

Q3

Storm Real Estate ASA
Interim Report
July - September 2014



Storm Real Estate is an investment company with focus on real estate. The strategy includes acquisition and management of own properties, and investment in shares and bonds in other real estate companies.

Highlights

All numbers in mill. USD

	9M 2014	9M 2013
Total Comprehensive Income	-12.9	0.7

Major items:

NOI from investement property	7.8	7.6
Value change investment property	-14.9	0.3
Value change real estate shares	3.9	-1.4
Other operating expenses	-2.3	-2.4
Return on funds and other liquid investments	0.7	2.1
Borrowing costs	-2.5	-2.3
Currency gain / loss	-1.9	-0.1
Value change on contract- and interest derivatives	-0.5	2.9
Taxes	-3.1	-6.1

Return ratios

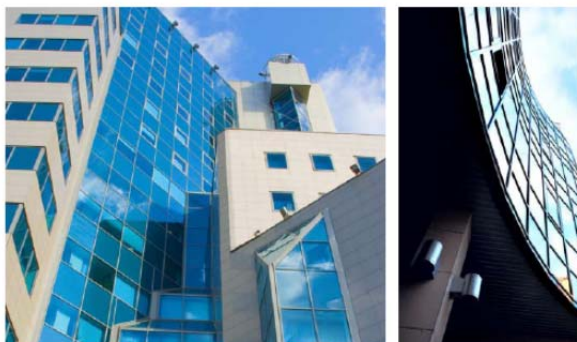
	Return on Equity ⁽¹⁾	Total Shareholder Return ⁽²⁾	NAV per share in NOK
Last 1 year	-13.6%	9.9%	-8.0%
Last 3 years (annualised)	-2.9%	18.2%	1.1%
Last 5 years (annualised)	3.1%	12.1%	⁽³⁾ 6.5%

(1) Return on Equity = Total Comprehensive Income / average equity for the same period.

(2) Total Shareholder Return = Movement in share price, dividend adjusted.

The share was listed on Oslo Stock Exchange in June 2010. Before listing the share was traded OTC.

(3) NAV per share in NOK = IRR NAV per share, dividend-adjusted. Data for 30/09/2009 not available. Calculation made for the period 31/12/2009 – 30/09/2014.



Financial information

(all following numbers are in USD)

Highlights

- The company had a Total Comprehensive Income of -13.9 million in Q3 2014 compared with a positive result of 2.4 million for the same period in 2013. Year to date the Total Comprehensive Income is -12.9 million versus +0.7 million for the same period last year.
- Russia is affected by the implemented sanctions. The real estate market needs to adjust to a stagnating Russian economy. The board has in previous interim reports described that the company's exposure towards Russia has a higher risk than before. The board is working on measures to reduce the risk related to Russia.
- Property values are adjusted down by 9.5 million in Q3 in accordance with valuations from an independent valuer, Cushman & Wakefield. This is related to a weaker market for commercial property in Moscow and St Petersburg. Year to date the buildings are adjusted down by 14.9 million. The uncertainty observed in the market is extra visible with quarterly valuations from independent valuer.
- In Q3, the company signed a 10-year extension to the rental agreement for Grifon House in St Petersburg. The agreement includes a reduction of the rent rate of 15%. This is taken into account in the valuation of the building. The agreement with the anchor tenant in the Gasfield building in Moscow expires in March 2015. The agreement can be extended by one year at the time in accordance with the framework agreement with the tenant.
- Income from investment properties in Russia was 3.2 million for the quarter (2013: 3.3 million), while property related costs were 0.6 million (2013: 0.6 million). This gave a net operating income from investment properties of 2.6 million (2013: 2.7 million). Year to date the net operating income is 7.8 million (2013: 7.6 million).
- The share price of TK Development fell in Q3 which led to a value reduction of our investment of 1.9 million. Year to date there has been an unrealised value increase of 3.9 million.
- From other investments in bonds and funds, mainly Storm Bond Fund, it is recorded a value reduction of 0.2 million for Q3 (2013: +0.8 million). Year to date there has been an unrealised value increase of 0.7 million. A weak market for financial investments has also affected our cash reserves after the closing date.
- L Borrowing costs amounted to 0.8 million in the quarter (2013: 0.7 million). Of this, 0.53 million was loan interest (2013: 0.49 mill) and 0.23 million was net interest on interest rate swaps (2013: 0.23 million). Borrowing costs year to date amount to 2.2 million (2013: 2.3 million).

