

REPORT Q1
2019

OLAV THON
EIENDOMSSKAP



KEY FIGURES

Amounts in NOK million	31.03.19	31.03.18	31.12.18
Net rental income	666	627	2 487
Fair value adjustments in investment properties and interest rate derivatives ¹⁾	-142	381	1 022
Profit before taxes	354	848	2 880
Profit before tax and fair value adjustments ¹⁾	496	467	1 857
Equity per share (NOK)	252	235	249
Equity ratio	46 %	45 %	46 %
Non-current net asset value per share (NOK) ²⁾	299	283	297
Net cash flow from operations	456	429	1 665
Cash reserves ³⁾	7 437	8 077	7 168
Amortisation next 12 months	5 436	7 276	6 137
Interest-bearing debt ⁴⁾	21 261	21 295	21 597
Interest rate as at 31.03	3,10 %	3,00 %	3,04 %
Loan to value ratio ⁵⁾	39 %	41 %	40 %
Net investments ⁶⁾	261	410	1 316
Investment properties ⁷⁾	53 329	51 552	53 367
Annual rental income ⁸⁾	3 130	2 925	3 100
Yield	5,14 %	5,18 %	5,10 %
Sales, owned shopping centres	11 138	11 085	51 669
Sales, managed shopping centres	1 954	2 828	9 603
Share price as at 31.03 (NOK)	151,6	142,4	140,0

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 6%)) / Number of shares

3) Bank deposits etc. + Undrawn borrowing facilities

4) Unsecured part of interest-bearing debt NOK 4,362 million (31.03.2019), NOK 6,668 million (31.03.2018) and 4.864 million (31.12.2018), respectively

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

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

7) Includes owner-occupied properties

8) Includes market rent for vacant premises



OLAV THON EIENDOMSSSELKAP ASA

Report for Q1 2019

Olav Thon Eiendomsselskap achieved a good Q1 result.

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

- Rental income was NOK 741 (698) million.
- Profit before tax and fair value adjustments amounted to NOK 496 (467) million.
- Profit before tax amounted to NOK 354 (848) million.
- Net cash flow from operations was NOK 456 (429) million.
- The Group's equity ratio at the end of the first quarter was 46% (45%), and equity per share increased to NOK 252 (235).
- Cash reserves at the end of the quarter were NOK 7,437 (8,077) million
- Retail sales in the shopping centre portfolio owned by the Group were NOK 11,138 (11,084) million.

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

Cover photo: Lagunen Storsenter, Bergen. Photo below: Thon Hotel Storo, Oslo



Financial position/balance sheet as at 31 March 2019

The Group's total assets were NOK 58,824 (56,643) million, with investment properties accounting for NOK 53,136 (51,552) million of that figure.

Total equity was NOK 27,080 (25,225) million and the equity ratio was 46% (45%).

Equity per share (majority share) was NOK 252 (235), while the non-current net asset value per share was calculated as being NOK 299 (284).

Interest-bearing debt was NOK 21,260 (21,295) million, with a loan to value ratio²⁾ of 39% (41%).

The Group's share of the equity in joint ventures and associated companies was NOK 2,846 (2,902) million.

Rental income and property-related expenses

Rental income was NOK 741 (698) million. The increase from the previous year is explained by both completed property projects and general rental income growth.

Other property-related income amounted to NOK 250 (230) 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 325 (301) million, including the above-mentioned service charges of NOK 226 (208) million.

Maintenance expenses for the property portfolio amounted to NOK 33 (11) million.

Net rental income was therefore NOK 666 (627) million.

Fair value adjustments of investment properties

The fair value of the Group's investment properties was adjusted down with NOK 87 (+51) million.

