252
Interest rate as at 31.12			2,98 %	3,24 %
Loan to value ratio ⁵⁾			42 %	44 %
Net investments ⁶⁾	506	2 217	1 818	4 239
Investment properties			51 435	47 695
Annual rental income ⁷⁾			2 910	2 850
Yield			5,17 %	5,32 %
Sales, owned shopping centres	15 535	15 244	50 768	50 380
Sales, managed shopping centres	4 122	3 987	13 273	12 551
Share price as at 31.12 (NOK)			163,0	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 6,299 million (31.12.2017) 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 Q4 and preliminary year-end results 2017

Olav Thon Eiendomsselskap achieved a good result in the fourth quarter, with rental income growth and continued rises in property values.

Highlights of the Q4 report: ¹⁾

- Rental income was NOK 699 (661) million. Annual rental income at the end of the year was NOK 2,910 (2,850) million and the vacancy rate 2.7% (3.6%).
- Profit before tax amounted to NOK 868 (2,008) million.
- Profit before tax and fair value adjustments amounted to NOK 469 (356) million.
- Net cash flow from operations was NOK 435 (429) million.
- At the end of the year, the Group's equity ratio was 43% (41%), and equity per share had risen to NOK 227 (197).
- The cash reserves at the end of the year amounted to NOK 8,137 (4,951) million.
- Sales in the shopping centre portfolio owned by the Group were NOK 15.5 (15.3) billion.
- The Board proposes a dividend payment of NOK 2.20 (2.00) per share for 2017.

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

AMFI Kanebogen, Harstad



Statement of financial position as at 31 December 2017

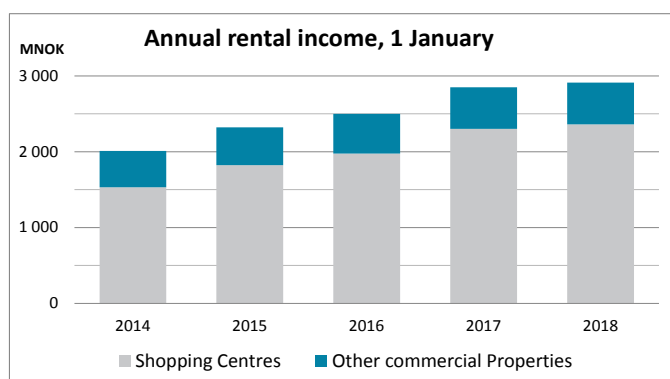
The Group's total assets were NOK 56,561 (52,529) million, with investment properties accounting for NOK 51,435 (47,695) million of that figure.

Equity amounted to NOK 24,559 (21,397) million and the equity ratio was 43% (41%).

Equity per share (majority share) was NOK 227 (197), while the triple net asset value per share was calculated at NOK 274 (241).

Interest-bearing debt was NOK 21,713 (21,252) million, with a loan to value ratio ²⁾ of 42% (44%).

The Group's investments in joint ventures and associated companies was NOK 2,824 (2,646) million.



The rental income of the property portfolio increased by 45 % during the period.

Summary of results for Q4

Profit before tax amounted to NOK 868 (2,008) million.

Fair value adjustments in investment properties and interest rate derivatives amounted to NOK 398 (1,652) million.

Profit before tax and fair value adjustments therefore amounted to NOK 469 (356) million.

Rental income and property-related expenses

Rental income amounted to NOK 699 (661) million. The increase from the corresponding period last year is explained by growth in rental income for existing properties and completed property projects.

Other property-related income amounted to NOK 238 (251) million and consisted mainly of payments from the Group's tenants to cover property service charges and operation of shopping centre associations.

Property-related expenses amounted to NOK 300 (357) million, including the above mentioned service charges of NOK 214 (209) million. The decrease was largely due to a significant reduction in maintenance costs in the property portfolio.

Net rental income was therefore NOK 637 (555) million.

Fair value adjustments, investment properties

The value of the Group's investment properties increased by NOK 357 (1,031) million.

The higher fair value was due to increased rental income in the property portfolio and gains from projects in progress.

Share of the results of joint ventures and associated companies

The Group's share of the results from joint ventures and associated companies was NOK 48 (161) 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 48 (46) million and consisted mainly of income from property management for external owners and sales revenue from other activities.

