



3rd Quarter 2014

FINANCIAL RESULTS PRESENTATION

14 November 2014

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KEY TAKE AWAYS

1.

- Strong cashflow – NAV reduced due to poor visibility

2.

- Signed 10 year lease for Grifon House in St. Petersburg

3.

- Property values decreased US\$ 9.5 million to US\$ 88.2 million during Q3 2014

4.

- NAV per share of NOK 21.15 in Q3 2014

STORM CAPITAL MANAGEMENT

P&L – MAJOR ITEMS

| mill. USD | Q3 2014 | Q3 2013 | 9M 2014 | 9M 2013 |
|--|--------------|------------|--------------|------------|
| Total Comprehensive Income | -13.9 | 2.4 | -12.9 | 0.7 |
| <u>Summary of major items:</u> | | | | |
| NOI from investment properties | 2.6 | 2.7 | 7.8 | 7.6 |
| Value change investment properties | -9.5 | 0.0 | -14.9 | 0.3 |
| Value change shares in real estate companies | -1.9 | 0.3 | 3.9 | -1.4 |
| Other operating costs | -0.6 | -0.7 | -2.3 | -2.4 |
| Funds and liquid investments | -0.2 | 0.8 | 0.7 | 2.1 |
| Borrowing costs | -0.8 | -0.7 | -2.5 | -2.3 |
| Currency gains/ losses | -1.6 | 0.2 | -1.9 | -0.1 |
| Contract- and interest derivatives | 0.2 | 0.0 | -0.5 | 2.9 |
| Taxes | -2.1 | -0.2 | -3.1 | -6.1 |

STORM CAPITAL MANAGEMENT

BALANCE SHEET

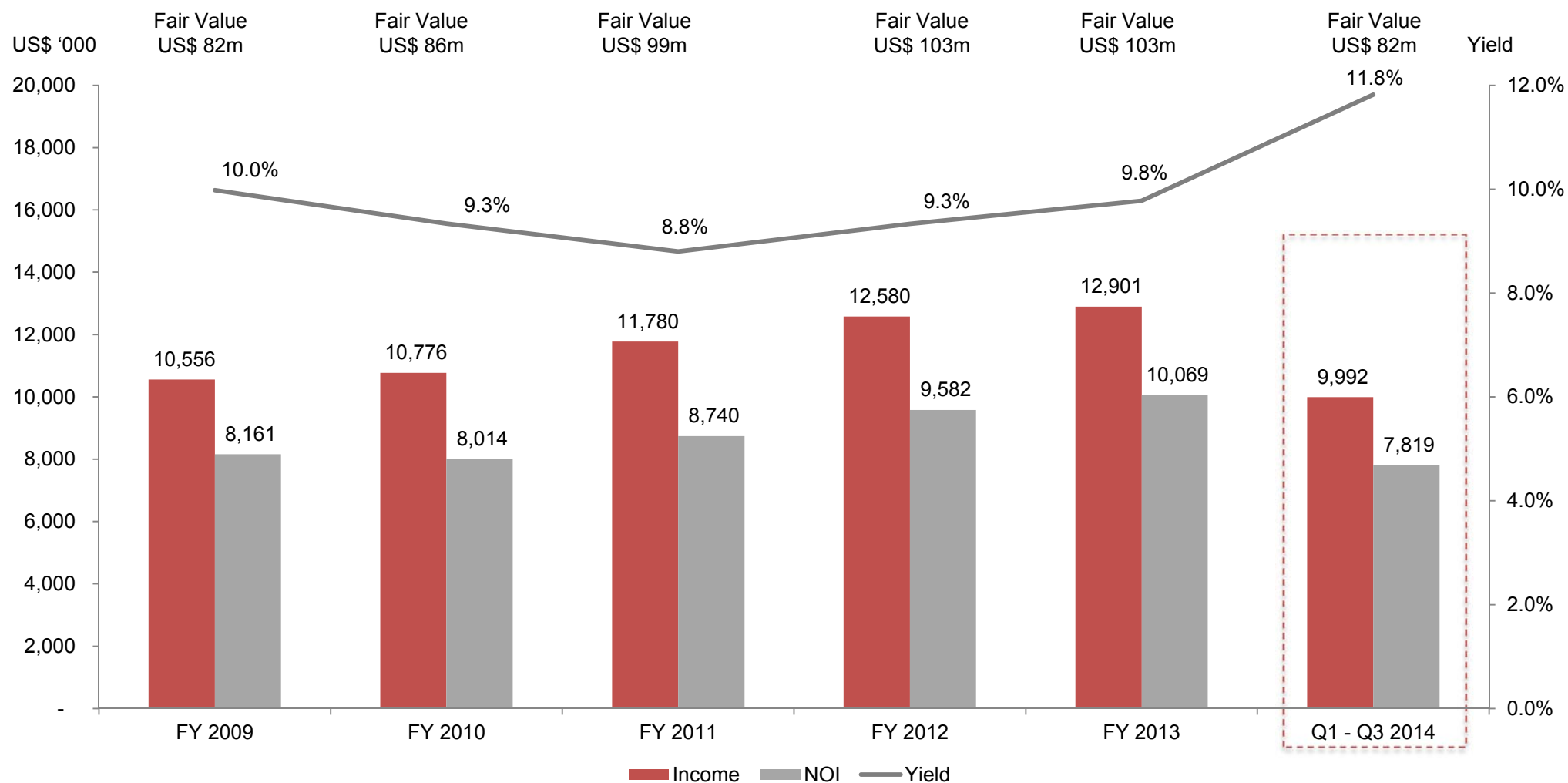
| (US\$ '000) | 31/12/13 | 30/09/14 ⁽¹⁾ | | 31/12/13 | 30/09/14 ⁽¹⁾ |
|--|------------------|-------------------------|-------------------------------------|------------------|-------------------------|
| Investment property | \$103,100 | \$88,200 | Bank loans | \$44,970 | \$43,070 |
| Investments property shares | \$12,176 | \$15,429 | Other liabilities | \$15,155 | \$16,842 |
| Total non-current assets | \$115,335 | \$103,786 | Total liabilities | \$60,125 | \$59,912 |
| Cash & liquid investments ⁽²⁾ | \$22,586 | \$15,688 | | | |
| Total current assets | \$23,225 | \$16,249 | Shareholder's equity | \$78,437 | \$60,126 |
| Total assets | \$138,561 | \$120,036 | Total equity and liabilities | \$138,561 | \$120,036 |

(1) Unaudited.

(2) Includes cash invested in liquid securities for cash management purposes.

STORM CAPITAL MANAGEMENT

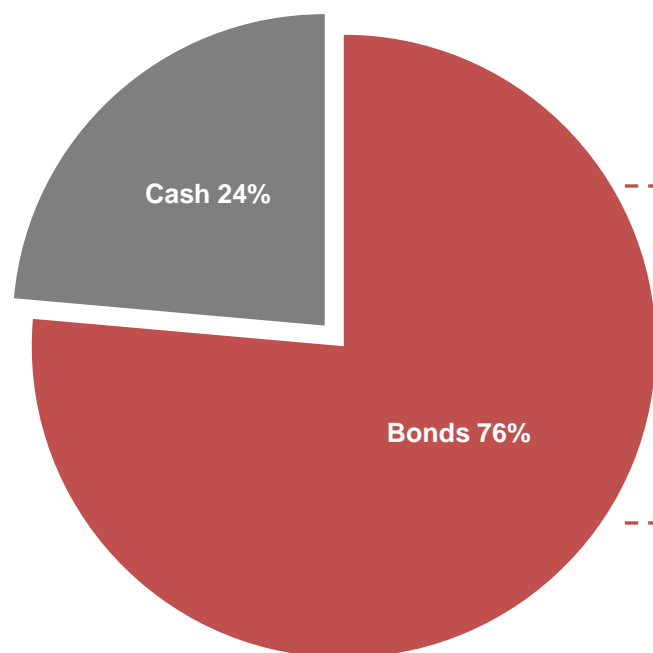
DEVELOPMENT OF ASSET VALUE 2009 – Q3 2014



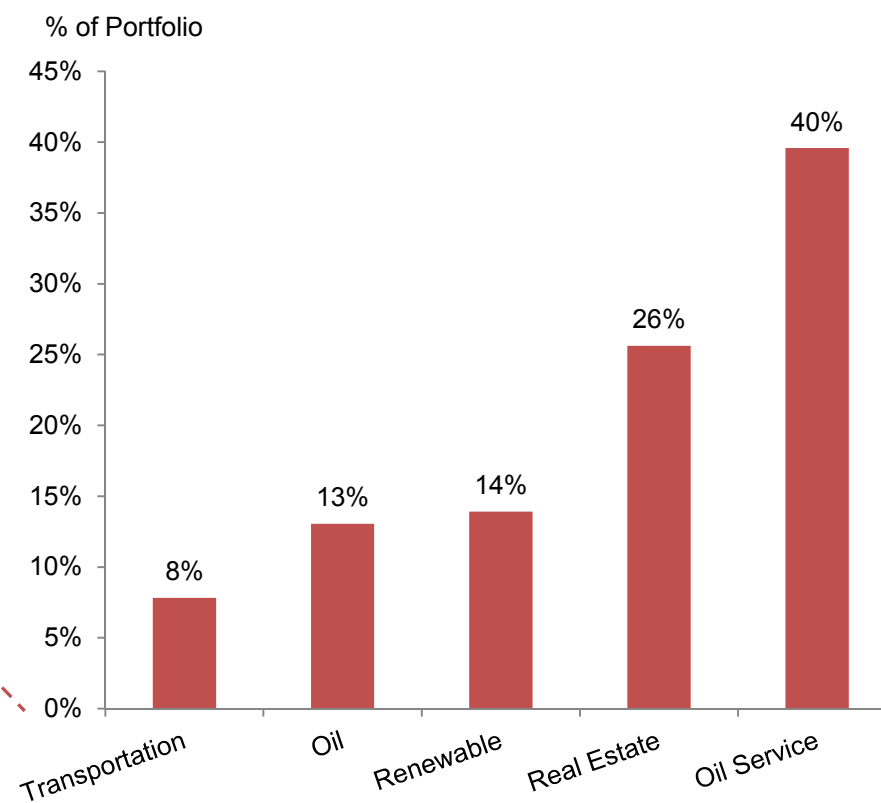
Source: Storm Capital Management Ltd.