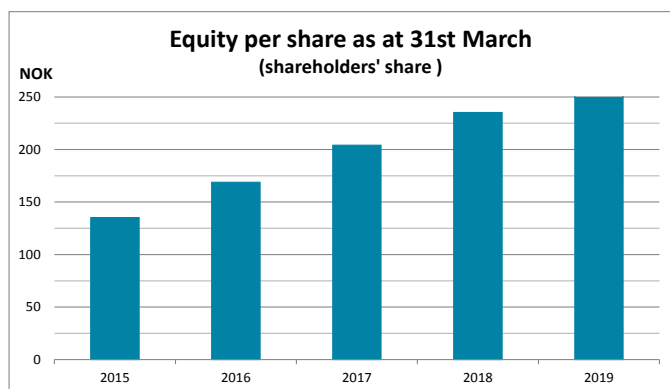
The Group's property portfolio comprises two different property segments:

- Shopping centre properties in Norway and Sweden
- Commercial properties including rental housing, primarily in the Oslo area.

The property segments saw different value development in Q1.

The value of the group's shopping centre properties was adjusted downward as a result of lower demand for retail properties as an investment object, whereas the value of key commercial properties was adjusted upwards as a result of a higher demand for this type of property.

Reference is otherwise made to later sections and note 8 of the interim report.



Summary of the results for the first quarter

Profit before tax amounted to NOK 354 (848) million.

Fair value adjustments in investment properties and interest rate derivatives amounted to NOK -142 (381) million.³⁾

Profit before tax and fair value adjustments therefore amounted to NOK 496 (467) million.

²⁾ See page 2 for definitions.

³⁾ Includes joint ventures and associated companies.

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 42 (85) million.

The decrease from last year is explained by this year's stabilised value of shopping-centre properties owned through joint ventures and associated companies, whereas last year this value had increased.

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 42 (44) million and consisted mainly of income from property management for external owners and sales revenue from other activities.

Other operating and administrative expenses amounted to NOK 85 (87) million, while scheduled depreciation amounted to NOK 6 (6) million.

Financial income and expenses

Net financial expenses amounted to NOK 167 (156) million.



Compared to Q1 last year, the Group's interest-bearing debt is relatively unchanged, but a marginally higher average interest rate and lower currency gains contributed to the increase.

The Group's average interest rate for Q1 was 3.07% (3.00%).

Fair value adjustments, interest rate derivatives

Long-term market interest rates fell in both Norway and Sweden in Q1. In Norway, the 10-year swap rate fell by 0.14 of a percentage point to 1.96%, while the corresponding rate in Sweden fell by 0.28 of a percentage point to 0.85%.

The interest rate movements resulted in the fair value of the Group's interest rate derivatives dropping by NOK 50 (+289) million.



Cash flow and liquidity

Net cash flow from operations was NOK 456 (429) million.

Net cash flow from operating activities was NOK 350 (440) million.

Investment activities reduced cash by NOK 160 (342) million, while financing activities decreased cash by NOK 173 (188) million.

Exchange-rate effects amounted to NOK 4 (0) million in Q1, thereby increasing the Group's cash by NOK 21 (90) million.

Cash reserves were NOK 7,437 (8,077) million at the end of the quarter and consisted of short-term investments of NOK 326 (275) million and undrawn long-term credit facilities of NOK 7,111 (7,802) million.

Investments

The Group's net investments in Q1 were NOK 261 (413) million.

Major property acquisitions after the reporting date

Sofus Jørgensens veg 5 in Molde

An office and industry property of 3,400 sq. m. near the Group's shopping centres in Molde was taken over in Q2 2019.

Portfolio changes – jointly owned shopping centres

In connection with the cooperation that was terminated in the jointly controlled company LOT Eiendom AS (50% ownership), Olav Thon Eiendomsselskap took over the company's 50% ownership share in the shopping centres Amfi Orkanger and OTI Senteret and the land property Laksøra in Orkanger.

At the same time, the group's ownership shares in Amfi Førde, Amfi Svolvær, Amfi Ørsta, Amfi Nordfjord and Dombås Senter were transferred to the other party.

⁴⁾ Over 50 million NOK.

As part of the portfolio changes, the group's ownership share in Amfi Mandal shopping centre was also transferred to the other party.

The transactions took place on 1 April 2019, and the centres, which were transferred to the other party, changed their names at the same time.

Major property projects ⁴⁾

Completed

Vitaminveien 11, Oslo

The last phase of the project in Storotunet with residential units and retail spaces was completed in Q1.