Accounting for value change investment property:

In accordance with international accounting standards (IFRS) the movement in value of investment property are split over two separate posts, explained by the following: Our Russian subsidiaries which own the buildings have Russian roubles as functional currency. According to IFRS, only the part of the fair value adjustment which can be attributed to RUB is presented over the Income Statement. The effect of currency exchange movements between RUB and USD is presented as Other Comprehensive Income and is included in term Total Comprehensive Income. We perceive Total Comprehensive Income as the most relevant measure of the company's profit. In every quarter we present an explanatory statement of the fair value adjustment:

Change in value, mill USD	Q3 2014	Q3 2013	9M 2014	9M 2013
Over Income Statement	+4.8	-2.0	+2.8	+6.8
Translation Differences over Other Comprehensive Income	-14.3	+2.0	-17.7	-6.5
Sum Value Adjusted Properties	-9.5	0.0	-14.9	+0.3

Statement of financial position

- The property values are 88.2 million in accordance with valuations from an independent valuer, Cushman & Wakefield..
- The company had per 30 September 15.4 million invested in TK Development A/S which is classified as a long-term investment. In addition, the company had 12.0 million in short-term investments in bonds and funds. The cash balance was 3.7 million.
- The group has accrued for 10.1 million in deferred tax. This is largely related to deferred tax linked to value changes from the investment properties in Russia after acquisition, and measured in local currencies. Deferred tax could become payable on a potential realization of the buildings, while a potential realization of shares in the property owned subsidiaries could result in lower tax or no taxes.
- The company's NAV per share measured in NOK as at 30 September was NOK 21.15.

The company's risk is considered higher than before following the company's exposure to Russia. The business risks are otherwise roughly the same as those described in the company's annual report for 2013.

Oslo, 13 November 2014

The Board of Directors, Storm Real Estate ASA

The company's investment areas

Market commentary Russia

Macro snapshot

- Q3 2014 continued to be a challenging period for the Russian economy. Escalation of sanctions against Russia and further political uncertainty put pressure on all sectors of the economy. Effects on the sanctions can now be seen with private investment slowing down.
- The oil price is an important driver of the Russian economy. In Q3 2014 the oil price fell c. 15%, this development continued in Q4 2014.
- The GDP outlook is still positive although downgraded since the beginning of the year. The Ministry of Economic Development of the Russian Federation now estimates growth at 0.5% in 2014 and 1.2% in 2015.
- On 28 October the EU had a review meeting to assess the effects of the sanctions against Russia, and to whether to prolong them. The EU member states concluded to maintain the current sanctions; no date for a new review has so far been communicated. The sanctions have had a significant effect on the financial sector.
- The rouble decreased 14% against the USD, and 7% against the Euro during the quarter. Despite efforts from the Russian central bank to buy significant amounts of rouble to support the currency the rouble has continued to fall after the quarter end.
- Inflation has remained relatively stable during the quarter at c. 7.7% (7.6% in Q2 2014). Inflation is expected to decrease in 2015 and 2016.
- Unemployment continues to be low at c. 6%, and is expected to remain stable / slightly increasing in the next 2 years.

The real estate market

- c. 3.7 billion USD was invested in commercial real estate in Russia during the first 9 months 2014. Of this volume, approx. 35% or 1.3 billion USD was invested in Q3 2014 (Q3 2013 1.2 billion USD). Q4 2014 investment volume is expected to be similar to Q3 2014. The expected total investment volume for 2014 continues to be estimated at 5 USD billion, more than 35% lower than 2013.
- Investment activity continues to be concentrated to Moscow, with 91% of the total investment volume transacted in Moscow during the first 9 months of 2014. c. 55% of the investment volume was transacted in the office sector compared to c. 70% in the first 6 months.