CASH & INVESTMENTS

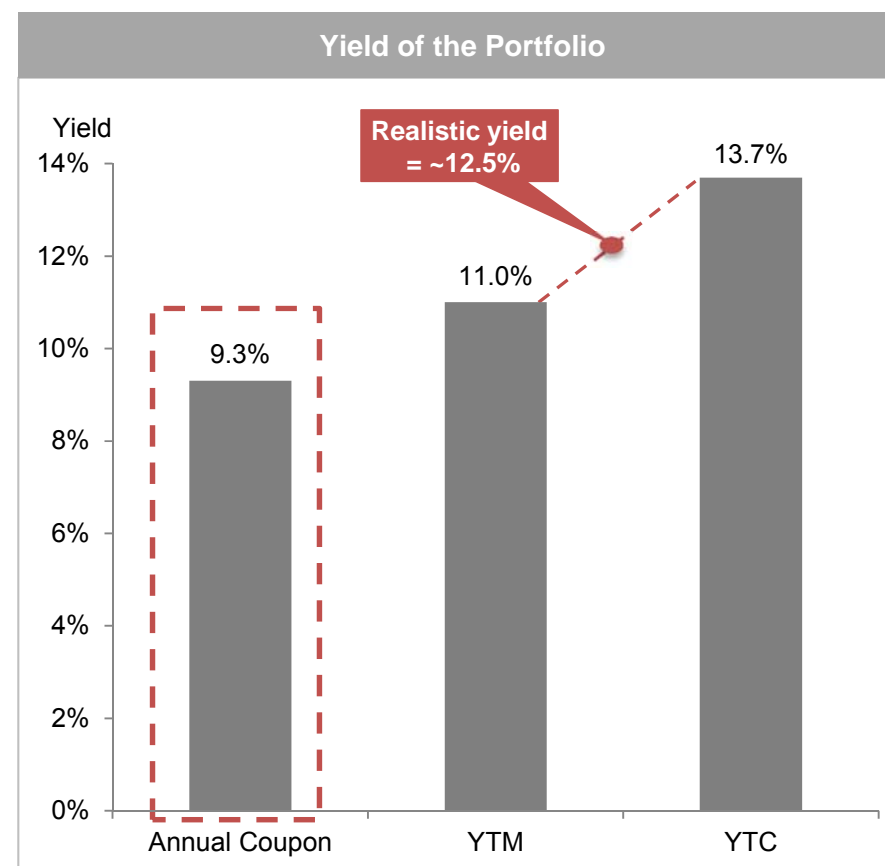
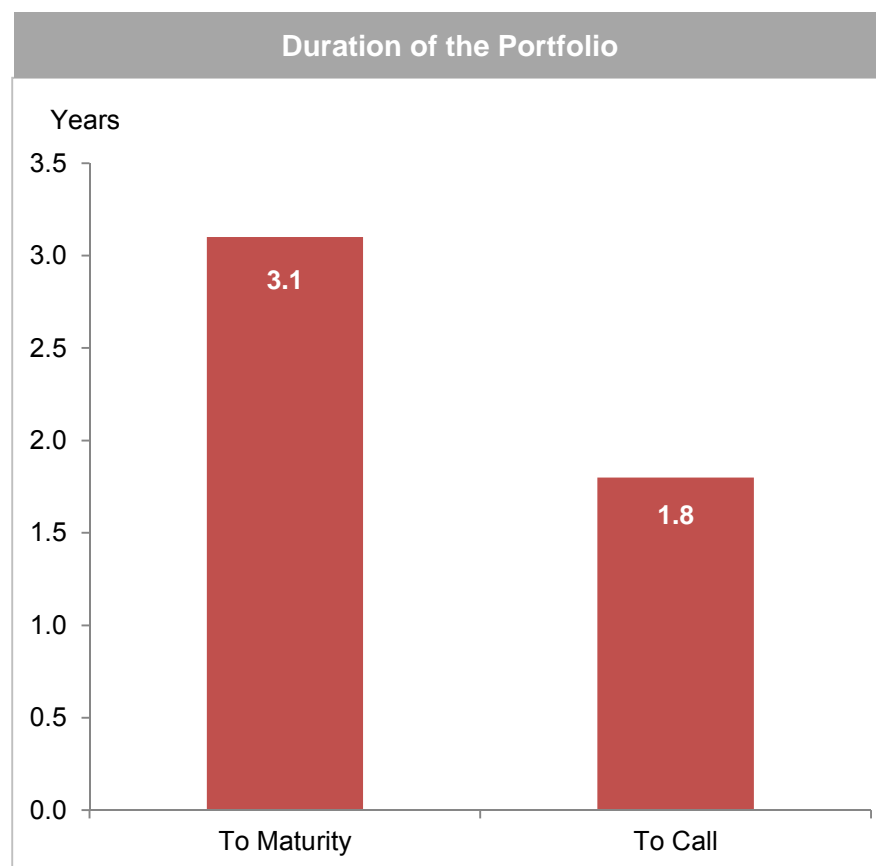
Break-Down of Cash & Liquid Investments