²⁾ See page 2 for definitions.

Other operating and administrative expenses amounted to NOK 86 (76) million, while scheduled depreciation amounted to NOK 7 (10) million.

Financial income and expenses

Net financial expenses amounted to NOK 173 (181) million. A drop in the Group's average interest rate has contributed to a drop in financial expenses despite increased interest-bearing debt.

The Group's average interest rate for the fourth quarter was 3.02% (3.26%).

Fair value adjustments, interest rate derivatives

Long-term market interest rates in Norway and Sweden were fairly stable in the fourth quarter as well.

In Norway, the 10-year swap rate was unchanged at 1.94%, while the corresponding rate in Sweden fell by 0.05 of a percentage point to 1.20%.

The development in interest rates and the somewhat shorter remaining terms for the interest rate derivatives contributed to an increase in fair value of NOK 44 (482) million.

Preliminary annual results for 2017

Rental income amounted to NOK 2,770 (2,579) million. The increase from 2016 was due to new



properties, completed property projects and rental growth in the property portfolio.

The value of the Group's investment properties rose by NOK 2,216 (2,651) million due to both a lower yield and higher rental income in the property portfolio.

Net financial expenses amounted to NOK 686 (716) million. The reduction was due to a lower average interest rate, although it was moderated by higher interest-bearing debt.

The fair value of the Group's interest rate derivatives increased by NOK 165 (119) million.

Profit before tax amounted to NOK 4,204 (4,465) million.

Fair value adjustments in investment properties and interest rate derivatives amounted to NOK 2,443 (2,984) million (inclusive of joint ventures and associated companies).



Profit before tax and fair value adjustments therefore amounted to NOK 1,761 (1,480) million.

Cash flow and liquidity

Q4

Net cash flow from operations was NOK 435 (429) million, while changes in working capital amounted to NOK 273 (388) million.

Net cash flow from operating activities was therefore NOK 708 (817) million.

Net cash flow from investing activities was NOK -676 (-2,198) million, while financing activities generated liquidity of NOK 92 (1,464) million.

Exchange rate effects amounted to NOK -16 (6) million and the Group's cash thereby increased by NOK 125 (82) million.

2017

Net cash flow from operations for the full year 2017 were NOK 1,626 (1,315) million.

In the same period, the change in working capital was NOK -179 (465) million, resulting in net cash flow from operating activities of NOK 1,447 (1,780) million.

Net cash flow from investing activities was NOK -1,392 (-3,388) million, while financing activities reduced cash by NOK 9 (1,738) million.

Exchange rate effects amounted to NOK -5 (3) million in 2017 and the Group's cash thereby increased by NOK 46 (131) million.

The Group's cash reserves ended the year at NOK 8,137 (4,951) million and consisted of short-term investments of NOK 366 (325) million and undrawn long-term credit facilities of NOK 7,771 (4,625) million.

Investments

The Group's net investments in the fourth quarter were NOK 506 (2,237) million. Total investments in 2017 amounted to NOK 1,818 (4,259) million.

³⁾ Over 50 million NOK

Major property projects ³⁾

Under construction

- **Vitaminveien 11, Oslo**
Next to Storo Storsenter in Nydalen, properties are being erected with a total area of around 60,000 sq. m. The buildings, which will be completed in 2018 and 2019, will contain a hotel with 321 rooms, Norway's largest cinema complex with 14 screens, 149 rental units, and other office and retail spaces.
- **Amfi Moa, Ålesund**
A 36,000 sq.m. commercial building is under construction at Amfi Moa that connects Amfi Moa Øst and Amfi Moa Syd. The building also includes 12,000 sq. m. of parking space. The project will be completed in the fourth quarter of 2018.
- **Oasen Storsenter, Haugesund**
The shopping centre is being refurbished and extended by around 4.200 sq. m. of retail space and 3.000 sq. m. of parking space. The project will be completed in the fourth quarter of 2018.
- **Amfi Steinkjer, Steinkjer**
The centre is being refurbished and expanded with a new 5,200 sq. m. building. An older section of the centre will be demolished and the retail space will thus increase by around 3,400 sq. m. The project will be completed 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 stake of 34%, a new 15,000 sq. m. commercial building and a 32,000 sq. m. car park were completed in the fourth quarter of 2017.