- Vacancy in the office segment in both Moscow and St. Petersburg continued to rise in the quarter. In line with the previous quarters vacancy rates rose the most in Class A buildings. Vacancy in Class A office buildings in Moscow stood at 27% at the end of the quarter and 25% in St. Petersburg. Vacancy in Class B office buildings has been stable from the previous quarter at 12% in Moscow and 7% in St. Petersburg.
- Rental rates are under pressure, especially since most rental contracts are denominated in USD. Market reports states that rental rates in Class A buildings in Moscow fell c. 10% during the quarter and 3% in Class B buildings. In St. Petersburg rental rates stayed relatively stable during the quarter.

Shares in TK Development A/S

- Storm Real Estate held 11.1% of the shares in TK Development A/S at 30 September 2014, to a value of 91.3 million DKK (15.4 million USD).
- TK Development published its H1 2014 report on the 12th September 2014 (TK's accounting year ends 31 January).
- The company reported a positive result before tax of 15.0 million DKK for the first half of the year, excluding discontinued operations, compared to a loss of 16.3 million DKK during the same period last year.
- In the 2nd quarter TK Development entered into an agreement for the sale of building rights comprising 7,200 sq. meters in Copenhagen to a private investor.
- The company also sold part of a project in Bytom, Poland, to the French sport retailer Decathlon.
- NAV per share was unchanged compared to the last quarter at 15.8 DKK per share. By comparison, the share price on 30 September 2014 was 8.40 DKK, representing a discount of approximately 47% to book value.
- Storm Real Estate's average cost price per share was DKK 8.00 per 30 September 2014.

Sources market information Russia: Cushman & Wakefield, CBRE, Ministry of Economic Development of the Russian Federation.
Sources TK Development A/S: Company interim report.

Consolidated Statement of Comprehensive Income

All numbers in 000 USD	Note	Q3 2014 Unaudited	Q3 2013 Unaudited	9M 2014 Unaudited	9M 2013 Unaudited	2013 Audited
Rental Income	3	3,225	3,268	9,992	9,616	12,901
Total Income		3,225	3,268	9,992	9,616	12,901
Property related Expenses	3	640	588	2,173	1,973	2,832
Personnel Expenses		106	131	525	595	749
Other Operational Expenses		524	551	1,768	1,812	2,365
Total Operational Expenses		1,271	1,270	4,466	4,380	5,946
Operating Profit (Loss) Before Fair Value Adjustments		1,955	1,998	5,526	5,236	6,955
Fair Value Adjustments on Investment Property	3	4,840	-2,055	2,757	6,788	8,220
Total Operating Profit (Loss)		6,795	-56	8,284	12,024	15,175
Finance Revenues	5	-2,108	1,155	4,823	3,895	7,314
Finance Expenses	5	-538	-745	-2,850	-2,387	-4,166
Currency Exchange Gains (Losses)	5	-1,584	178	-1,913	105	342
Net Financial Gains (Losses)		-4,230	588	60	1,613	3,490
Earnings before Tax (EBT)		2,565	532	8,344	13,637	18,665
Income Tax Expenses	7	2,072	216	3,071	6,134	7,475
Profit (Loss) for the Period		493	316	5,273	7,502	11,190
Other Comprehensive Income:						
<i>OCI to be reclassified to profit or loss in subsequent periods:</i>						
Currency Effect of Net Investments in Foreign Operations		-2,293	332	-2,930	-1,330	-1,566
Tax Effect of Net Investments in Foreign Operations		-64	-33	0	133	157
Translation Differences		-12,034	1,760	-15,249	-5,595	-6,638
Sum Other Comprehensive Income		-14,390	2,059	-18,179	-6,792	-8,048
Total Comprehensive Income for the Period		-13,897	2,375	-12,906	710	3,142
Average Number of Shares (Excluding Treasury Shares)		18,345,623	18,503,123	18,358,315	18,746,713	18,685,315
Earnings per share (USD)		0.03	0.02	0.29	0.40	0.60
Total Comprehensive Income per share (USD)		-0.76	0.13	-0.70	0.04	0.17