Under construction

Amfi Moa, Ålesund

Final stage of construction for expansion of the centre, consisting of approx. 5.400 sq. m and several restaurants will be completed in H1 2019.

Under construction in joint ventures and associated companies

Lagunen Storsenter, Bergen (42 % stake)

Phase 2 of the extension, which includes a multiplex cinema with 9 auditoriums and a fitness centre, will be completed in H2 2019.

For more information about our property projects, please see www.olt.no.

Property portfolio as at 31 March 2019

Investment properties are carried at fair value. Information on the valuation model and parameters used in the valuation can be found in the Norwegian 2018 annual report.

The property portfolio was valued at NOK 53,136 (51,552) million, based on an average yield of 5.14% (5.18%).

Average yields by property segment were as follows:

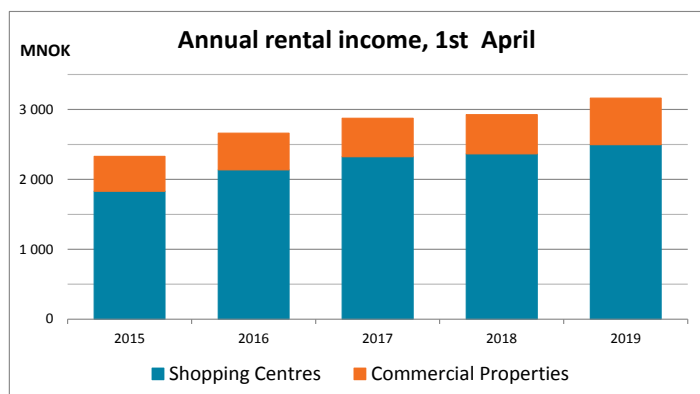
- Shopping centre properties 5.34 % (5.27)
- Commercial properties 4.48 % (4.84)

Annual rental income was NOK 3,130 (2,925) million, with the following segment distribution:

- Shopping centre properties 79 % (81)
- Commercial properties 21 % (19)

The vacancy rate in the property portfolio was 2.4% (2.8%).

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



The rental income of the property portfolio increased by 36 % during the period.

Property portfolio owned through joint ventures and associated companies

In addition to the property portfolio, which is recognised in the Group's balance sheet, the Group's share of the rental income of joint ventures and associated companies was NOK 290 (280) million. The Group's share of the property values was NOK 4,798 (4,708) million.

Shopping centres

At the end of Q1, the shopping centre portfolio comprised 86 shopping centres, 18 of which are managed for external owners. After the portfolio changes that took place in early Q2, the shopping

centre portfolio includes 80 shopping centres, 18 of which are managed for external owners.

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

Shopping centres owned by the Group

Retail sales in the shopping centre portfolio owned by the Group were NOK 11,138 (11,084) million for the first quarter.

Norway

The Group's Norwegian shopping centres reported sales of NOK 10,357 (10,245) million for Q1.

Sweden

The shopping centres in Sweden reported retail sales of SEK 835 (869) million.

Shopping centres managed for other owners

Retail sales in this shopping centre portfolio were NOK 1954 (2828) million for the first quarter.

Risk factors

The biggest risk factors to which Olav Thon Eiendomsselskap is exposed are considered to be market and financial risks associated with the property and financial markets in Norway and Sweden.

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 in the Norwegian 2018 annual report and on the company's website: www.olt.no.

The valuation as at 31 March 2019 was based on an average yield of 5.14%. The yield has varied between 5.10% and 5.50% over the last three years.

The financial markets

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

The risk is mitigated by maintaining a low loan to value ratio, a balanced debt portfolio and significant cash reserves.

The Group's financing is described in more detail in the next section, and further information about financial risk management can be found in the Norwegian 2018 annual report and on the company's website: www.olt.no.

The Group's financial 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 the end of Q1, the portfolio of interest rate swaps entered into for this purpose was NOK 11,022 (11,078) million and had a fair value of NOK -1,542 (-1,476) million.

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

It is estimated that a change of one percentage point in the short-term interest rate would change the Group's average interest rate by less than 0.50 percentage points. Net annual interest expenses will be changed by NOK 100-110 million.

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 considered excellent and the credit margins showed a stable or downward trend during Q1.