The project also includes the construction of 129 residential units in various phases, which will be completed in 2018 and 2019.
- **Lagunen Storsenter, Bergen (42 % eierandel)**
The shopping centre is being extended by around 40,000 sq. m., plus an additional 10,000 sq. m. of parking space. The project will be completed in various phases 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 31 December 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 51,508 (47,696) million, based on an average yield of 5.17% (5.32%).

Average yields by property segment were as follows:

- Shopping centre property 5.23% (5.34%)
- Other commercial property 4.93% (5.23%)

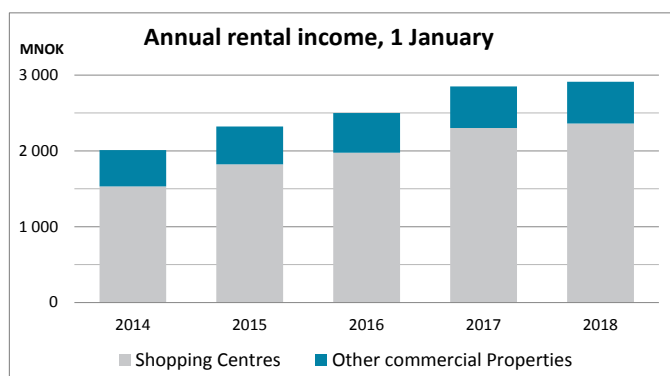
Annual rental income was NOK 2,910 (2,850) million, with the following segment distribution:

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

The vacancy rate in the property portfolio was 2.7% (3.6%).

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

In addition, the Group's share of the rental income of joint ventures and associated companies was NOK 290 (275) million, while the value of the property portfolio was NOK 4,600 (4,239) million.



The rental income of the property portfolio increased by 45 % during the period.

Shopping centres

At the end of the year, the shopping centre portfolio comprised 98 shopping centres, 30 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

The Group's shopping centre portfolio reported total retail sales of NOK 15.5 (15.2) billion for the fourth quarter, while sales for the full year 2017 were NOK 50.8 (50.4) billion.

The organic growth since 2016 is estimated at around 2%.

Norway

The Group's Norwegian shopping centres reported retail sales of NOK 14.5 (14.2) billion for the fourth quarter and NOK 47.1 (46.6) billion for the full year 2017.

Sweden

Retail sales in the shopping centres in Sweden in the fourth quarter were SEK 1.1 (1.1) billion and SEK 3.8 (3.9) billion in the full year 2017.

Shopping centres managed for other owners

Retail sales in this part of the portfolio were NOK 4.1 (4.0) billion for the fourth quarter and NOK 13.3 (12.6) billion for the full year 2017.

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 markets 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 of the Norwegian 2016 annual report and on the company's website: www.olt.no.

The valuation as at 31 December 2017 was based on an average yield of 5.17%. The yield has varied between 5.16% and 5.91% over the last 3 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.

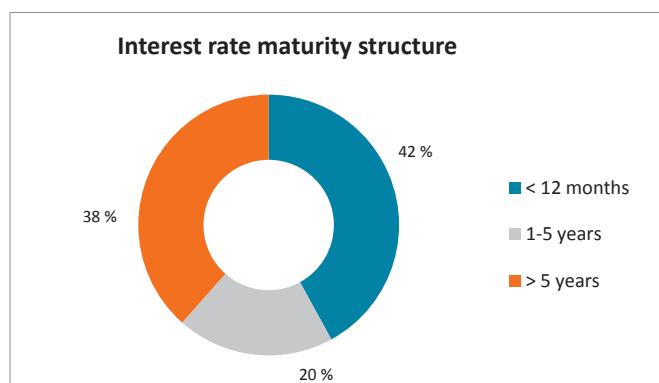
The Group's financing is described in more detail in the next section, and further information about financial risk management can be found on page 46 in the Norwegian 2016 annual report and the company's website: www.olt.no.

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

At year end, the portfolio of interest rate swaps entered into for this purpose was NOK 11,139 (11,091) million and had a fair value of NOK -1,765 (-1,930) 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 be changed by NOK 100-110 million.