Consolidated Statement of Financial Position

All numbers in 000 USD	Note	30.09.2014 Unaudited	31.12.2013 Audited
Investment Property	3	88,200	103,100
Financial Investments	4	15,429	12,176
PP&E		15	5
Intangible assets		0	1
Financial Derivative Assets	4	142	53
Total Non-Current Assets		105,344	115,335
Financial Investments	4	11,985	16,223
Other Receivables	10	561	639
Cash and Cash Equivalents	4	3,703	6,362
Total Current Assets		14,691	23,225
Total Assets		120,036	138,561
Share capital		1,236	1,296
Share Premium		21,036	21,036
Treasury Shares		0	-50
Other Paid-in Equity		56,763	61,734
Total Paid-in Equity		79,035	84,016
Other Equity		-18,909	-5,578
Total Other Equity		-18,909	-5,578
Total Equity		60,126	78,437
Loans From Credit Institutions	4	40,464	42,364
Deferred Tax Liabilities		10,095	9,522
Financial Derivative Liabilities	4	1,502	1,011
Other Long-term Liabilities		90	100
Total long term liabilities		52,152	52,997
Trade Payables		86	96
Loans from Credit Institutions	4	2,606	2,606
Other Short-term Payables	9	5,069	4,426
Total short term liabilities		7,761	7,128
Total Liabilities		59,912	60,125
Total Equity and Liabilities		120,036	138,561

Consolidated Statement of Cash Flow

All numbers in 000 USD	9M 2014 Unaudited	9M 2013 Audited
Cash Flow from Operational Activities		
Earnings before Tax	8,344	13,637
<i>Adjusted for:</i>		
Depreciations	4	16
Value Adjustments on Investment Property	-2,757	-6,788
Financial Income	-4,823	-841
Financial Expenses	2,850	-817
Net Currency Gains	2,181	-154
Cash Flow Before Changes in Working Capital	5,798	5,053
<i>Changes in Working Capital:</i>		
Trade Receivables and Other Receivables	78	-16
Trade Payables and Other Payables	-117	-686
Paid Taxes	-1,551	-984
Net cash flow from operational activities	4,208	3,367
Cash Flow From Investment Activities		
Outflows from Investments in Financial Securities	-3,783	-11,967
Inflows from Investments in Financial Securities	7,133	7,040
Interest Received	95	113
Net Cash Flow From Investment Activities	3,445	-4,814
Cash Flow From Financing Activities		
Repayments of Loans	-1,909	-1,953
Net Purchase of Treasury Shares	-434	-2,239
Dividends Paid	-4,948	-3,153
Interest Paid	-2,240	-2,343
Net Cash flow From Financing Activities	-9,532	-9,688
Net Change in Cash and Cash Equivalents	-1,879	-11,135
Carried Forward Cash and Cash Equivalents	6,362	15,099
Currency Exchange Variation on Cash and Cash Equivalents	-780	-55
Cash and Cash Equivalents on Closing Date	3,703	3,909
Of which restricted Cash and Cash Equivalents	372	372

Consolidated Statement of Changes in Equity

	Paid-in Equity				Other Equity		Total Equity
	Share Capital	Share Premium	Other Paid-in Equity	Treasury Shares	Retained Earnings	Translation Differences on Foreign Operations	
1 January 2013	1,296	21,036	61,734	-1	4,776	-8,122	80,719
Profit (Loss) for the Period					7,502		7,502
Treasury shares				-49	-2,190		-2,239
Dividends					-3,184		-3,184
Other comprehensive income						-6,792	-6,792
Sum	0	0	0	-49	2,128	-6,792	-4,713
30 September 2013	1,296	21,036	61,734	-50	6,904	-14,914	76,005

	Paid-in Equity				Other Equity		Total Equity
	Share Capital	Share Premium	Other Paid-in Equity	Treasury Shares	Retained Earnings	Translation Differences on Foreign Operations	
1 January 2014	1,296	21,036	61,734	-50	10,592	-16,171	78,437
Profit (Loss) for the Period					5,273		5,273
Purchase of Treasury shares				-10	-424		-434
Deletion of Treasury shares	-60			60	0		0
Dividends			-4,971				-4,971
Other Comprehensive Income						-18,179	-18,179
Sum	-60	0	-4,971	50	4,848	-18,179	-18,312
30 September 2014	1,236	21,036	56,763	0	15,440	-34,350	60,126

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

(Unaudited)

1. Corporate Information

Storm Real Estate ASA is a public limited liability company domiciled in Norway. The company is listed on Oslo Stock Exchange. The principal activity of the company is investment in yielding properties in Russia and the EEA, including investments in equities and bonds.