The Group's sources of financing in Q1 were the capital markets in both Norway and Sweden, as well as the Nordic bank market. New loans of NOK 1,730 million and SEK 1,315 million were raised in the capital markets. In addition, long-term loan agreements were entered into with Nordic banks with total credit facilities of NOK 3,625 million.

At the end of Q1, the outstanding certificate and bond debt amounted to NOK 11,815 (13,628) million, distributed as follows:

Norway:	8.253 million NOK (10.110)
Sweden:	3.565 million SEK (3.750)

Total credit facilities were NOK 28,372 (29,097) million, NOK 7,111 (7,802) million of which was undrawn.

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

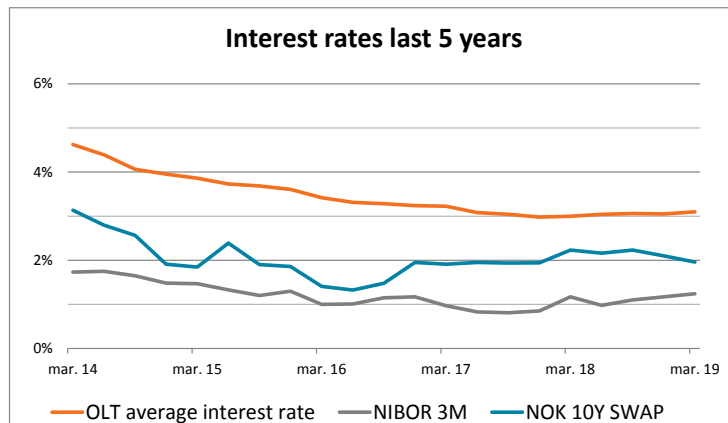


The debt had an average remaining term of 2.4 (2.3) years, with 26% (34%) of the debt due for repayment within one year.

At the end of Q1, the Group had a fixed-rate ratio of 55% (58%), with an average fixed-rate period of 3.7 (3.7) years.

The Group's average interest rate was 3.10% (3.00%), divided into the following currencies:

Valuta	Andel av gjeld	Gj.snittsrente
NOK	84 %	3,48 %
SEK	16 %	0,72 %



At 31 March 2019, the Group's average interest rate ⁵⁾ was 3.10 %.

Shares and shareholders

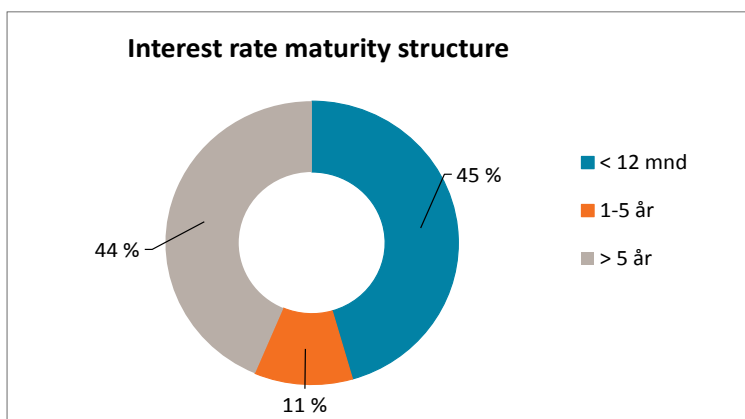
The price of the Olav Thon Eiendomsselskap share was NOK 151.6 at the end of Q1, an increase from NOK 140 at the start of Q1.

Thus, the share price rose 8.3% in Q1, somewhat higher than the main index at Oslo Stock Exchange, which rose 7.4% in the same period.

751,000 (1,442,000) shares were traded during the quarter, with 4,292 (3,200) trades in the share on the Oslo Stock Exchange.

The highest and lowest prices were NOK 151.6 and NOK 138.6, respectively.

At the end of Q1, the company's market capitalisation was NOK 16.1 (15.2) billion, and the company's largest owners were:



55% of interest-bearing debt has a fixed-interest period of over 1 year, and the average fixed-interest period is 3.7 years.

⁵⁾ From Q3 2014 loans in NOK and SEK.

