

REPORT Q1
2018

OLAV THON
EIENDOMSSELSKAP ASA



KEY FIGURES

Amounts in NOK million	31.03.18	31.03.17	31.12.17
Net rental income	627	608	2 460
Fair value adjustments in investment properties and interest rate derivatives ¹⁾	381	612	2 438
Profit before taxes	848	1 023	4 193
Profit before tax and fair value adjustments ¹⁾	467	411	1 755
Equity per share (NOK)	235	204	228
Equity ratio	45 %	42 %	44 %
Non-current net asset value per share (NOK) ²⁾	284	251	276
Net cash flow from operations	407	365	1 634
Cash reserves ³⁾	8 077	6 113	8 137
Amortisation next 12 months	7 276	5 974	7 578
Interest-bearing debt ⁴⁾	21 295	21 249	21 713
Interest rate as at 31.03 / 31.12	3,00 %	3,22 %	2,98 %
Loan to value ratio ⁵⁾	41 %	43 %	42 %
Net investments ⁶⁾	413	443	1 875
Investment properties	51 552	48 473	51 435
Annual rental income ⁷⁾	2 925	2 875	2 910
Yield	5,18 %	5,28 %	5,17 %
Sales, owned shopping centres	11 084	10 812	50 768
Sales, managed shopping centres	2 828	2 701	13 273
Share price as at 31.03 / 31.12 (NOK)	142,4	161,0	163,0

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 6,668 million (31.03.2018), NOK 4,043 million (31.03.2017) and NOK 6,399 million (31.12.2017), 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 EIENDOMSSKAP ASA

Report for the first quarter of 2018

Olav Thon Eiendomsselskap achieved a good result in the first quarter.

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

- Rental income was NOK 698 (679) million.
- Profit before tax amounted to NOK 848 (1,023) million.
- Profit before tax and fair value adjustments amounted to NOK 467 (411) million.
- Net cash flow from operations was NOK 407 (365) million.
- The Group's equity ratio at the end of the first quarter was 45% (42%), and equity per share increased to NOK 235 (204).
- Liquidity reserves at the end of the quarter were NOK 8,077 (6,113) million.
- Sales in the shopping centre portfolio owned by the Group were NOK 11,084 (10,770) million.

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

Illustration: Åsane Storsenter, Bergen



Financial position/balance sheet as at 31 March 2018

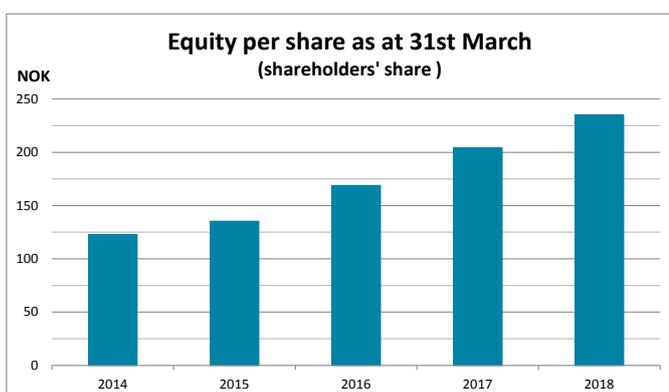
The Group's total assets were NOK 56,643 (53,376) million, with investment properties accounting for NOK 51,552 (48,473) million of that figure.

Total equity was NOK 25,225 (22,188) million and the equity ratio was 45% (42%).

Equity per share (majority share) was NOK 235 (204), while the triple net asset value per share was calculated at NOK 284 (250).

Interest-bearing debt was NOK 21,295 (21,249) million, with a loan to value ratio²⁾ of 41% (43%).

The Group's share of the equity in joint ventures and associated companies was NOK 2,902 (2,708) million.



Equity per share increased by 92 % during the period.

Summary of results for Q4

Profit before tax amounted to NOK 848 (1,023) million.

Fair value adjustments in investment properties and interest rate derivatives amounted to NOK 381 (612) million.

Profit before tax and fair value adjustments therefore amounted to NOK 467 (411) million.

Rental income and property-related expenses

Rental income was NOK 698 (679) 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 229 (234) million and consisted primarily 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 (305) million, including the above-mentioned service charges of NOK 208 (217) million.

Maintenance expenses for the property portfolio amounted to NOK 11 (23) million.

Net rental income was therefore NOK 627 (608) million.

Fair value adjustments of investment properties

The value of the investment properties increased by NOK 51 (539) million.