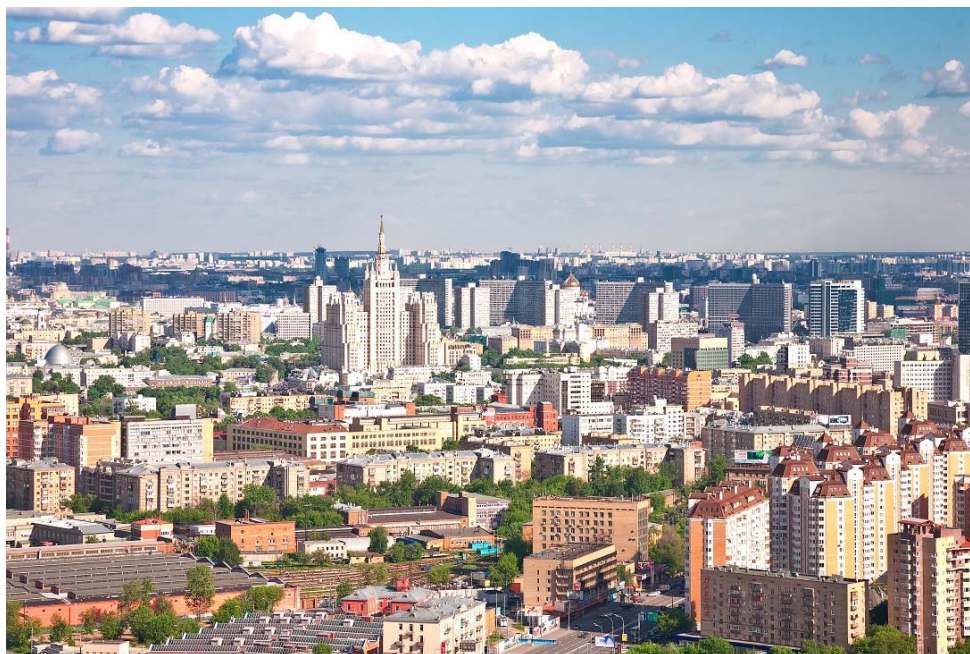
2. Basis of Preparation and Accounting Policies

Basis of Preparation

The interim financial statements for the period ending 30 September 2014 are prepared in accordance with IAS 34. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statement of 2013. The interim financial statements are unaudited. The interim financial statement was approved by the Board of Directors on 13 November 2014.

Accounting Principles

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for 2013. All notes are in '000 USD except where otherwise indicated.



3. Investment property

Value	30.09.2014	31.12.2013
Per 1 January	103,100	102,700
Value Adjustment *	-14,900	400
Value per Closing Date	88,200	103,100

* The functional currency of the Russian subsidiaries including the buildings in Russian Rouble.

The fair value changes has two elements:

- Changes in the local functional currency (RUB) are presented over the income statement.
- Translation differences in the Group presentation currency (USD) are not allowed over the income statement, and are presented over the statement of comprehensive income.

The two effects are presented separately below:

	9M 2014	9M 2013
Change in RUB over Income Statement	2,757	6,788
Translation Differences over Comprehensive Income	-17,658	-6,488
Net Change in Fair Value	-14,900	300

NOI from Properties	9M 2014	9M 2013
Rental Income	9,992	9,616
Direct Property Related Expenses	2,173	1,973
NOI from Properties	7,819	7,643

NOI %	78%	79%
Annualised yield (NOI / Fair Value)	11.8 %	9.9 %

Variables for Independent Valuations	Moscow		St Petersburg	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Discount Rate	11.50%	11.00%	12.50%	12.00%
Yield (cap. rate)	10.50%	10.00%	10.50%	10.00%
Market rates, \$/sq.m	680	700	300	400
Estimated Rate Growth Year 1	0.0%	3.0%	0.0%	2.0%
Estimated Rate Growth Year 2	0.0%	3.0%	0.0%	2.0%
Estimated Rate Growth Year 3	2.5%	3.0%	2.0%	2.0%
Estimated Rate Growth Year 4	2.5%	3.0%	2.0%	2.0%
Estimated Rate Growth Year 5	2.5%	3.0%	2.0%	2.0%

Investment property is valued at level 3 in the fair value hierarchy (see note 4).