Break-Down by Sector of Bond Portfolio ⁽¹⁾



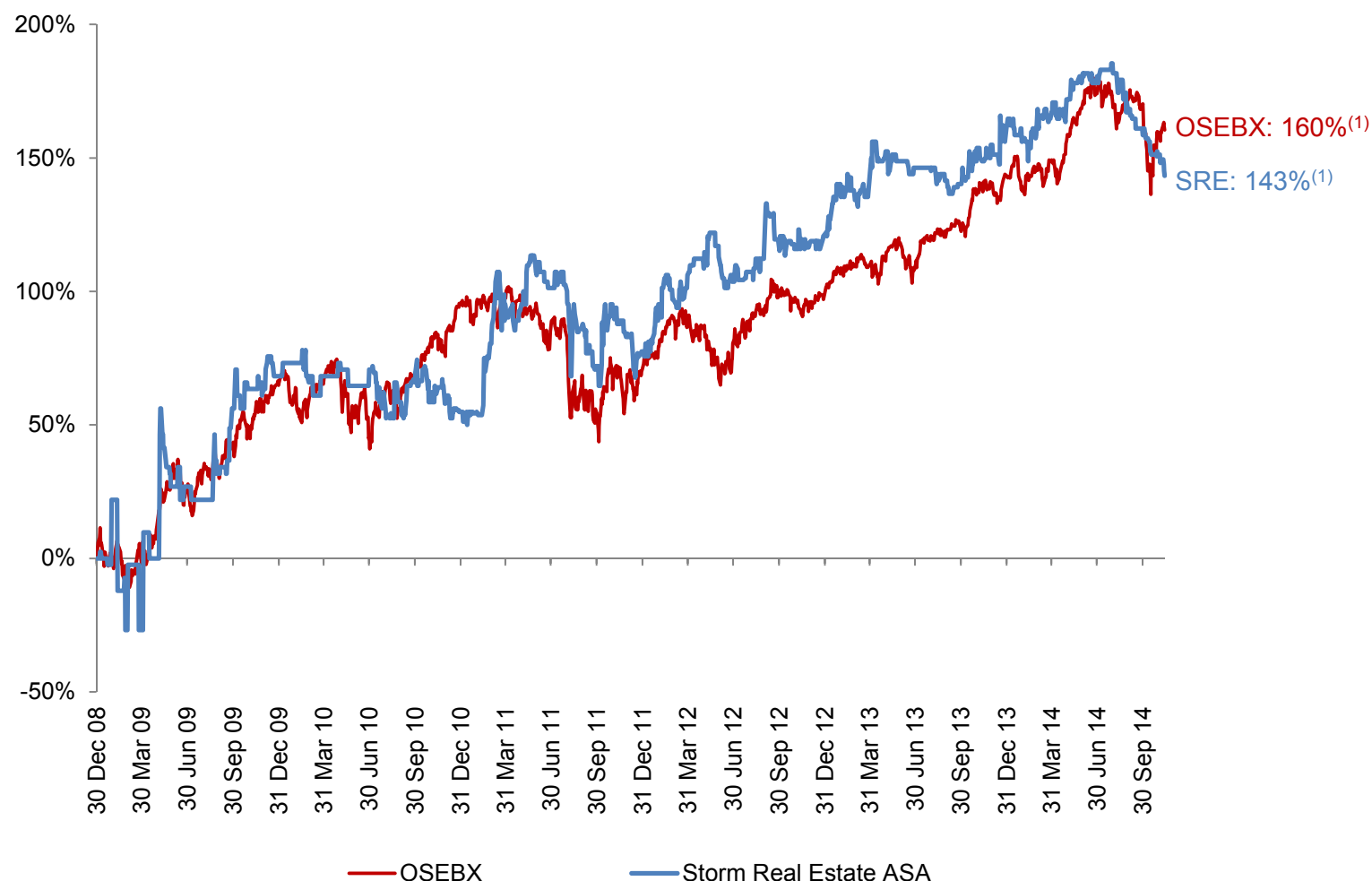
OVERVIEW OF STORM BOND FUND



Low Duration and High Yield

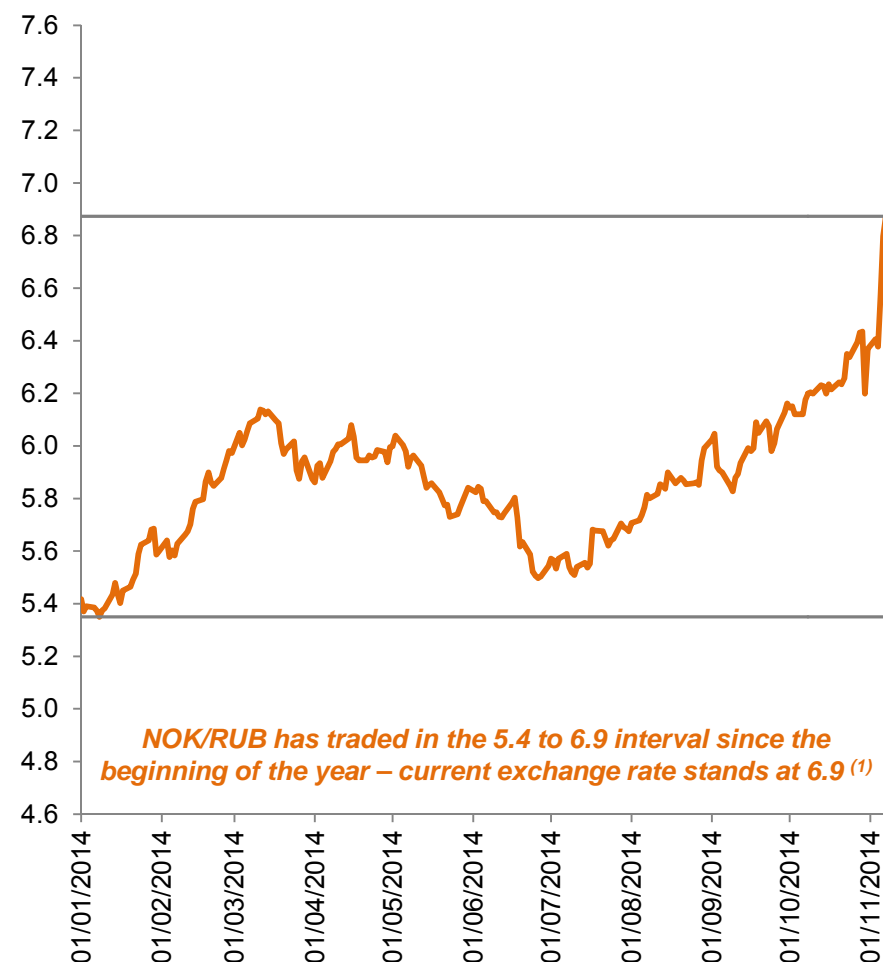
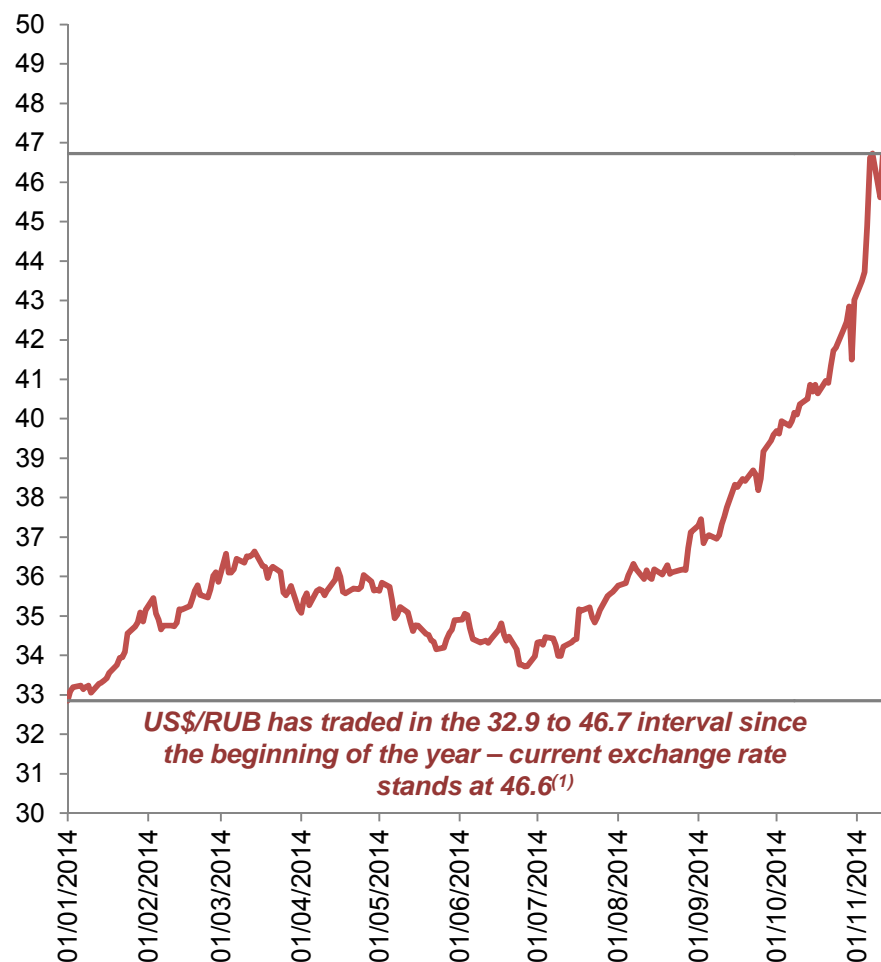
STORM REAL ESTATE SHARE PRICE PERFORMANCE

- *The Storm Real Estate ASA share is listed on Oslo main exchange since 6 July 2010*
- *Current share price of NOK 14.35 per share (13 November 2014)*
- *Net Asset Value of 21.15 NOK per share (30 September 2014), a decrease of 14.8% in the quarter*