The Group's property segments had a different value development during the first quarter:

The fair value of the portfolio of commercial properties (not including the shopping centres) rose as a result of increased rental income and lower yield, while the value of the shopping centre portfolio decreased as a consequence of the increased yield.

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

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 85 (63) million.

²⁾ See page 2 for definitions.

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 38 (36) 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 81 (73) million, while scheduled depreciation amounted to NOK 6 (6) million.

Financial income and expenses

Net financial expenses amounted to NOK 156 (182) million. A drop in the Group's average interest rate and increased foreign exchange income have contributed to a decrease in financial expenses.

The Group's average interest rate for the first quarter was 3.00% (3.23%).

Fair value adjustments, interest rate derivatives

Long-term market interest rate trends differed in Norway and Sweden in the first quarter. In Norway, the ten-year swap rate rose by 0.30 of a percentage point to 2.24%, while the corresponding rate in Sweden was very stable and rose by 0.01 of a percentage point to 1.21%.



As a consequence of the interest rate movements and somewhat shorter remaining terms for interest rate derivatives, the fair value of the interest rate derivatives increased by NOK 289 (37) million.

Cash flow and liquidity

Net cash flow from operations was NOK 407 (365) million, while changes in working capital amounted to NOK 32 (-186) million.

Net cash flow from operating activities was therefore NOK 440 (179) million.

Net cash flow from investing activities was NOK -342 (-213) million, while financing activities reduced cash by NOK -188 (13) million.

Consequently, the Group's cash decreased by NOK 90 (-47) million.

Cash reserves were NOK 8,077 (6,113) million at the end of the quarter and consisted of short-

Pilestredet 56, Oslo



term investments of NOK 279 (279) million and undrawn long-term credit facilities of NOK 7,802 (5,834) million.

Investments

The Group's net investments for the first quarter were NOK 413 (443) million.

Major property projects ³⁾

Completed

- **Vitaminveien 11, Oslo**
The first phase of the expansion beside Storo Storsenter in Oslo was completed in March 2018 with the opening of Norway's largest cinema complex (14 theatres).

Under construction

- **Vitaminveien 11, Oslo**
The remaining part of the project with total space of 60,000 sq. m will be gradually completed from the third quarter of 2018 to the first quarter of 2019. The first phase of the residential section and 321 room hotel will be completed in the third quarter of 2018.
- **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 new building, which will significantly expand the services offered by the centre, will be completed during the fourth quarter of 2018 and first quarter of 2019.
- **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 is also being demolished to increase the retail space by approximately 3,400 sq. m. The new part of the centre will open in the third 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%, 129 residential units will be constructed in various phases, with the next phase scheduled for completion in the second quarter of 2018.
- **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 multiple 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 Marc 2018

Investment properties are carried at fair value. Information on the valuation model and the variables used in the valuation can be found on pages 27, 28, 29, 45, 46 and 47 in the Norwegian 2017 annual report.

The property portfolio was valued at NOK 51,552 (48,473) million based on an average yield of 5.18% (5.28%).

Average yields by property segment were as follows:

- Shopping centre property 5.27% (5.32%)
- Other commercial property 4.84% (5.15%)

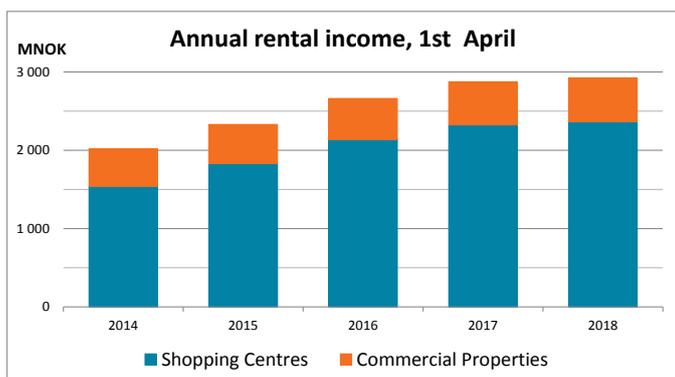
Annual rental income was NOK 2,925 (2,875) million, with the following segment distribution:

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

The vacancy rate in the property portfolio was 2.8% (3.5%).

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

³⁾ Over 50 million NOK



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

The property portfolio is owned through joint ventures and associated companies

In addition, the Group's share of the rental income of joint ventures and associated companies was NOK 290 (280) million, while the value of the property portfolio was NOK 4,708 (4,306) million.

Shopping centres

At the end of the first 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 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 11,084 (10,770) million for the first quarter.