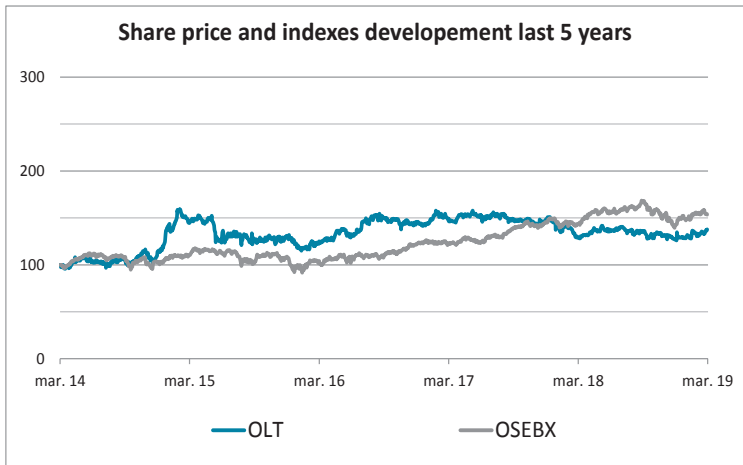
AMFI Moa, kontor, Ålesund



Olav Thon Gruppen AS and subsidiaries	71,9 %
Folketrygdfondet	3,8 %
VPF Nordea Norge	2,4 %
MP Pensjon	2,2 %
Otto Olsen Invest AS	1,4 %
Other shareholders	18,5 %
SUM	100,0 %

Repurchase of treasury shares after the balance sheet date

In April, Olav Thon Eiendomsselskapet company launched an offer for company shareholders concerning the buy-back of up to 3 million shares. By the acceptance deadline, the company had bought back 2,122,149 shares at NOK 160 per share. The company's holding of treasury shares after this transaction is 2,822,149 shares (2.7%).



Over the past five years, the price of Olav Thon Eiendomsselskap share has increased by 38%.

Outlook

The Norwegian economy is developing well, and relatively high growth is expected going forward. Norges Bank increased the key interest rate from 0.50% to 1.00% and is indicating that the rate will gradually be increased in the next few years, albeit at a moderate tempo.

Demand for commercial property remains high, but investors' interest in shopping centre property has sharply declined. Overall, demand for commercial property as an investment object is expected to remain high in 2019 as well, due the continued low interest rate and other factors.

Over the next few years, consumer spending is expected to increase and the retail trade is expected to grow. The growth of online shopping is expected to be higher than that of the physical retail trade,



although online shopping still comprises a low share of the overall retail trade.

The Group's shopping centres are gradually changing to adapt to consumer spending patterns and the digitisation of the retail trade. This involves the use of both new technology and the further development of the range of products and services offered at the centres.

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 result in 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, 22 May 2019

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.

Lagunen Storsenter, Bergen



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	31.03.2019	31.03.2018	31.12.2018
Rental income	5, 8	741	698	2 828
Other property-related income	8	250	230	874
Property-related expenses	8	-325	-301	-1 215
Net rental income		666	627	2 487
Other operating income	8	42	44	179
Other operating expenses	8	-37	-41	-159
Administrative expenses	5, 8	-48	-46	-191
Depreciation		-6	-6	-20
Net income from property management		617	579	2 296
Fair value adjustments, investment property	9	-87	51	867
Results from joint ventures and associates	11	42	85	96
Operating profit		572	715	3 259
Financial income	12	10	6	8
Financial expenses	12	-177	-162	-659
Fair value adjustments, interest rate derivatives		-50	289	273
Net financial items		-217	133	-379
Profit before tax		354	848	2 880
Income taxes		-89	-172	-364
Profit for the period		265	676	2 516
Other Comprehensive income				
<i>Items to be reclassified to P&L in subsequent periods:</i>				
Exchange differences from foreign operations		-72	-100	-43
Hedging of net investment		69	99	42
Income taxes on other comprehensive income		-15	-23	-9
Total comprehensive income		247	652	2 505
Profit for the periode attributable to:				
Shareholders of the parent		268	668	2 516
Non-controlling interests		-2	9	-1
Total comprehensive income attributable to:				
Shareholders of the parent		249	643	2 505
Non-controlling interests		-2	9	-1
Earnings per share, basic and diluted (NOK)		2	6	24