RUSSIA – US\$/RUB AND NOK/RUB EXCHANGE RATE MOVEMENTS SINCE 1 JANUARY 2014

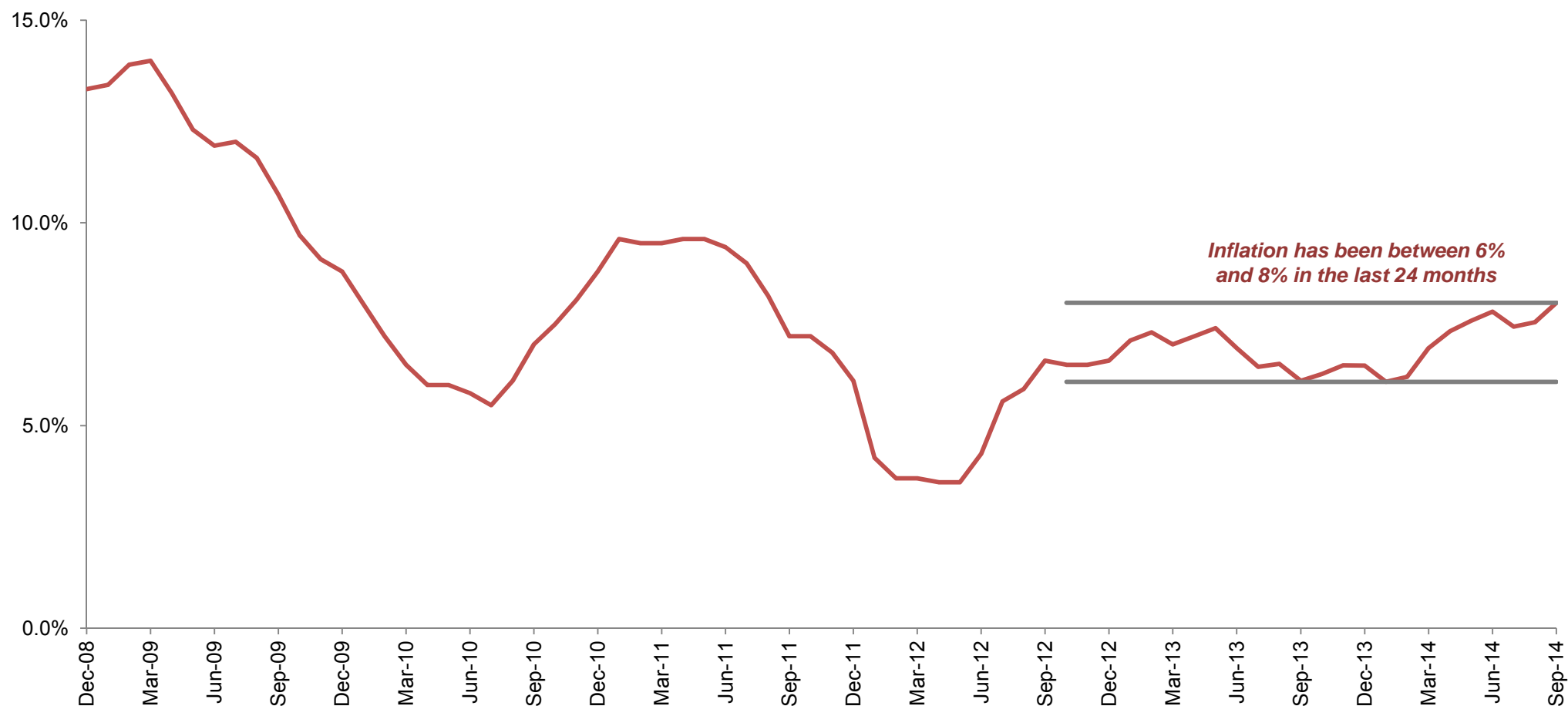
US\$/RUB Exchange Rate



RUSSIA – INFLATION

Inflation rate

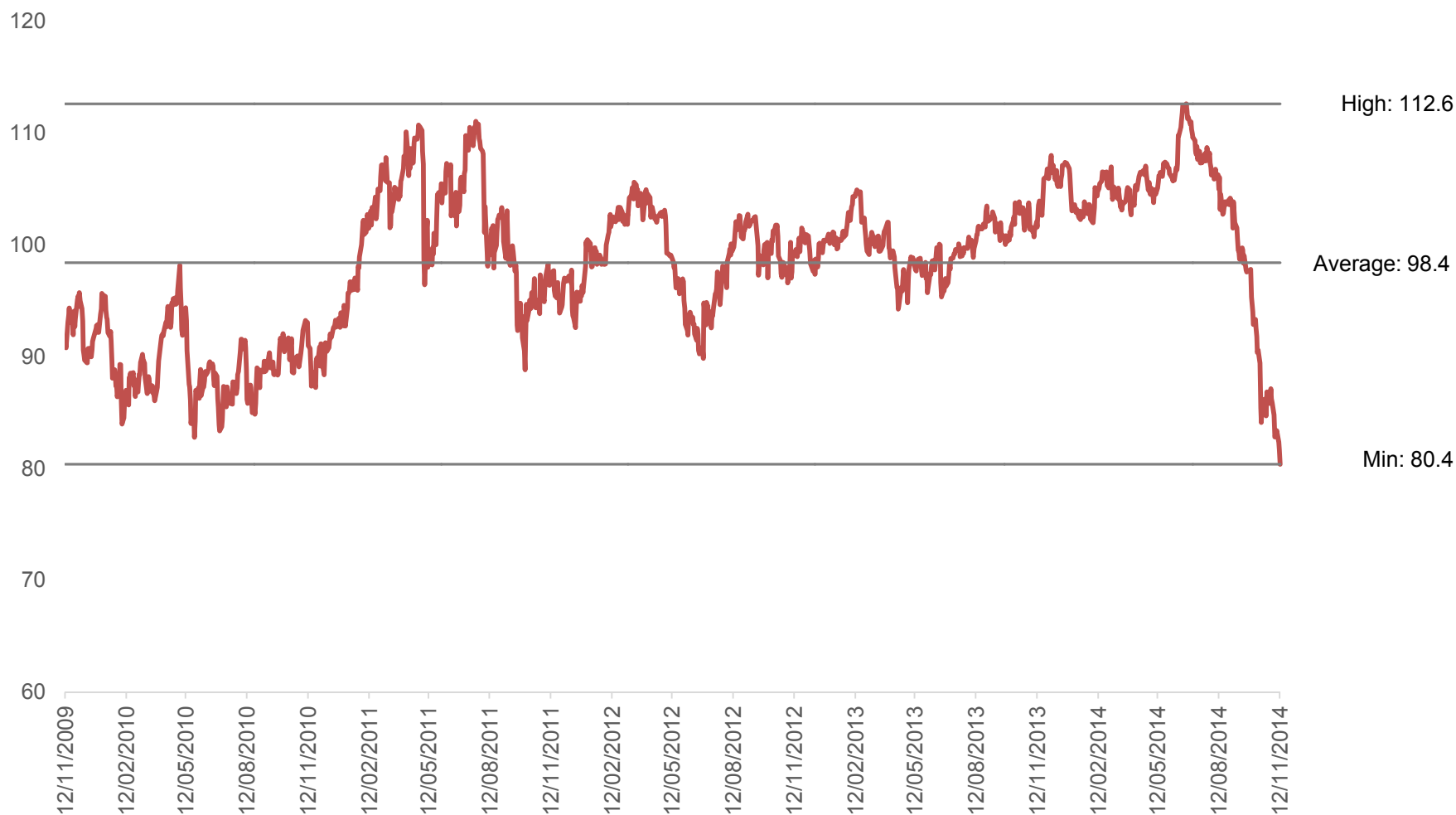
Inflation rate based on CPI



STORM CAPITAL MANAGEMENT

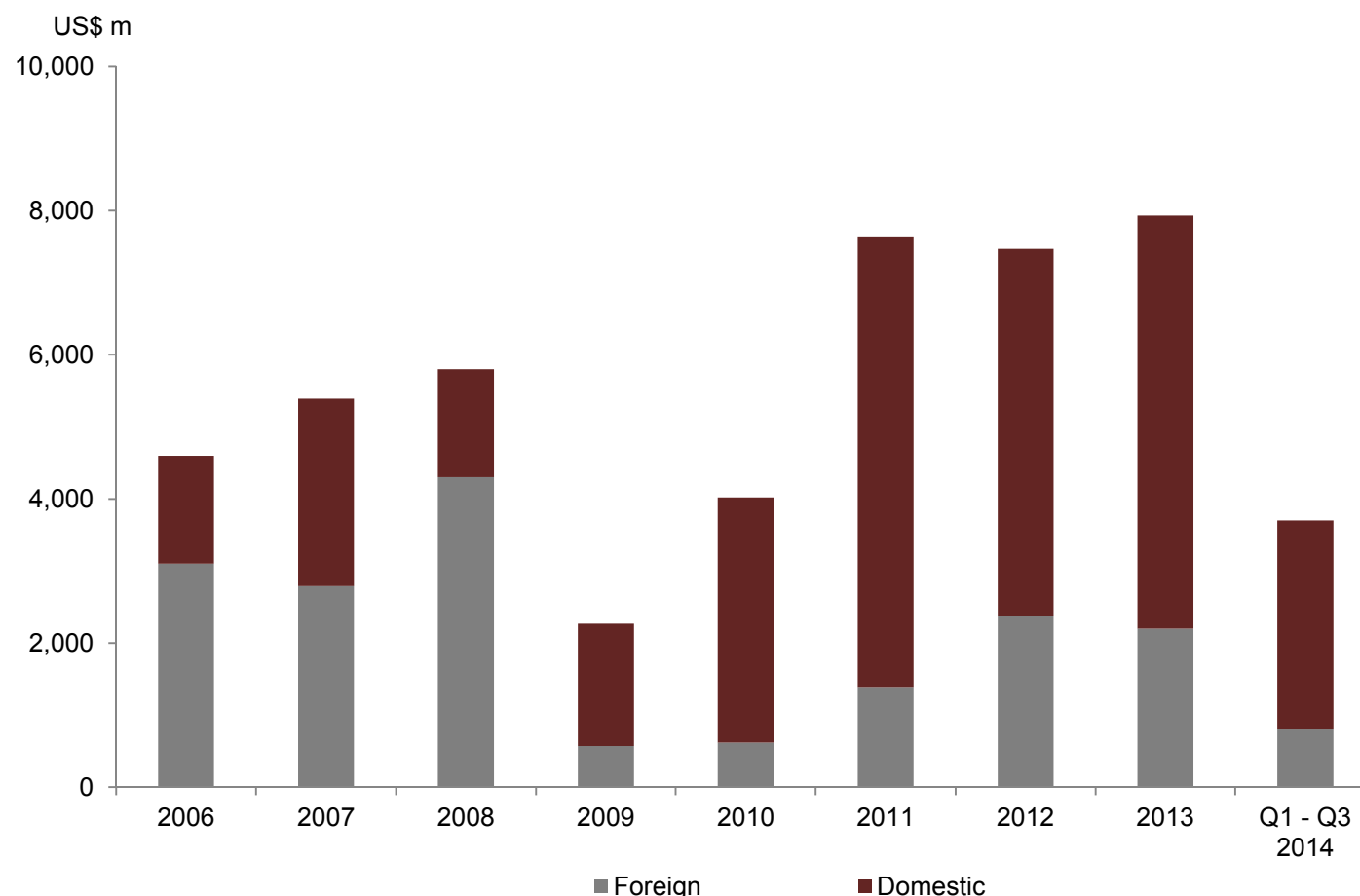
BRENT OIL PRICE

Brent Oil Price (US\$)



STORM CAPITAL MANAGEMENT

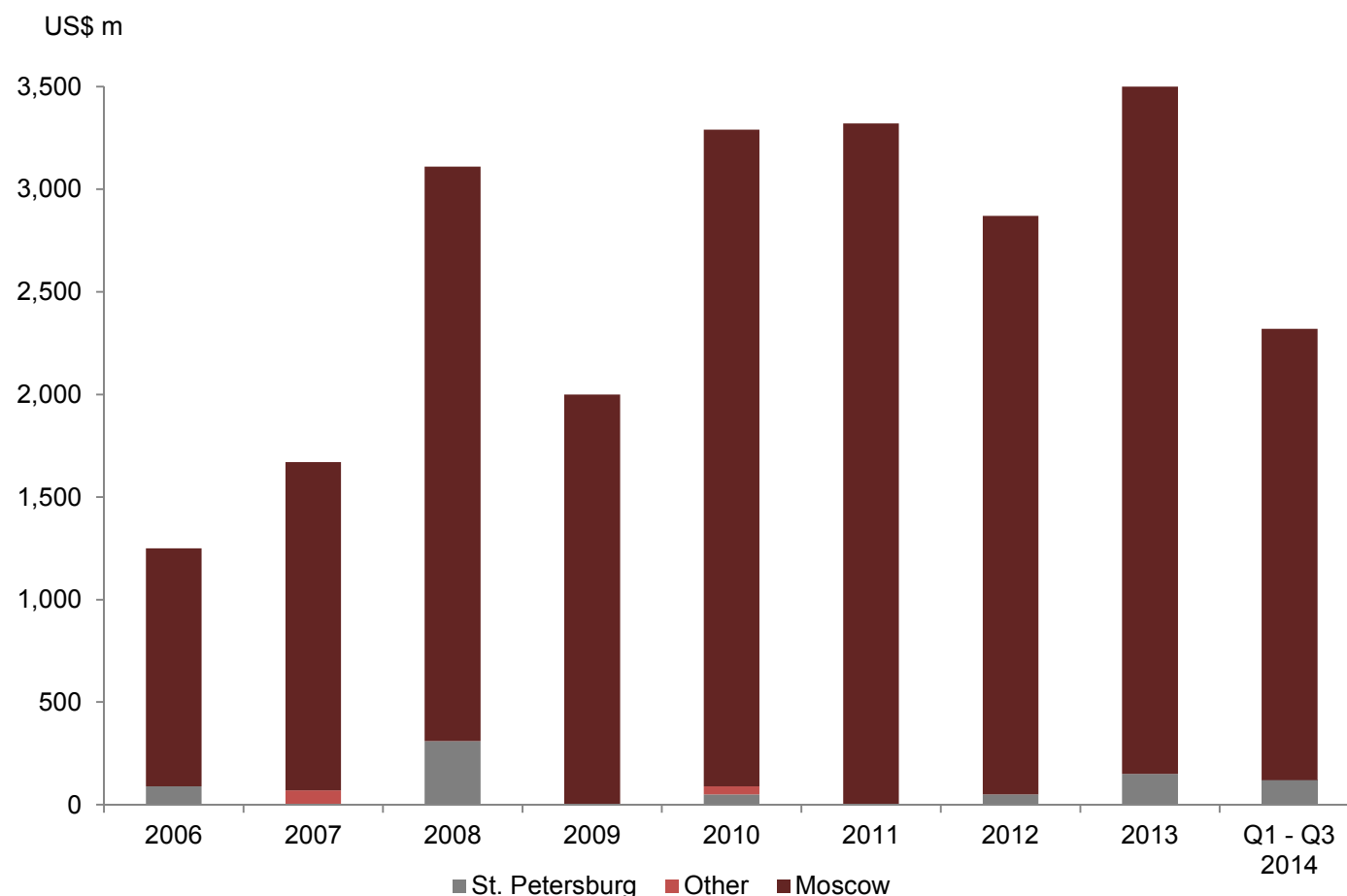
RUSSIA – INVESTMENT VOLUME BY SOURCE OF CAPITAL