4. Financial Assets and Liabilities

Investments in financial securities	30.09.2014	31.12.2013
Value as at 1 January	28,400	25,485
Additions	3,777	11,864
Disposals	-7,130	-9,460
Change in Fair Value	4,637	1,770
Change in Currency *	-2,269	-1,260
Value at Closing Date	27,414	28,400

* investments in other currencies than USD were largely hedged to USD on the closing dates.

Other Financial Assets and Liabilities	30.09.2014	31.12.2013
Cash and Cash Equivalents	3,703	6,362
Financial Investments	27,414	28,400
Embedded Derivatives	4	14
Currency Derivatives	138	39
Interest Rate Swaps	-1,502	-1,011
Bank Loan	-43,070	-44,970
Total Financial Assets and Liabilities	-13,313	-11,166

Embedded Derivatives

The embedded financial derivative occurs as a result of currency fluctuations between RUB and USD.

Most of the tenancy lease agreements include a clause with a minimum Exchange rate for the rental.

The fair value of this asset is estimated based on currency forecasts, followed by calculations using the Black & Scholes model.

Interest Rate Swap

The parent company has entered into interest rate swap agreements with the lender, Swedbank, which fixes the interest on most of the bank loans. Fair value of the interest swap is based on expectations of future cash flows with today's interest rates and the yield curve over the remaining fixed period.

Currency Derivatives

The company has entered into currency derivative contracts to hedge portions of its exposure to foreign currency (NOK).

Accrued profits and losses are presented on the balance sheet based on the currency rate on the closing date compared to the agreed future exchange rate on the forward contracts.

The company does not apply hedge accounting for these derivatives.

Bank Loan

The parent company has two loans to finance its properties. The loans are secured with pledge in investment properties, and is repaid in quarterly instalments. The first loan (Gasfield) started in September 2008.

The second loan started in June 2011. Loans are presented in the statement of financial position at amortised cost, and repayments within 12 months are presented as short term liability.

	30.09.2014	31.12.2013
Long-term Liability	40,464	42,364
Short-term Liability	2,606	2,606
Total Loan at Amortised Cost	43,070	44,970

4. Financial Assets and Liabilities (continues)

Fair value hierarchy

The table below shows an analysis of fair values of financial instruments in the Statement of Financial grouped by level in the fair value hierarchy.

Level 1 - Quoted prices in active markets that the entity can access at the measurement date.

Level 2 – Use of a model with inputs other than level 1 that are directly or indirectly observable market data.

Level 3 - Use of a model with inputs that are not based on observable market data.

Financial assets measured at fair value	Level 1	Level 2	Level 3	Sum
Held-for-trading investments: quoted shares	15,429			15,429
Held-for-trading investments: quoted bonds	1,558			1,558
Held-for-trading investments: investment funds	10,428			10,428
Forward currency contracts		138		138
Embedded derivatives		4		4
Sum Financial assets measured at fair value	27,414	142	0	27,556

Financial liabilities measured at fair value	Level 1	Level 2	Level 3	Sum
Interest rate swaps		1,502		1,502
Sum Financial liabilities measured at fair value	0	1,502	0	1,502

Comparison per class

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

	Carrying amount		Fair value	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Financial assets				
Financial assets	61	13	61	13
Other receivables	500	625	500	625
Derivative financial assets at fair value	4	53	4	53
Held-for-trading financial investments	27,414	28,400	27,414	28,400
Cash and cash equivalents	3,703	6,362	3,703	6,362
Sum	31,682	35,453	31,682	35,453
Financial liabilities				
Interest-bearing loans and borrowings	43,070	44,970	43,254	45,208
Trade liabilities	86	95	86	95
Derivative financial liabilities at fair value	1,502	1,011	1,502	1,011
Other current liabilities	5,069	4,426	5,069	4,426
Sum	49,727	50,502	49,911	50,741

5. Finance Income and Costs

	9M 2014	9M 2013
Currency		
Currency Gain	410	1,557
Currency Loss	-2,324	-1,451
Net Currency Gain (Loss)	-1,913	105
Finance Revenues		
Interest Revenue	109	213
Fair Value Adjustment, Financial Investments	4,637	2,029
Fair Value Adjustments, Derivatives	0	1,615
Other Financial Revenues	77	38
Sum	4,823	3,895
Finance Cost		
Interest Costs	-2,277	-2,248
Fair Value Adjustments, Derivatives	-505	-3
Fair Value Adjustments, Financial Investments	0	0
Other Finance Gains (Loss)	-67	-137
Sum	-2,850	-2,387
Net Finance Gains (Losses)	60	1,613

