STORM real estate asa

3rd quarter 2015

FINANCIAL RESULTS PRESENTATION

19 November 2015

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KEY TAKE AWAYS Q3 2015

1.
   - Total Comprehensive Income of USD -6.3m in Q3

2.
   - Russia values and property shares written down

3.
   - However, cash flows from rental properties remain good and 100% occupancy.

4.
   - NAV per share at NOK 11.47

P&L – MAJOR ITEMS

mill. USD	Q3 2015	Q3 2014	9M 2015	9M 2014
Total Comprehensive Income	**-6.3**	**-13.9**	**-14.0**	**-12.9**
<u>Summary of major items:</u>				
NOI from investment properties	2.2	2.6	6.9	7.8
Value change investment properties	-6.0	-9.5	-18.3	-14.9
Value change shares in real estate companies	-1.4	-1.9	0.1	3.9
Other operating costs	-0.4	-0.6	-1.4	-2.3
Funds and liquid investments	-0.3	-0.2	-0.2	0.7
Borrowing costs	-0.9	-0.8	-2.4	2.5
Currency gains/ losses	0.4	-1.6	-1.1	-1.9
Contract- and interest derivatives	-0.7	0.2	-0.7	-0.5
Taxes	0.8	-2.1	3.2	-3.1

BALANCE SHEET – MAJOR ITEMS

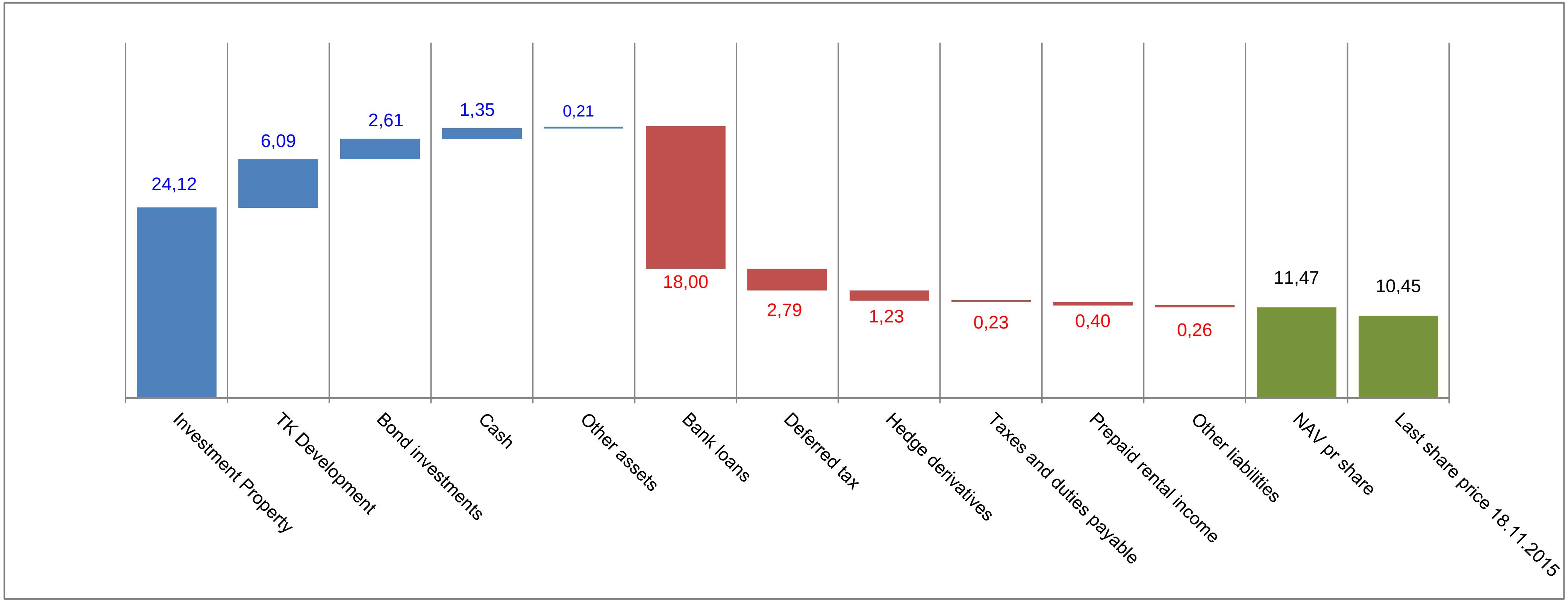
(US$ '000)	31/12/14	30/09/15[1]		31/12/14	30/09/15[1]
Investment property	$70,343	$52,043	Bank loans	$42,438	$38,843
Investments property shares	$14,192	$13,136	Other liabilities	$16,075	$10,592
Total non-current assets	**$84,568**	**$62,205**	**Total liabilities**	**$58,513**	**$49,435**
Cash & liquid investments[2]	$12,221	$8,558			
Total current assets	**$12,731**	**$8,988**	**Equity**	**$38,786**	**$24,757**
Total assets	**$97,299**	**$74,193**	**Total equity and liabilities**	**$97,299**	**$74,193**
			Equity ratio	*40 %*	*33.4%*

(1) Unaudited.