- Investment volume reached US\$ 3.7 billion in the first 9 months of 2014, of which c. US\$ 1.3 billion was invested in Q3 2014
- Investment sentiment dampened due to Ukraine situation and political unrest
- Domestic capital continue to dominate, however Q3 saw a marked increase in foreign investment compared to Q2

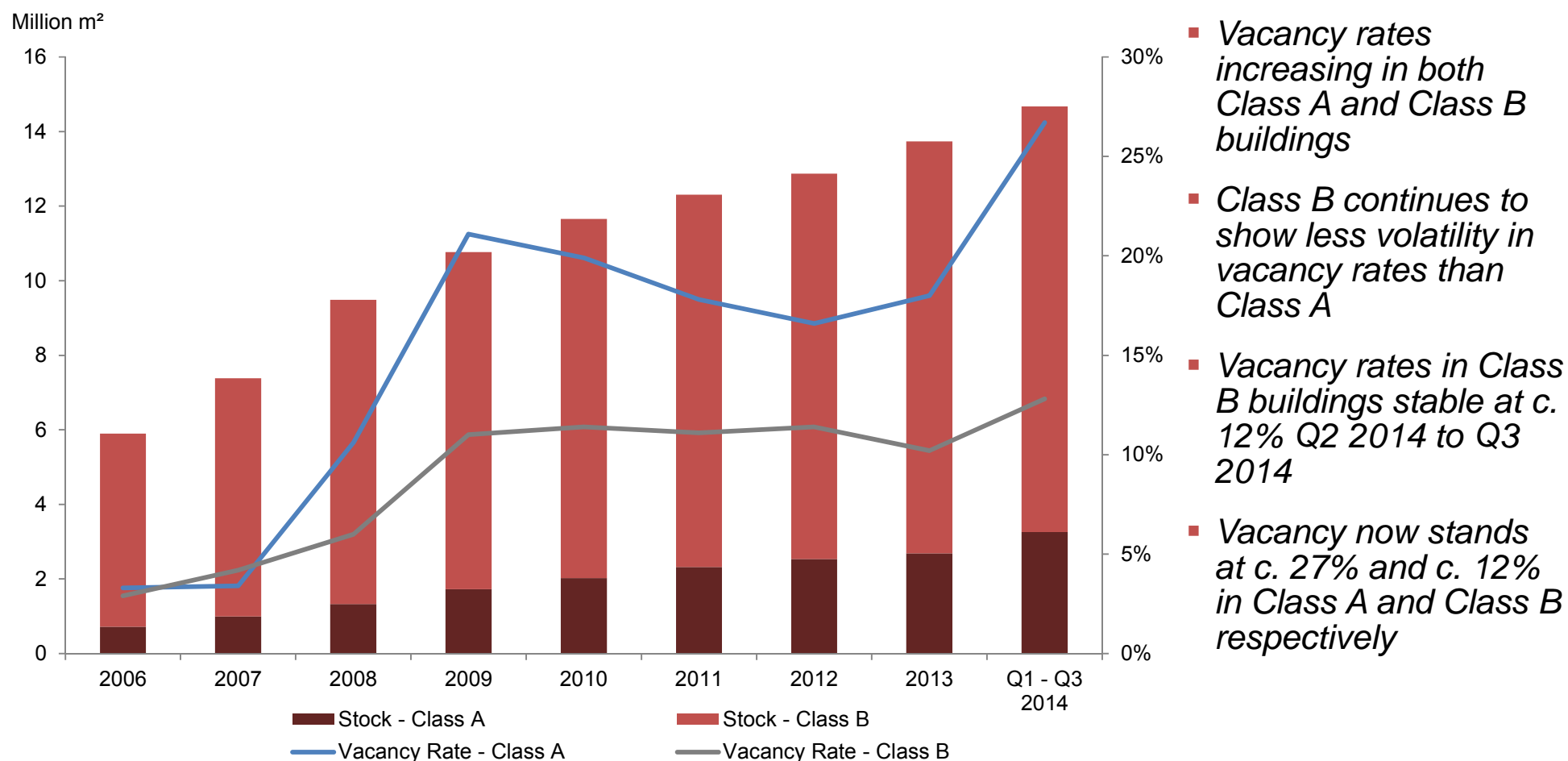
2014 Forecast Remains Unchanged: US\$ 5.0 Billion by the End of the Year

RUSSIA – INVESTMENT VOLUME BREAKDOWN OFFICE SECTOR BY REGION



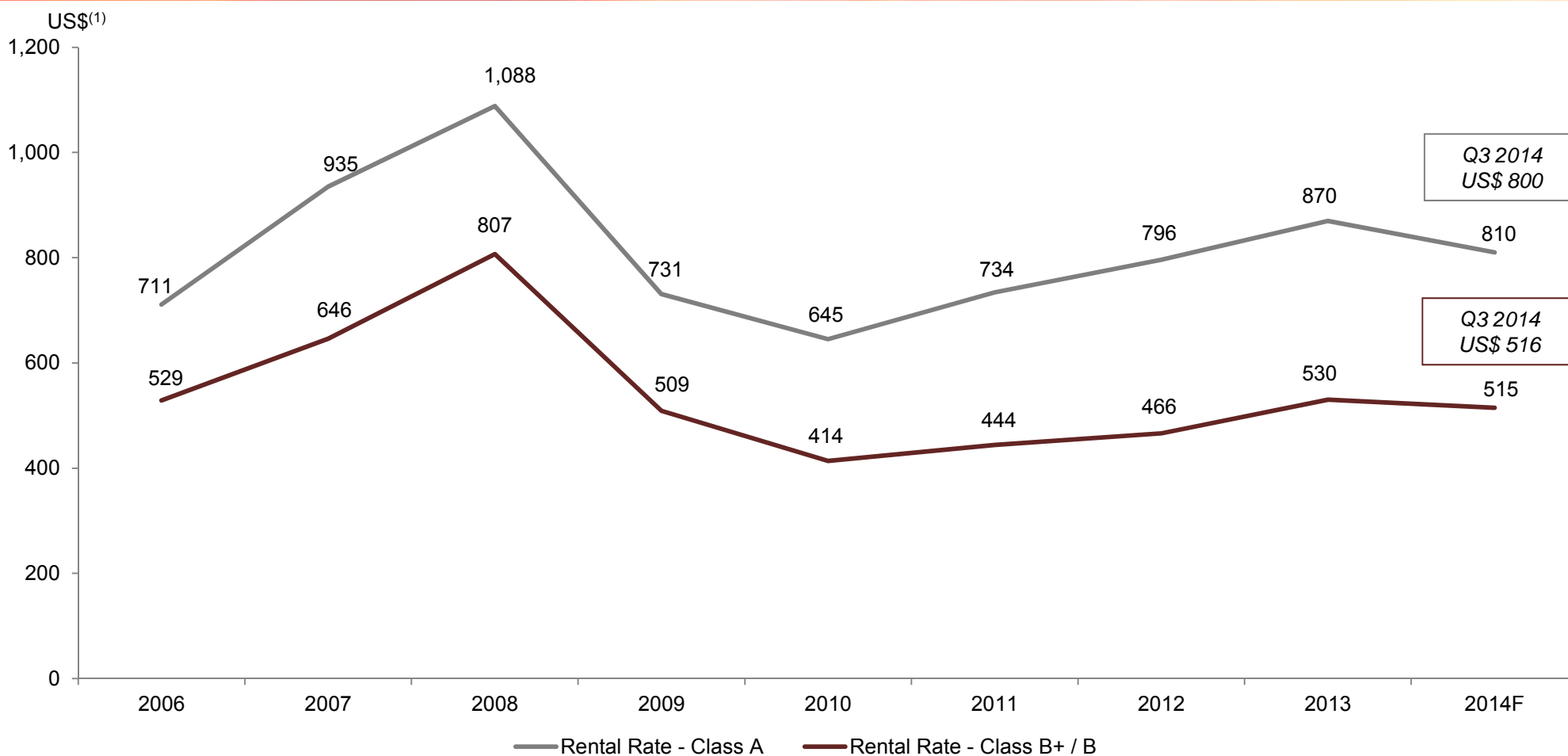
- Investment activity continues to be concentrated around Moscow with 91% of total investment volume transacted in Moscow during the first 9 months of 2014
- c. 55% of the investment volume so far in 2014 has taken place in the office sector in – a significant decrease to numbers from H1 when c. 70% of all transaction took place in the office sector