58 % of interest-bearing debt has an fixed-interest period of over five years, and the average fixed-interest period is 3,8 years.

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 was considered very good in the fourth quarter as well, and credit margins in the capital and bank markets were stable.

The Group's primary funding sources in the fourth quarter were the capital markets in Norway and Sweden, in which new borrowing of NOK 800 million and SEK 1,050 million was raised.

At year end, the outstanding certificate and bond debt amounted to NOK 13,159 (9,913) million, distributed as follows:



Norway: NOK 9,410 (7,630) million
 Sweden: SEK 3,750 (2,400) million

Total credit facilities were NOK 28,275 (25,877) million, NOK 7,771 (4,625) million of which was undrawn.

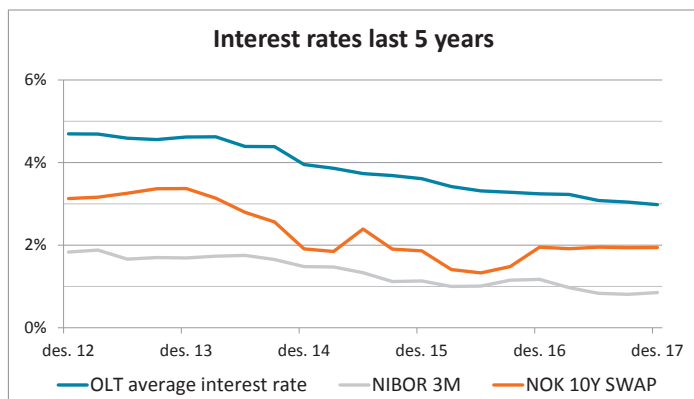
For details of the Group's interest-bearing debt, see notes 6 and 7 in the interim report.

The debt had an average remaining term of 2.4 (2.7) years. 35% (22%) of the debt falls due for repayment within 1 year.

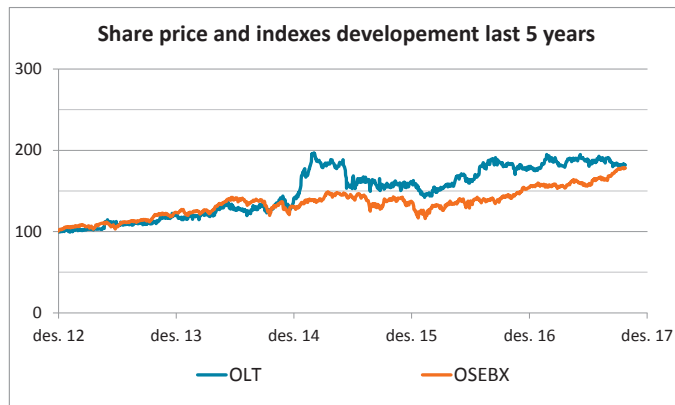
At the end of the year, the Group had a fixed-rate ratio of 58% (52%), with an average fixed-rate period of 3.8 (4.1) years.

The Group's average interest rate was 2.98% (3.24%), divided into the following currencies:

Valuta	Andel av gjeld	Gjennomsnittsrente
NOK	83 %	3,45 %
SEK	17 %	0,71 %



At 31 December 2017, the Group's average interest rate ⁴⁾ 2,98%.



Over the past five years, the price of Olav Thon Eiendomsselskap share has increased by 92 % incl. dividends.

Shares and shareholders

The price of the Olav Thon Eiendomsselskap share was NOK 163 at the end of the fourth quarter, unchanged since the beginning of the quarter.

In 2017, the shares in the company generated a total return of 3% (inclusive of the dividend), while the main index of the Oslo Stock Exchange rose by 19%.

6.3 (6.6) million shares were traded in 2017 with 19,050 (10,126) trades in the share on the Oslo Stock Exchange.

The highest and lowest prices in 2017 were NOK 177.5 and NOK 155.5, respectively.

The company's market capitalisation at the end of the year was NOK 17.4 (17.0) billion, and the company's largest owner was:

Illustrasjon: Stortunet, Oslo



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 %

Outlook

The trend in the Norwegian economy is positive and most areas of the economy are developing well. Growth is expected to remain at a relatively high level in Norway for the next few years. Norges Bank is indicating that the key interest rate will gradually rise during this period, albeit at a moderate tempo.