Retail sales in the first quarter were affected by the timing of Easter and the organic growth since the previous year was assessed at 2 %.

Norway

The Group's shopping centres in Norway reported retail sales of NOK 10,245 (9,958) million.

Sweden

The shopping centres in Sweden reported retail sales of SEK 866 (858) million.

Shopping centres managed for other owners

Retail sales in this part of the portfolio were NOK 2,828 (2,700) million.

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.

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 47 of the Norwegian 2017 annual report and on the company's website: www.olt.no.

The valuation as at 31 March 2018 was based on an average yield of 5.18%. The yield has varied between 5.17% and 5.88% 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 48 in the Norwegian 2017 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 the end of the first quarter, the portfolio of interest rate swaps entered into for this purpose was NOK 11,078 (11,101) million and had a fair value of NOK -1,476 (-1,893) million.

Fair value is affected by 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 less than 0.50 percentage points. Net annual interest expenses would 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 still regarded as very good and the credit margins showed a stable or downward trend during the first quarter.

During the first quarter, new loans of NOK 2,900 million and SEK 1,900 million were taken out in the Norwegian and Swedish capital markets.

In addition, long-term loan agreements were entered into with Nordic banks with total credit facilities of NOK 2,875 million.

At the end of the first quarter, the outstanding certificate and bond debt amounted to NOK 13,628 (10,773) million, and was distributed between Norway and Sweden as follows:

Norway: NOK 10,110 (8,080) million
Sweden: SEK 3,750 (2,800) million

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

Total credit facilities were NOK 29,097 (27,083) million, NOK 7,802 (5,834) million of which was undrawn.

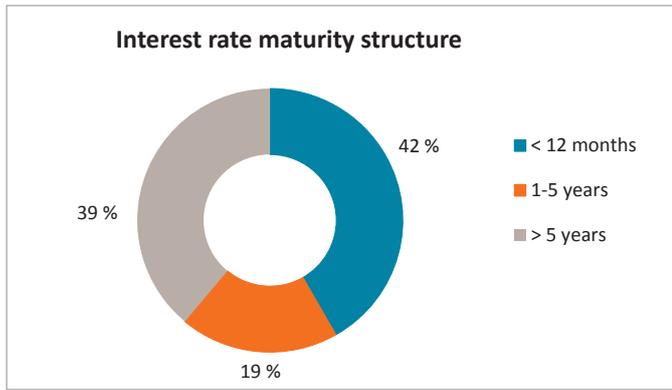
For details of the Group's interest-bearing debt, see notes 6 and 7 in the interim report. The debt had an average remaining term of 2.3 (2.5) years. 34% (28%) of the debt falls due for repayment within 1 year.

At the end of the first quarter, the Group had a fixed-rate ratio of 58% (53%), with an average fixed-rate period of 3.7 (4.1) years.

The Group's average interest rate was 3.00% (3.22%), divided into the following currencies:

Currencies	Share of debt	Average interest rate
NOK	85 %	3,71 %
SEK	15 %	0,68 %





42 % of interest-bearing debt has a fixed-interest period of over 1 year, and the average fixed-interest period is 3.7 years.

Olav Thon Gruppen AS and subsidiaries	71,9 %
Folketrygdfondet	3,8 %
VPF Nordea Norge	1,9 %
MP Pensjon	1,8 %
Otto Olsen Invest AS	1,4 %
Other shareholders	19,2 %
TOTAL	100,0 %

Shares and shareholders

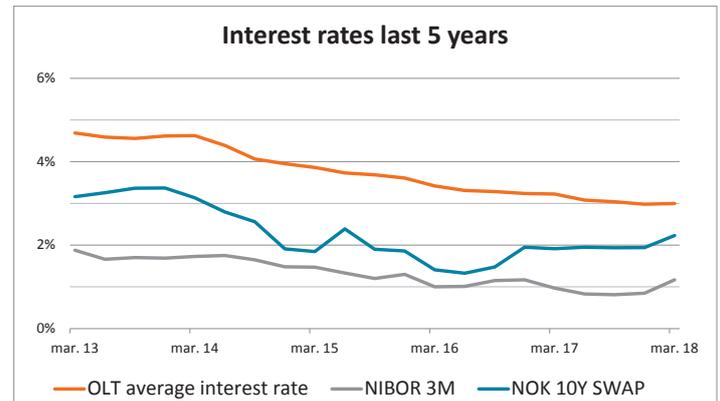
The price of the Olav Thon Eiendomsselskap shares was NOK 142 at the end of the first quarter, down from NOK 163 at the start of the quarter.