MOSCOW OFFICE MARKET – MARKET INDICATORS, STOCK AND VACANCY RATE



Vacancy Rate in Class B Buildings Stable at c. 12% Q2 to Q3

MOSCOW OFFICE MARKET - RENTAL RATES⁽¹⁾

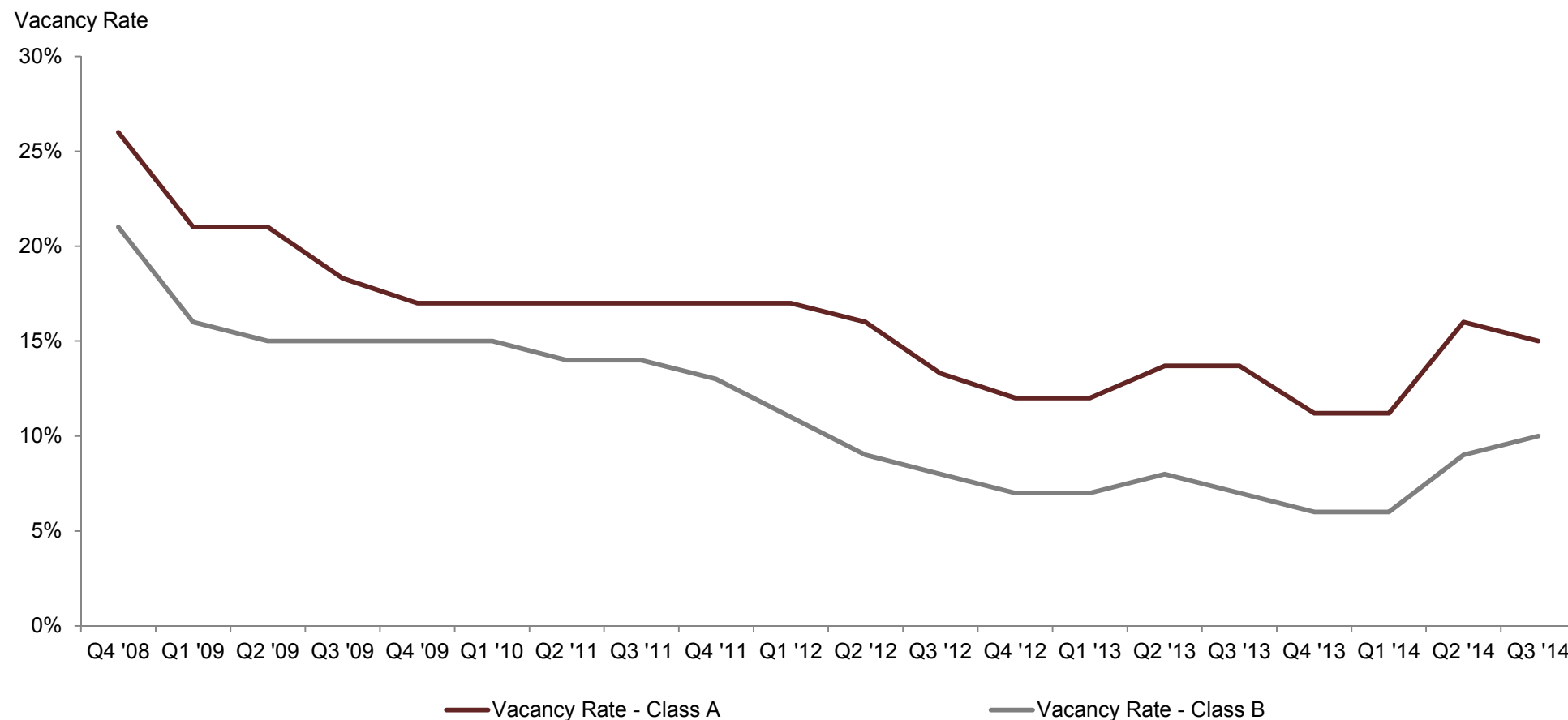


Class B Average Rental Rate At US\$516

Source: Cushman & Wakefield (October 2014)

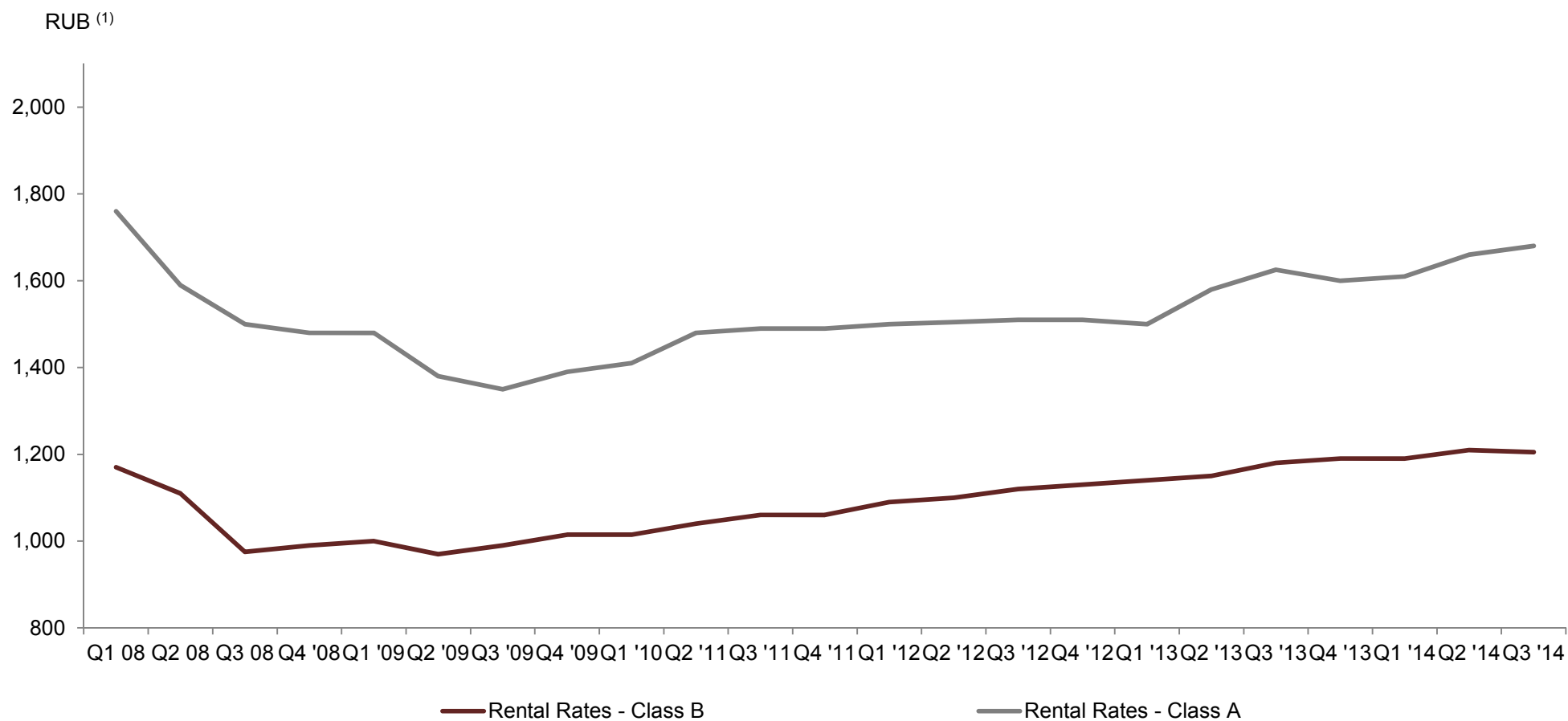
(1) Average rental rates is a weighted average rental rate of asking rents of deals closed within the period, US\$ / m²/ annum/ triple net

ST. PETERSBURG OFFICE MARKET – VACANCY DYNAMICS



Class B Vacancy Rate Increased During Q2 and Q3 2014

ST. PETERSBURG OFFICE MARKET – DYNAMICS OF AVERAGE WEIGHTED RENTAL RATES⁽¹⁾



Source: Maris, Part of the CBRE Affiliate network, 2014.

(1) In rub/sq m/month including VAT and OPEX.

TK DEVELOPMENT A/S – SHARE PRICE PERFORMANCE

- *Storm Real Estate ASA holds 11.1% of the voting rights in TK Development*
- *Our average purchase price is DKK 8.00 per share*







Source: NASDAQ OMX NORDIC.

(1) As per 13 November 2014

TK DEVELOPMENT – GENERAL MARKET THEMES

- Rising consumer confidence across TK Developments key markets
- Expectations for subdued financial growth, varying in strength from country to country
- Increase in private consumption is still anticipated
- Easing in restraints when procuring financing of projects
- Economic growth is subject to an increased risk due to the geopolitical uncertainty in Ukraine
 - May result in more difficult market conditions in Finland and Poland, in particular
- Diminishing uncertainty in the property markets
 - However decision-making processes remains lengthy and carefully considered
 - Historically low interest level fuelling property demand

Macro Economic Forecast

| | GDP Growth (Y-o-Y) | | Unemployment | |
|---|--------------------|-------|--------------|-------|
| | 2014E | 2015E | 2014E | 2015E |
|  | 0.5% | 1.3% | 5.1% | 5.1% |
|  | 1.9% | 2.5% | 7.9% | 7.6% |
|  | 3.2% | 3.4% | 9.9% | 9.5% |
|  | 2.0% | 2.4% | 6.7% | 6.6% |