In Norway, demand for commercial property as an investment object remains high and, with the prospect of continued moderate interest rates, this is expected to last.

Personal consumption is expected to rise in the next few years and the retail trade is also expected to develop positively going forward. Online shopping is expected to grow faster than the physical retail trade, although online shopping still accounts for a small proportion of retailing.

Projects have been started to adjust the Group's shopping centres to the digitalisation of retailing and the services offered at the centres are also being developed. Overall, the framework conditions for the Group's shopping centres are therefore considered to be satisfactory.

The vacancy rate in the Oslo area office market is falling and rental prices are rising. 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.

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.

Oslo, 14 February

The Board of Directors,
Olav Thon Eiendomsselskap ASA



Thon Hotels Vika Atrium



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	4. quarter	4. quarter	Per	Per
		2017	2016	31.12.2017	31.12.2016
Rental income	5, 8	699	661	2 770	2 579
Other property-related income	8	238	251	845	847
Property-related expenses	8	-300	-357	-1 156	-1 183
Net rental income		637	555	2 459	2 243
Fair value adjustments, investment property	9	357	1 031	2 216	2 651
Results from joint ventures and associates	11	48	161	206	315
Other operating income	8	48	46	170	153
Other operating expenses	8	-43	-40	-137	-131
Administrative expenses	5, 8	-43	-36	-163	-141
Depreciation		-7	-10	-27	-28
Operating profit		997	1 707	4 725	5 062
Financial income		1	4	6	8
Fair value adjustments, interest rate derivatives		44	482	165	119
Financial expenses		-174	-185	-692	-723
Profit before tax		868	2 008	4 204	4 465
Income taxes		38	-315	-741	-864
Profit for the period		906	1 693	3 463	3 601
Other Comprehensive income					
<i>Items to be reclassified to P&L in subsequent periods:</i>					
Exchange differences, from foreign operations		-36	-6	77	-126
Hedging of net investment		39	23	-75	106
Change in deferred tax on other comprehensive income		8	3	17	-26
Total comprehensive income		916	1 712	3 482	3 556
Profit for the periode attributable to:					
Shareholders of the parent		880	1 675	3 392	3 567
Non-controlling interests		25	17	71	34
Total comprehensive income attributable to:					
Shareholders of the parent		891	1 695	3 412	3 522
Non-controlling interests		25	17	71	34
Earnings per share, basic and diluted (NOK)		8	16	32	34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	Per 31.12.2017	Per 31.12.2016
ASSETS			
Deferred tax asset		550	550
Investment properties	3, 9	51 435	47 695
Other fixed assets		99	98
Investments in joint ventures and associates	11	2 824	2 646
Other non-current assets		247	198
Total non-current assets		55 154	51 187
Trade and other current receivables		1 041	1 017
Bank deposits and cash		366	325
Total current assets		1 406	1 342
Total assets		56 561	52 529
EQUITY AND LIABILITIES			
Majority share of equity		24 046	20 950
Non-controlling interests		513	447
Total equity		24 559	21 397
Deferred tax liabilities		6 936	6 494
Non-current liabilities	6	15 922	18 516
Current liabilities	7	9 143	6 122
Total liabilities		32 001	31 132
Total equity and liabilities		56 561	52 529

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium reserve	Exchange differences from foreign operations	Retained earnings	Hedging reserve	Share holders of the parent	Non-controlling interests	Total
Profit for the period				3 567	0	3 567	34	3 601
Other Comprehensive income			-126	-26	106	-45		-45
Dividends paid				-190	0	-190		-190
Other changes				7	0	7	-2	5
Equity 31.12.2016	106	318	-120	20 539	106	20 950	447	21 397
Profit for the period				3 392	0	3 392	71	3 463
Other Comprehensive income			77	17	-75	19		19
Acquisitions of own shares				-100	0	-100		-100
Dividends paid				-214	0	-214		-214
Other changes				-1	0	-1	-5	-6
Equity 31.12.2017	106	318	-43	23 633	32	24 047	513	24 559