The layout of the statement of comprehensive income has been changed from 2019, due to the intention of giving more relevant information. There are no material changes. Some records has been moved without any changes of content. There have been added two new lines for summation. Comparative figures have been made for previous periods.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	31.03.2019	31.03.2018	31.12.2018
ASSETS				
Deferred tax asset		328	412	328
Investment properties	3, 9	53 136	51 552	53 174
Right-of-use assets		362	-	-
Owner-occupied properties		192	-	193
Other fixed assets		82	89	82
Investments in joint ventures and associates	11	2 846	2 902	2 854
Other non-current assets		613	361	594
Total non-current assets		57 559	55 317	57 225
Trade and other current receivables		938	1 051	1 043
Bank deposits and cash		326	275	305
Total current assets		1 265	1 326	1 349
Total assets		58 824	56 643	58 573
EQUITY AND LIABILITIES				
Share capital		106	106	106
Share premium reserve		318	318	318
Other equity		26 178	24 448	25 906
Non-controlling interests		477	353	496
Total equity		27 080	25 225	26 827
Deferred tax liabilities		6 976	7 026	7 020
Lease liabilities		357	-	-
Non-current liabilities	6	17 432	15 525	16 844
Income tax payable	7	146	185	219
Interest-bearing current liabilities	7	5 482	7 330	6 192
Trade payables and other current liabilities	7	1 351	1 352	1 471
Total liabilities		31 744	31 418	31 746
Total equity and liabilities		58 824	56 643	58 573

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium reserve	Exchange differences from foreign operations	Other Equity	Hedging reserve	Shareholders of the parent	Non-controlling interests	Total
Equity 31.12.2017	106	318	-43	23 655	27	24 063	517	24 580
Profit for the period			-	668	-	668	9	676
Other comprehensive income			-100	-	76	-24	-	-24
Other changes			-	166	-	166	-172	-7
Equity 31.03.2018	106	318	-143	24 488	103	24 872	353	25 225
Profit for the period			-	1 849	-	1 849	-9	1 840
Other comprehensive income			57	-	-44	13	-	13
Dividends paid			-	-233	-	-233	-24	-256
Other changes			-	-170	-	-170	175	5
Equity 31.12.2018	106	318	-86	25 934	59	26 331	496	26 827
Profit for the period			-	268	-	268	-2	265
Other comprehensive income			-72	-	54	-18	-	-18
Other changes			-	22	-	22	-16	6
Equity 31.03.2019	106	318	-158	26 224	113	26 603	477	27 080

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	31.03.2019	31.03.2018	31.12.2018
Net cash flow from operations	456	429	1 665
Expensed interest	163	154	633
Interest paid	-173	-158	-636
Income tax paid	-164	-18	-116
Change in working capital	68	32	42
Net cash flow from operating activities	350	440	1 586
Payment on the sale of tangible fixed assets	17	-	17
Acquisition of investment properties	-219	-296	-1 161
Acquisition of subsidiaries	-	-	-22
Other investments	42	-46	-220
Net cash flow from investing activities	-160	-342	-1 386
Proceeds from interest-bearing liabilities	5 915	4 236	18 617
Repayment of interest-bearing liabilities	-6 084	-4 424	-18 622
Dividends paid	-5	-	-256
Acquisition of own shares	-	-	-
Net cash flow from financing activities	-173	-188	-261
Net change in cash	17	-90	-61
Cash at beginning of period	305	366	366
Currency effects	4	-	-
Cash at end of period	326	275	305

NOTES TO THE ACCOUNTS 31st MARCH 2019

(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 new accounting standard, IFRS 16 - Leases, was implemented with effect from 1. January 2019. The discount rate for these lease agreements is set in the interval 4.8 % - 9.3 %. The lease agreements applicable under IFRS 16 are mainly long term leases of real estate.

With the exception of the implementation of the new standard, IFRS 16, the accounting principles that were used as a basis for the interim report are in accordance with the principles used when preparing the 2018 annual report and should be read together with this.