SITUATION UPDATE - RUSSIA

- *An update on the situation in Russia with our view.*

APPENDIX

GASFIELD BUILDING, MOSCOW & GRIFON HOUSE, ST. PETERSBURG

Gasfield Building



Class B

Gross Area c. 15,200 m²

Occupancy Rate 100%

Major Tenant *Gazprom Tsentrremont*

Grifon House



Class B

Gross Area c. 6,250 m²

Occupancy Rate 100%

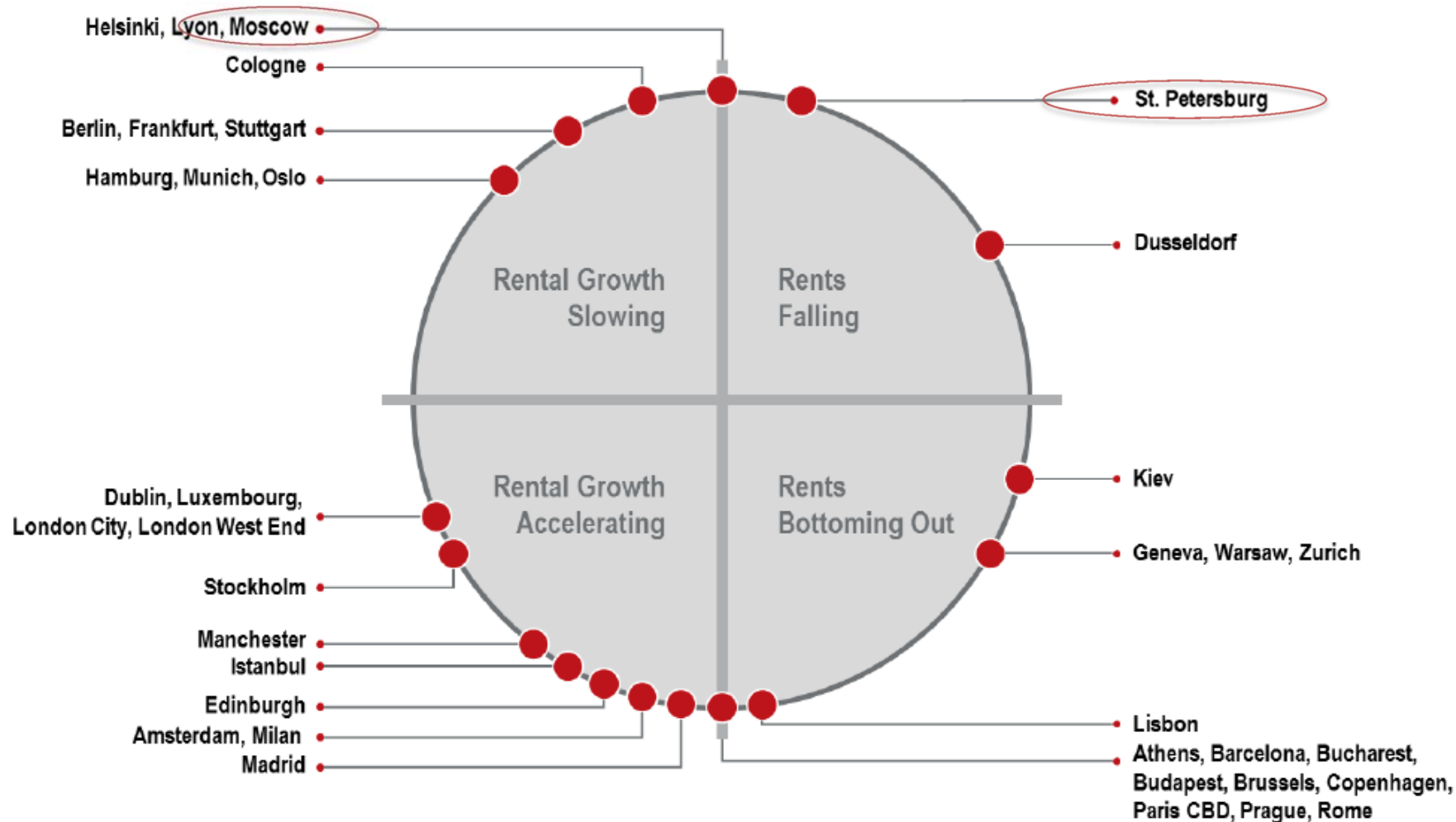
Major Tenant *LLC PSI,
a Swiss PSI Cro AG company*

PERFORMANCE OF THE RUSSIAN STOCK MARKET INDEX (RTS)

- *The Russian stock market has fallen further in the last quarter and is now c. 32% below the 5 year historical average*
- *As stated during the last two quarters we still believe the stock market will stabilise back to pre-Ukraine crisis levels as the situation stabilises*

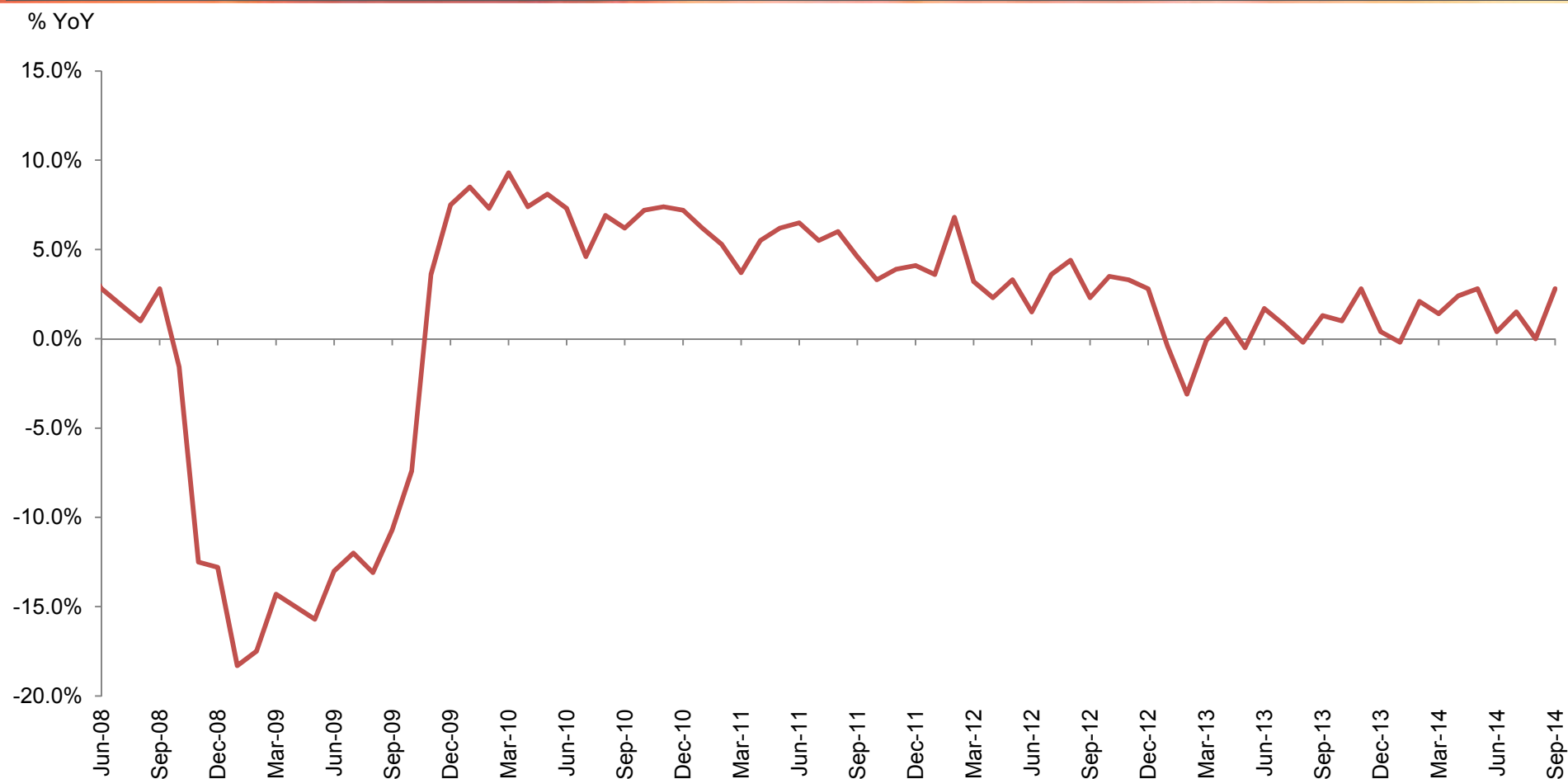


EUROPEAN OFFICE CLOCK Q3 2014



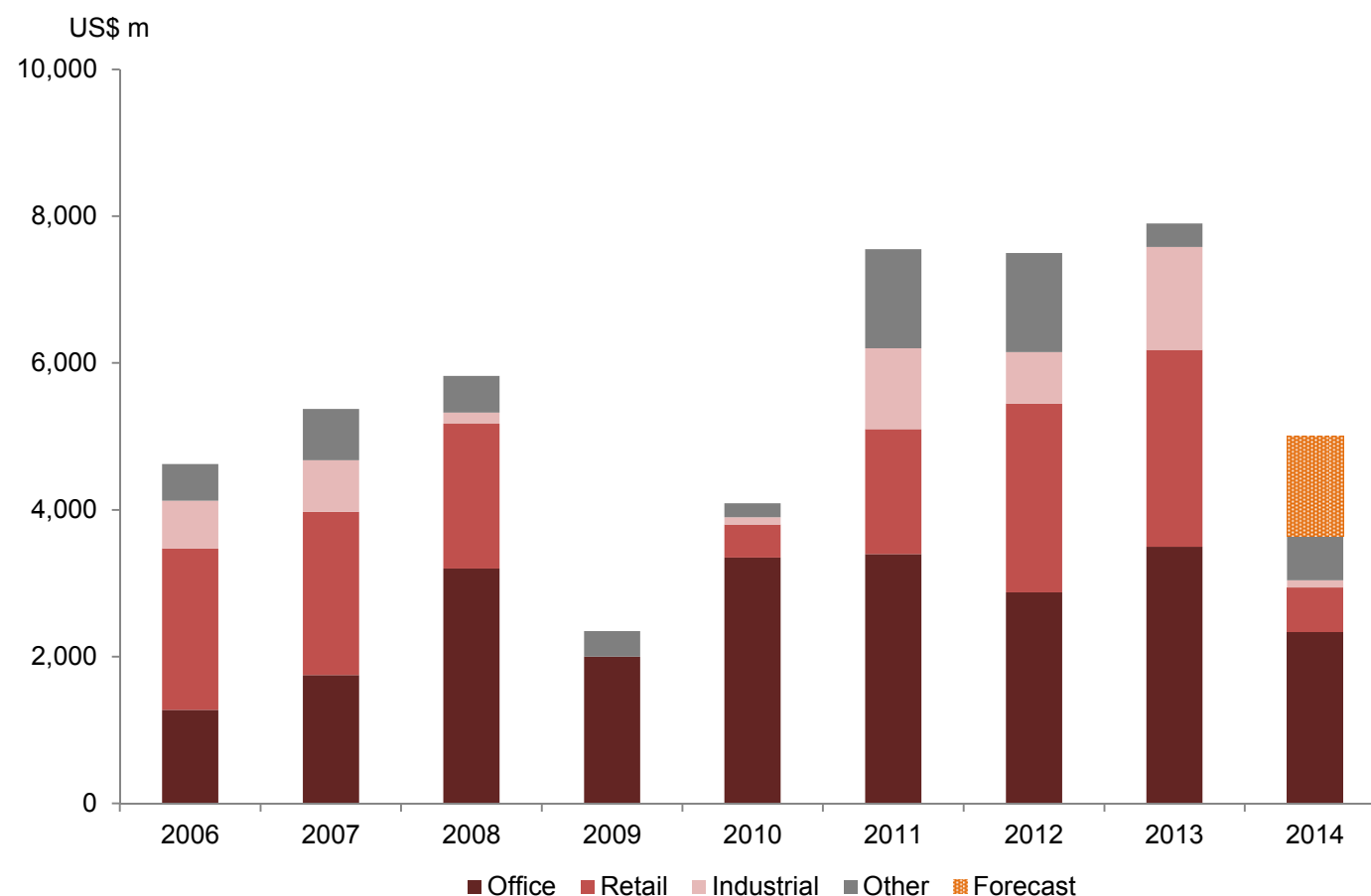
STORM CAPITAL MANAGEMENT

RUSSIA – INDUSTRIAL PRODUCTION



Economic Activity as Measured by Industrial Production is Struggling to Gain Pace in Current Situation