The share price therefore decreased by 13% in the first quarter, while the main index of the Oslo Stock Exchange fell 1%.

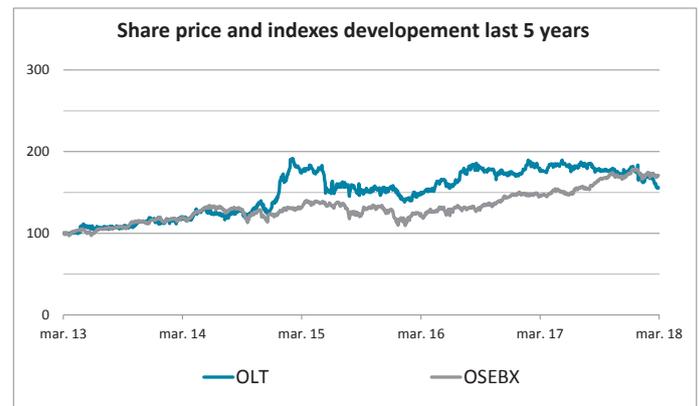
1.4 (1.8) million shares were traded during the quarter, with 3,200 (4,283) trades in the share on the Oslo Stock Exchange.

The highest and lowest prices in the quarter were NOK 166 and NOK 142, respectively.

The company's market capitalisation at the end of the first quarter was NOK 15.2 (17.1) billion, and the company's largest owners were:



At 31 March 2018, the Group's average interest rate ⁴⁾ was 3.00 %.



Over the past five years, the price of Olav Thon Eiendomsselskap share has increased by 56%.

⁴⁾ From Q3 2014 loans in NOK and SEK

Sandvika Storsenter



Outlook

Growth in the Norwegian economy is increasing and the majority of areas in the economy are developing well. The growth in Norway is expected to remain at a relatively high level 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 remains high and with the prospect of continued moderate interest rates, this is expected to last.

Private consumption is expected to rise in the next few years and retail trade is also expected to develop positively in the time ahead. Online shopping still accounts for a small proportion of retail trade, but the growth in online shopping is expected to be higher than physical retail trading in the coming years.

The Group has ongoing projects for adapting the shopping centres to the digitalisation of retail trade and the services offered at the centres are also being developed. Overall, the framework conditions for the Group's shopping centres are therefore considered 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, 23 May 2018

The Board of Directors,
Olav Thon Eiendomsselskap ASA



Illustration: AMFI Moa, Ålesund



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	31.03.2018	31.03.2017	31.12.2017
Rental income	5, 8	698	679	2 770
Other property-related income	8	229	234	845
Property-related expenses	8	-300	-305	-1 155
Net rental income		627	608	2 460
Fair value adjustments, investment property	9	51	539	2 216
Results from joint ventures and associates	11	85	63	199
Other operating income	8	38	36	170
Other operating expenses	8	-35	-35	-137
Administrative expenses	5, 8	-46	-38	-164
Depreciation		-6	-6	-27
Operating profit		715	1 167	4 717
Financial income		6	1	6
Fair value adjustments, interest rate derivatives		289	37	165
Financial expenses		-162	-183	-695
Profit before tax		848	1 023	4 193
Income taxes		-172	-237	-712
Profit for the period		676	785	3 482
Other Comprehensive income				
<i>Items to be reclassified to P&L in subsequent periods:</i>				
Exchange differences, from foreign operations		-100	18	77
Hedging of net investments		99	-16	-72
Changes in deferred tax on other comprehensive income		-23	4	16
Total comprehensive income		652	791	3 503
Profit for the periode attributable to:				
Shareholders of the parent		668	778	3 406
Non-controlling interests		8	8	76
Total comprehensive income attributable to:				
Shareholders of the parent		644	783	3 427
Non-controlling interests		8	8	76
Earnings per share, basic and diluted (NOK)		6	7	32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	31.03.2018	31.03.2017	31.12.2017
ASSETS				
Deferred tax asset		412	550	412
Investment properties	3, 9	51 552	48 473	51 435
Other fixed assets		89	95	99
Investments in joint ventures and associates	11	2 902	2 708	2 838
Other non-current assets		361	183	294
Total non-current assets		55 317	52 009	55 078
Trade and other current receivables		1 051	1 088	1 050
Bank deposits and cash		275	279	366
Total current assets		1 326	1 367	1 415
Total assets		56 643	53 376	56 493
EQUITY AND LIABILITIES				
Majority share of equity		24 872	21 733	24 061
Non-controlling interests		353	455	518
Total equity		25 225	22 188	24 580
Deferred tax liabilities		7 026	6 660	6 945
Non-current liabilities	6	15 525	17 171	15 701
Current liabilities	7	8 867	7 358	9 267
Total liabilities		31 418	31 188	31 914
Total equity and liabilities		56 643	53 376	56 493