The interim financial statements were adopted by the Board May 22nd 2019.

There has been no audit of the interim financial information.

Note 3 CHANGES IN GROUP STRUCTURE

There are no significant changes in the group structure during the quarter.

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 2018.

Note 5 RELATED PARTY TRANSACTIONS

Transactions	Counterparty	Counterparty associate of	31.03.2019	31.03.2018	31.12.2018
Current leases	Companies in Olav Thon Gruppen AS	Olav Thon Foundation	30	13	66
Current operating and administration agreements	Thon Eiendomsdrift AS	Olav Thon Foundation	31	28	122

Note 6 NON-CURRENT LIABILITIES

	31.03.2019	31.03.2018	31.12.2018
Bonds	6 462	6 592	5 771
Other interest-bearing liabilities	9 362	7 426	9 688
Non-interest-bearing liabilities (fair value interest rate swaps)	1 542	1 476	1 320
Other liabilities	66	31	65
Total	17 432	15 525	16 844

Note 7 CURRENT LIABILITIES

	31.03.2019	31.03.2018	31.12.2018
Commercial paper debt	2 690	4 979	3 118
Bonds	2 663	2 056	2 960
Interest-bearing current liabilities	84	241	60
Non-interest-bearing liabilities (fair value interest rate swaps)	-	-	172
Lease liabilities	5	-	-
Trade payables	209	212	152
Accrued interest	45	54	54
Duties payable	125	150	107
Income tax payable	146	185	219
Other current liabilities	1 012	990	1 040
Total	6 979	8 867	7 882

Note 8 BUSINESS SEGMENTS

At 31.03.2019, the Group has activities within two strategic business segments and two geographical areas.

The two operating segments are:

- * Shopping centres

- * Commercial property

The two geographical areas are:

- * Norway

- * Sweden

Segment reporting is based on internal management reporting.

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
31.03.2019							
Rental income	548	193	-	741	690	51	741
Other property-related income	230	20	-	250	231	19	250
Property-related expenses	-244	-82	-	-325	-297	-28	-325
Net rental income	534	132	-	666	624	41	666
Other operating income	21	-	22	42	42	-	42
Other operating expenses	-18	-	-19	-37	-37	-	-37
Administrative expenses	-40	-7	-	-48	-44	-3	-48
Depreciation	-3	-3	-	-6	-6	-0	-6
Net income from property management	493	122	2	617	580	38	617
Fair value adjustments, investment property	-139	52	-	-87	-68	-19	-87
Results from joint ventures and associates	42	-	-	42	42	-	42
Operating profit	396	174	2	572	553	19	572

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
31.03.2018							
Rental income	538	160	-	698	645	53	698
Other property-related income	214	17	-	230	209	21	230
Property-related expenses	-238	-63	-	-301	-267	-33	-301
Net rental income	514	114	-	627	587	41	627
Other operating income	21	-	23	44	44	-	44
Other operating expenses	-20	-	-21	-41	-41	-	-41
Administrative expenses	-40	-6	-	-46	-43	-3	-46
Depreciation	-4	-2	-	-6	-6	-0	-6
Net income from property management	470	106	2	579	541	38	579
Fair value adjustments, investment property	-221	272	-	51	33	18	51
Results from joint ventures and associates	85	-	-	85	85	-	85
Operating profit	334	378	2	715	659	56	715

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
31.12.2018							
Rental income	2 152	676	-	2 828	2 625	202	2 828
Other property-related income	807	67	-	874	803	71	874
Property-related expenses	-947	-268	-	-1 215	-1 098	-117	-1 215
Net rental income	2 011	475	-	2 487	2 331	156	2 487
Other operating income	92	-	88	179	179	-	179
Other operating expenses	-79	-	-80	-159	-159	-	-159
Administrative expenses	-164	-27	-	-191	-178	-14	-191
Depreciation	-12	-9	-	-20	-20	-0	-20
Net income from property management	1 848	440	8	2 296	2 153	142	2 296
Fair value adjustments, investment property	-560	1 427	-	867	856	11	867
Results from joint ventures and associates	96	-	-	96	96	-	96
Operating profit	1 384	1 867	8	3 259	3 105	154	3 259