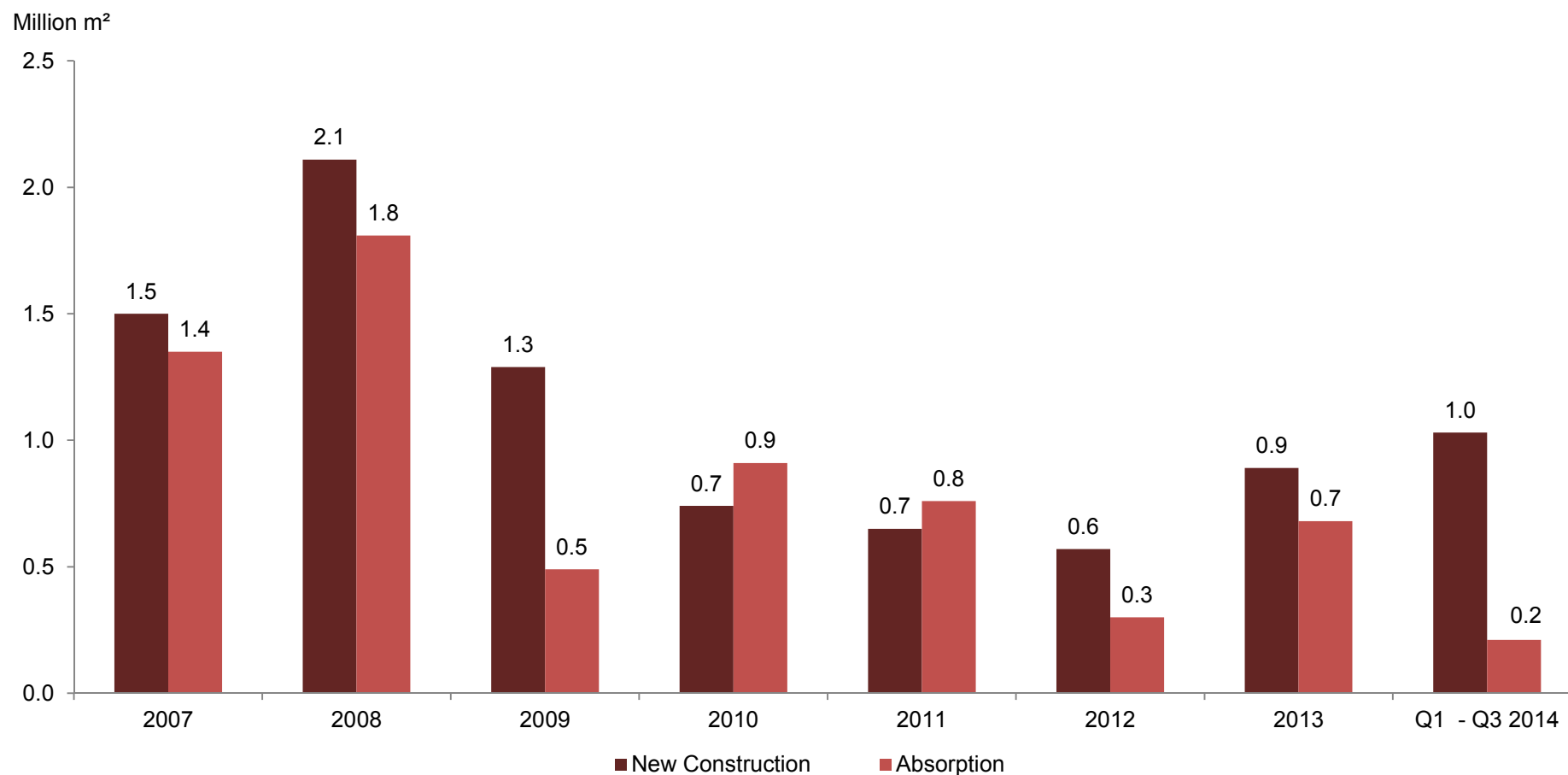
RUSSIA – INVESTMENT VOLUME BREAKDOWN BY SECTOR



- Total commercial real estate investment volumes reached US\$ 3.7 billion in the first 9 months of 2014
- Investment volume increased significantly in the quarter from a very modest US\$ 273 million in Q2 to c. US\$ 1.3 billion in Q3
- Full year 2014 investment volume still expected to be c. US\$ 5 billion

Full year 2014 investment volume still expected to be c. US\$ 5 billion

MOSCOW OFFICE MARKET – NEW CONSTRUCTION AND ABSORPTION



New Construction Still Higher Than Absorption – Limited Absorption so Far in 2014

TK DEVELOPMENT – INVESTMENT UPDATE

The Story Remains:

1.

- Storm Real Estate has a good entry point at DKK 8.00 compared to current share price

2.

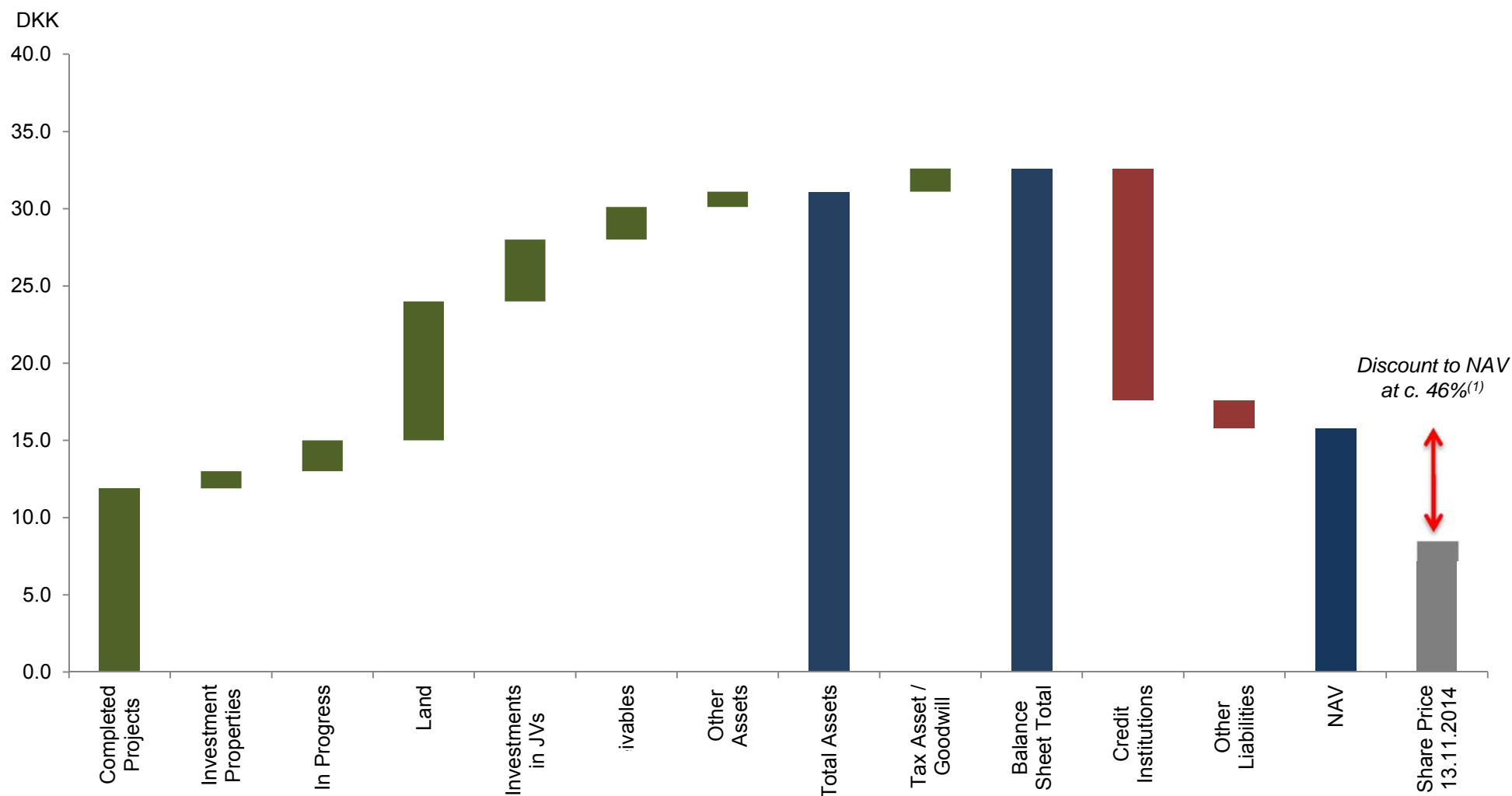
- The company has started to be profitable, albeit not yet at a satisfactory level

3.

- We reiterate that we still believe TK offers an attractive risk reward

STORM CAPITAL MANAGEMENT

TK DEVELOPMENT A/S – NET ASSET VALUE PER SHARE – H1 2014/15



Source: Company data. Copenhagen Stock Exchange.

(1) As per 13 November 2014.

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