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
Equity 31.12.2016	106	318	-120	20 565	81	20 950	447	21 397
Profit for the period				778	0	778	8	785
Other Comprehensive income			18	4	-16	6		6
Acquisitions of own shares								
Other changes								
Equity 31.03.2017	106	318	-102	21 347	65	21 733	455	22 188
Profit for the period				3 406		3 406	76	3 482
Other Comprehensive income			77		-55	22		22
Acquisitions of own shares				-100		-100		-100
Dividends paid				-214		-214		-214
Other changes				-1		-1	-5	-6
Equity 31.12.2017	106	318	-43	23 655	26	24 063	518	24 580
Profit for the period				668		668	8	676
Other Comprehensive income			-100	-23	99	-24		-24
Other Changes				165		165	-172	-7
Per 31.03.2018	106	318	-143	24 466	125	24 872	354	25 225

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	31.03.2018	31.03.2017	31.12.2017
Net cash flow from operations	407	365	1 635
Change in working capital	32	-186	-9
Net cash flow from operating activities	440	179	1 626
Payment on the sale of tangible fixed assets	0	0	0
Acquisition of investment properties	-296	-204	-1 452
Acquisition of subsidiaries	0	-9	-9
Other investments	-46	0	-90
Net cash flow from investing activities	-342	-213	-1 551
Proceeds from interest-bearing liabilities	4 236	2 186	10 894
Repayment of interest-bearing liabilities	-4 424	-2 199	-10 609
Dividends paid	0	0	-214
Acquisition of own shares	0	0	-100
Net cash flow from financing activities	-188	-13	-29
Net change in cash	-90	-47	46
Cash at beginning of period	366	326	325
Currency effects	0	0	-5
Cash at end of period	276	279	366

NOTES TO THE ACCOUNTS 31. MARCH 2018

(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 standards, IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers, were implemented with effect from 1 January 2018 and no consequences for the Group have been identified.

With the exception of the implementation of the new standards, IFRS 9 and IFRS 15, the accounting principles that were used as a basis for the interim report are in accordance with the principles used when preparing the 2017 annual report and should be read together with this.

The interim financial statements were adopted by the Board Mayr 23th 2018.

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 2017.

Note 5 RELATED PARTY TRANSACTIONS

Transactions	Counterparty	Counterparty associate of	31.03.2018	31.03.2017	31.12.2017
Current leases	Companies in Olav Thon Gruppen AS	Olav Thon Foundation	13	12	52
Current operating and administration agreements	Thon Eiendomsdrift AS	Olav Thon Foundation	28	26	98

Note 6 NON-CURRENT LIABILITIES

	31.03.2018	31.03.2017	31.12.2017
Bonds	6 592	6 937	6 384
Other interest-bearing liabilities	7 426	8 338	7 751
Non-interest-bearing liabilities (fair value interest rate swaps)	1 476	1 893	1 543
Other liabilities	31	4	23
Total	15 525	17 171	15 701

Note 7 CURRENT LIABILITIES

	31.03.2018	31.03.2017	31.12.2017
Commercial paper debt	4 979	2 977	4 399
Bonds	2 056	859	2 375
Interest-bearing current liabilities	241	2 138	804
Trade payables	212	186	203
Accrued interest	54	51	58
Duties payable	150	119	104
Income tax payable	185	54	116
Other current liabilities	990	973	1 208
Total	8 867	7 358	9 267

Note 8 BUSINESS SEGMENTS

At 31 March 2018, the Group has activities within two strategic operating 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.