Note 9 INVESTMENT PROPERTY

	31.03.2019	31.03.2018	31.12.2018
Opening balance	53 174	51 435	51 435
Acquisitions/expenditure on properties	213	297	1 152
Investment property from companies bought in the period	-	-	22
Change in fair value recognised in the period	-87	51	867
Effect of currency exchange differences i foreign operations	-158	-231	-110
Other changes	-6	-0	-192
Closing balance	53 136	51 552	53 174

Note 10 SUBSEQUENT EVENTS

The parent company is a party to an ongoing legal dispute concerning the final settlement in connection with a property purchase. Oslo District Court found in favour of Olav Thon Eiendomsselskap ASA in the judgment that was handed down on 19 March 2018. The opposing party has since appealed the judgment. No provisions have been made for the claim.

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	31.03.2019	31.03.2018	31.12.2018
Net rental income	100	87	375
Fair value adjustments, investment property	-3	29	-121
Fair value adjustments, interest rate derivatives	-1	34	32
Expenses	-63	-65	-232
Profit	33	85	54
Investment properties	3 917	3 760	3 848
Other assets	349	319	366
Total assets	4 266	4 079	4 214
Equity	2 335	2 359	2 346
Non-current liabilities	1 782	1 562	1 738
Current liabilities	149	158	129
Total equity and liabilities	4 266	4 079	4 214

Associated companies	31.03.2019	31.03.2018	31.12.2018
Net rental income	22	68	191
Fair value adjustments, investment property	-1	-22	-29
Fair value adjustments, interest rate derivatives	-	-	-
Expenses	-13	-45	-121
Profit	8	1	42
Investment properties	881	948	882
Other assets	129	173	114
Total assets	1 010	1 121	996
Equity	510	543	507
Non-current liabilities	459	510	460
Current liabilities	41	68	28
Total equity and liabilities	1 010	1 121	996

Note 12 FINANCIAL INCOME AND FINANCIAL EXPENSES

	31.03.2019	31.03.2018	31.12.2018
Interest income	3	1	6
Other financial income	7	5	2
Total financial income	10	6	8
Interest expenses	-169	-154	-633
Other financial expenses	-8	-8	-27
Total financial expenses	-177	-162	-659

ALTERNATIVE PERFORMANCE MEASURES

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

	31.03.2019	31.03.2018	31.12.2018
Fair value adjustments, investment property from profit and loss	-87	51	867
Fair value adjustments, investment property - Joint ventures	-3	29	-121
Fair value adjustments, investment property - Associated companies	-1	-22	-29
Fair value adjustments, interest rate derivatives from profit and loss	-50	289	273
Fair value adjustments, interest rate derivatives - Joint ventures	-1	34	32
Fair value adjustments in investment property and interest rate derivatives	-142	381	1 022

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.

	31.03.2019	31.03.2018	31.12.2018
Profit before tax	354	848	2 880
Adjusted for fair value adjustments in investment property and interest rate derivatives	142	-381	-1 022
Profit before tax and fair value adjustments	496	467	1 857

Non-current net asset value per share

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

	31.03.2019	31.03.2018	31.12.2018
Majority share of equity	26 603	24 872	26 331
Deferred tax liabilities (deferred tax liabilities current assets excluded)	6 961	7 020	7 014
Fair value of debt - deferred tax liabilities - 6 %	-1 899	-1 914	-1 913
Non-current net asset value	31 666	29 977	31 432
Number of shares (own shares not included)	105 745 320	105 745 320	105 745 320
Non-current net asset value per share in NOK	299	283	297

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.

	31.03.2019	31.03.2018	31.12.2018
Bonds, non-current	6 462	6 592	5 771
Bonds, current	2 663	2 056	2 960
Commercial paper debt, current	2 690	4 979	3 118
Other interest-bearing liabilities, non-current	9 362	7 426	9 688
Other interest-bearing liabilities, current	84	241	60
Interest-bearing debt	21 261	21 295	21 597
Bank deposits and cash	-326	-275	-305
Net interest-bearing debt	20 934	21 020	21 292



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