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	4. quarter 2017	4. quarter 2016	Per 31.12.2017	Per 31.12.2016
Net cash flow from operations	435	429	1626	1315
Change in working capital	273	388	-179	465
Net cash flow from operating activities	708	817	1 447	1 780
Payment on the sale of tangible fixed assets				3
Acquisition of investment properties	-692	-215	-1 417	-962
Acquisition of subsidiaries			-9	-2 168
Other investments		185		-259
Net cash flow from investing activities	-676	-2 198	-1 392	-3 388
Proceeds from interest-bearing liabilities	2 323	4 809	11 081	11 549
Repayment of interest-bearing liabilities	-2 231	-3 344	-10 775	-9 604
Dividends paid	1	-2	-214	-194
Acquisition of own shares	0	0	-100	-13
Net cash flow from financing activities	6, 7	92	1 464	-9
Net change in cash	125	82	46	131
Cash at beginning of period	257	236	325	191
Currency effects	-16	6	-5	3
Cash at end of period	366	325	366	325

NOTES TO THE ACCOUNTS 31. DECEMBER 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 February 14th 2018.

A review has been performed in accordance with SBR-2410 - Review of Interim financial information, performed by the independent auditor of the entity.

Note 3 CHANGES IN GROUP STRUCTURE

In the 4th quarter Vinterbro Tomteselskap AS has been founded as a group company. The company owns land which was previously owned by Gardermoen Park AS. Also in the 4th quarter the following companies have been merged with Sartor Storsenter AS: Thon Sartor AS, Sartor Senter AS and Straume Parkering AS

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	31.12.2017	31.12.2016
Current leases	Companies in Olav Thon Gruppen AS	Olav Thon Foundation	52	42
Current operating and administration agreements	Thon Eiendomsdrift AS	Olav Thon Foundation	98	59

Note 6 NON-CURRENT LIABILITIES

	31.12.2017	31.12.2016
Bonds	6 384	6 681
Other interest-bearing liabilities	7 751	9 903
Non-interest-bearing liabilities (fair value interest rate swaps)	1 764	1 930
Other liabilities	23	3
Total	15 922	18 516

Note 7 CURRENT LIABILITIES

	31.12.2017	31.12.2016
Commercial paper debt	4 399	2 377
Bonds	2 375	855
Interest-bearing current liabilities	804	1 437
Trade payables	202	237
Accrued interest	58	44
Duties payable	104	109
Income tax payable	270	19
Other current liabilities	931	1 044
Total	9 143	6 122

Note 8 BUSINESS SEGMENTS

At 31 December 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
4. quarter 2017							
Rental income	541	158		699	646	53	699
Other property-related income	222	16		238	217	21	238
Property-related expenses	-258	-41		-300	-269	-31	-300
Net rental income	504	133	0	637	594	43	637
Fair value adjustments, investment property	145	212		357	373	-16	357
Results from joint ventures and associates	48			48	48		48
Other operating income	19		29	48	48		48
Other operating expenses	-18		-25	-43	-43		-43
Administrative expenses	-39	-5		-43	-40	-3	-43
Depreciation	-5	-2		-7	-7	0	-7
Operating profit	655	338	4	997	973	24	997
4. quarter 2016							
Rental income	519	142	0	661	616	46	661
Other property-related income	225	26	0	251	225	26	251
Property-related expenses	-303	-54	0	-357	-318	-39	-357
Net rental income	441	114	0	555	522	33	555
Fair value adjustments, investment property	661	370		1 031	1 024	8	1 031
Results from joint ventures and associates	161			161	161		161
Other operating income	22		24	46	46		46
Other operating expenses	-18		-22	-40	-40		-40
Administrative expenses	-36	0		-36	-31	-6	-36
Depreciation	-4	-6		-11	-11	0	-11
Operating profit	1227	477	2	1707	1672	35	1707