6. Shareholder Information

20 Largest Shareholders as at 30 September 2014:

Shareholder	Type *	Country	Shares	%
SKANDINAVISKA ENSKILDA BANKEN AB	NOM	SWEDEN	2,758,466	14.35%
ACONCAGUA MANAGEMENT LTD		LUXEMBOURG	2,638,523	13.72%
SKANDINAVISKA ENSKILDA BANKEN AB	NOM	UK	1,200,000	6.24%
STORM REAL ESTATE ASA (*)		NORWAY	879,299	4.57%
DEUTSCHE BANK AG	NOM	UK	709,759	3.69%
BJØRGVIN AS		NORWAY	579,675	3.02%
J.P. MORGAN CHASE BANK N.A. LONDON	NOM	UK	525,000	2.73%
BANAN AS		NORWAY	476,338	2.48%
FINANSFORBUNDET		NORWAY	416,650	2.17%
ØRN NORDEN AS		NORWAY	348,060	1.81%
AUBERT VEKST AS NIL		NORWAY	281,000	1.46%
TDL AS		NORWAY	182,250	0.95%
ALLUM GERD NINNI		NORWAY	181,250	0.94%
MOTOR-TRADE EIENDOM OG FINANS AS		NORWAY	180,000	0.94%
LANGBERG INGRID MARGARETH		NORWAY	173,750	0.90%
STORM CAPITAL PARTNERS LTD.		LUXEMBOURG	160,223	0.83%
ALBION HOLDING AS		NORWAY	155,250	0.81%
SVENSKA HANDELSBANKEN AB FOR PB	NOM	NORWAY	150,000	0.78%
SKARET INVEST AS		NORWAY	120,000	0.62%
CACEIS BANK LUXEMBOURG	NOM	LUXEMBOURG	110,035	0.57%
OTHER SHAREHOLDERS			6,999,394	36.41%
SUM			19,224,922	100.00%

* NOM = Nominee Accounts; foreign institutions holding shares on behalf of clients.

The list is as per the shareholders registert in VPS at 30/09.

Any broker trades before the closing date reported after the closing date is not reflected in this list.

Treasury Shares

The company has bought and sold treasury shares in the period.

	30.09.2014	31.12.2013
Treasury Shares as of January 1st	721,799	21,799
Net Purchase of Treasury Shares	157,500	700,000
Deletion of Treasury Shares (*)	0	0
Treasury Shares at Closing Date	879,299	721,799

(*) Deletion of treasury shares

At the General meeting on 7 May 2014 the company approved of the deletion of 879.299 shares.

A deletion of shares requires a creditors notice, the deletion was not formally completed as at 6 October.

The treasury shares are therefore still listed per 30/09/2014 in the shareholders register.

7. Tax Expenses

Income Taxes in the Income Statement	9M 2014	9M 2013
Current Income Tax Expense	2,482	2,796
Deferred Income Tax	589	3,338
Total Tax Expense for Period	3,071	6,134

8. Transactions with Related Parties

	9M 2014	9M 2013
Storm Capital Management Ltd.	944	941
Storm Capital Partners Ltd *)	294	292
Sum	1,238	1,233

*) Previous company name Surfside Ventures Ltd

9. Other Current Liabilities

	30.09.2014	31.12.2013
Taxes and Duties Payable	3,560	2,605
Advance Rents Received	1,260	1,550
Other Current Liabilities	249	271
Sum	5,069	4,426

10. Other Current Receivables

	30.09.2014	31.12.2013
Taxes and Duties Receivable	219	401
Other Receivable	342	238
Sum	561	639

11. Segment information

	Property shares	Property Russia	Other	Sum Group
Total earnings per segment	2,341	-13,655	-1,593	-12,906
Assets	15,429	90,544	14,062	120,035
Liabilities	0	52,804	7,107	59,911
Net assets	15,429	37,740	6,954	60,124