Driftssegmenter

	Operating segments				Geographical segments		
	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	212	17		229	208	21	229
Property-related expenses	-237	-63		-300	-267	-33	-300
Net rental income	514	114	0	627	586	41	627
Fair value adjustments, investment property	-221	272		51	33	18	51
Results from joint ventures and associates	85	0		85	85		85
Other operating income	15	0	23	38	38		38
Other operating expenses	-14	0	-21	-35	-35		-35
Administrative expenses	-40	-6		-46	-43	-4	-46
Depreciation	-4	-2		-6	-6	0	-6
Operating profit	334	378	2	715	659	56	715
31.03.2017							
Rental income	516	163		679	633	46	679
Other property-related income	213	21		234	212	22	234
Property-related expenses	-249	-56		-305	-277	-28	-305
Net rental income	480	128	0	608	569	39	608
Fair value adjustments, investment property	315	225		539	544	-5	539
Results from joint ventures and associates	63	0		63	63		63
Other operating income	13		23	36	36		36
Other operating expenses	-13		-22	-35	-35		-35
Administrative expenses	-32	-6		-38	-34	-4	-38
Depreciation	-4	-2		-6	-6	0	-6
Operating profit	822	345	1	1 167	1 137	30	1 167

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	769	76	845
Property-related expenses	-955	-200		-1 155	-1 042	-113	-1 155
Net rental income	1 978	482	0	2 460	2 291	169	2 460
Fair value adjustments, investment property	1 343	873		2 216	2 247	-31	2 216
Results from joint ventures and associates	199	0		199	199		199
Other operating income	78		92	170	170		170
Other operating expenses	-58		-79	-137	-137		-137
Administrative expenses	-141	-24		-164	-150	-14	-164
Depreciation	-19	-8		-27	-27	0	-27
Operating profit	3 380	1 324	13	4 717	4 593	124	4 717

Note 9 INVESTMENT PROPERTY

	31.03.2018	31.03.2017	31.12.2017
Opening balance	51 435	47 695	47 695
Acquisitions/expenditure on properties	297	205	1 499
Investment property from companies bought in the period	0	0	9
Change in fair value recognised in the period	51	539	2 216
Effect of currency differences i foreign operations	-231	34	181
Closing balance	51 552	48 473	51 435

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	31.03.2018	31.03.2017	31.12.2017
Net rental income	87	87	351
Fair value adjustments, investment property	29	23	26
Fair value adjustments, interest rate derivatives	34	1	5
Expenses	-65	-63	-235
Profit	85	48	147
Investment properties	3 760	3 430	3 641
Other assets	319	195	256
Total assets	4 079	3 625	3 897
Equity	2 359	2 203	2 298
Non-current liabilities	1 562	1 316	1 488
Current liabilities	158	107	111
Total equity and liabilities	4 079	3 625	3 897
Associated companies	31.03.2018	31.03.2017	31.12.2017
Net rental income	68	14	58
Fair value adjustments, investment property	-22	12	26
Fair value adjustments, interest rate derivatives	0	0	0
Expenses	-45	-11	-32
Profit	1	15	52
Investment properties	948	876	957
Other assets	173	108	211
Total assets	1 121	984	1 168
Equity	543	505	540
Non-current liabilities	510	356	628
Current liabilities	68	123	0
Total equity and liabilities	1 121	984	1 168

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 items.

	31.03.2018	31.03.2017	31.12.2017
Fair value adjustments, investment property from profit and loss	51	539	2 216
Fair value adjustments, investment property - Joint ventures	29	23	26
Fair value adjustments, investment property - Associated companies	-22	12	26
Fair value adjustments, interest rate derivatives from profit and loss	289	37	165
Fair value adjustments, interest rate derivatives - Joint ventures	34	1	5
Fair value adjustments in investment property and interest rate derivatives	381	612	2 438

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.

	31.03.2018	31.03.2017	31.12.2017
Profit before tax	848	1 023	4 193
Adjusted for fair value adjustments in investment property and interest rate derivatives	-381	-612	-2 438
Profit before tax and fair value adjustments	467	411	1 755

Non-current net asset value per share

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

	31.03.2018	31.03.2017	31.12.2017
Majority share of equity	24 872	21 733	24 061
Deferred tax liabilities	7 026	6 646	6 945
Fair value of debt - deferred tax liabilities - 7%	-1 833	-1 661	-1 812
Non-current net asset value	30 065	26 717	29 195
Number of shares	105 745 320	106 445 320	105 745 320
Non-current net asset value per share in NOK	284	251	276

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.

	31.03.2018	31.03.2017	31.12.2017
Bonds, non-current	6 592	6 937	6 384
Bonds, current	2 056	859	2 375
Commercial paper debt, current	4 979	2 977	4 399
Other interest-bearing liabilities, non-current	7 426	8 338	7 751
Other interest-bearing liabilities, current	241	2 138	804
Interest-bearing debt	21 295	21 249	21 713
Bank deposits and cash	-275	-279	-366
Net interest-bearing debt	21 020	20 970	21 348

Illustration: Thon Hotel Storo



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