Per 31.12.2017	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 154	616		2 770	2 564	206	2 770
Other property-related income	779	66		845	770	76	845
Property-related expenses	-956	-200		-1 156	-1 043	-113	-1 156
Net rental income	1 977	482	0	2 459	2 291	168	2 459
Fair value adjustments, investment property	1 343	873		2 216	2 247	-31	2 216
Results from joint ventures and associates	206			206	206		206
Other operating income	78		92	170	170		170
Other operating expenses	-58		-79	-137	-137		-137
Administrative expenses	-140	-24		-163	-149	-14	-163
Depreciation	-19	-8		-27	-27	0	-27
Operating profit	3 388	1 324	13	4 725	4 601	123	4 725

Per 31.12.2016	Operating segments				Geographical segments		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 001	578		2 579	2 375	204	2 579
Other property-related income	767	80		847	751	96	847
Property-related expenses	-959	-224		-1 183	-1 039	-144	-1 183
Net rental income	1 808	435	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	3 745	1 314	3	5 062	4 774	288	5 062

Note 9 INVESTMENT PROPERTY

	31.12.2017	31.12.2016
Opening balance	47 695	40 177
Acquisitions/expenditure on properties	1 465	4 862
Change in fair value recognised in the period	2 216	2 651
Investment property from companies bought in the period	9	0
Effect of currency exchange differences i foreign operations	181	0
Other changes	-131	5
Closing balance	51 435	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	4. quarter 2017	4. quarter 2016	31.12.2017	31.12.2016
Net rental income	97	94	351	345
Fair value adjustments, investment property	-21	124	26	179
Fair value adjustments, interest rate derivatives	1	17	5	12
Expenses	-56	-81	-231	-262
Profit	21	154	151	274
Investment properties			3 641	3 376
Other assets			256	212
Total assets			3 897	3 588
Equity			2 280	2 155
Non-current liabilities			1 505	1 315
Current liabilities			112	118
Total equity and liabilities			3 897	3 588
Associated companies	4. quarter 2017	4. quarter 2016	31.12.2017	31.12.2016
Net rental income	17	15	58	53
Fair value adjustments, investment property	18	-2	31	24
Fair value adjustments, interest rate derivatives	0	0	0	0
Expenses	-8	-5	-33	-36
Profit	27	8	56	41
Investment properties			959	846
Other assets			192	99
Total assets			1 151	946
Equity			544	491
Non-current liabilities			513	356
Current liabilities			94	99
Total equity and liabilities			1 151	946

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.

	4. quarter 2017	4. quarter 2016	31.12.2017	31.12.2016
Fair value adjustments, investment property from profit and loss	357	1 031	2 216	2 651
Fair value adjustments, investment property - Joint ventures	-21	124	26	179
Fair value adjustments, investment property - Associated companies	18	-2	31	24
Fair value adjustments, interest rate derivatives from profit and loss	44	482	165	119
Fair value adjustments, interest rate derivatives - Joint ventures	1	17	5	12
Fair value adjustments in investment property and interest rate derivatives	398	1 652	2 443	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.

	4. quarter 2017	4. quarter 2016	31.12.2017	31.12.2016
Profit before tax	868	2 008	4 204	4 465
Adjusted for fair value adjustments in investment property and interest rate derivatives	-398	-1 652	-2 443	-2 984
Profit before tax and fair value adjustments	469	356	1 761	1 481

Non-current net asset value per share

Normalised net asset value per share after taking into account a fair value assessment

	31.12.2017	31.12.2016
Majority share of equity	24 046	20 950
Deferred tax liabilities	6 922	6 487
Fair value of debt - deferred tax liabilities - 7%	-2 019	-1 816
Non-current net asset value	28 950	25 621
Number of shares (own shares not included)	105 745 320	106 345 320
Non-current net asset value per share in NOK	274	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.

	31.12.2017	31.12.2016
Bonds, non-current	6 384	6 681
Bonds, current	2 375	855
Commercial paper debt, current	4 399	2 377
Other interest-bearing liabilities, non-current	7 751	9 903
Other interest-bearing liabilities, current	804	1 437
Interest-bearing debt	21 713	21 252
Bank deposits and cash	-366	-325
Net interest-bearing debt	21 348	20 927

Illustration: AMFI Moa



OLAV THON
EIENDOMSSELSKAP ASA

Stenersgata 2
P.O.Box 489 Sentrum
N-0105 Oslo

Tel.: +47 23 08 00 00
E-mail: firmapost.olt@olavthon.no

www.olt.no