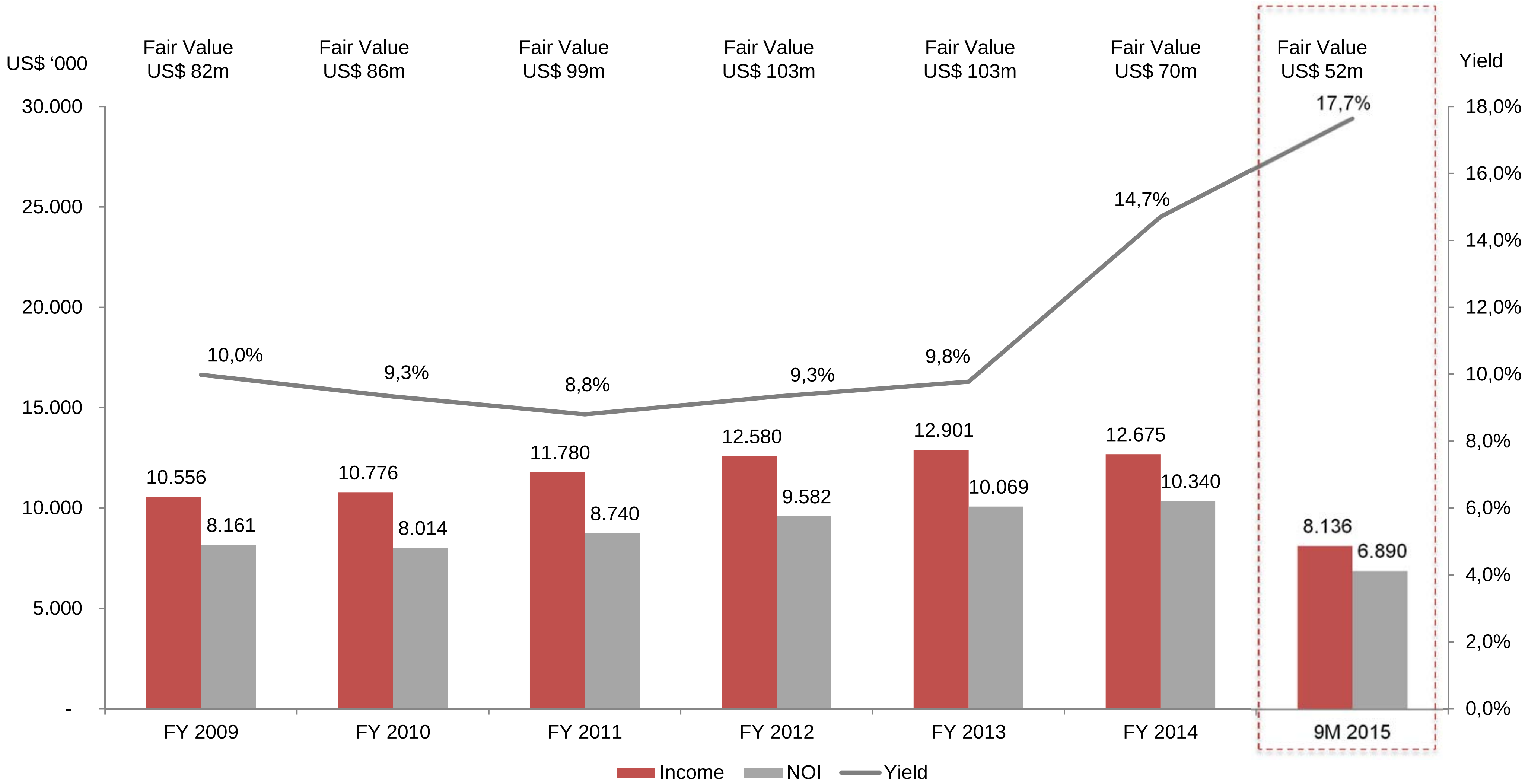
(2) Includes cash invested in liquid securities for cash management purposes.

NAV PER SHARE

As at 30 September 2015. Numbers in NOK per share.



DEVELOPMENT OF ASSET VALUE 2009 – 2014

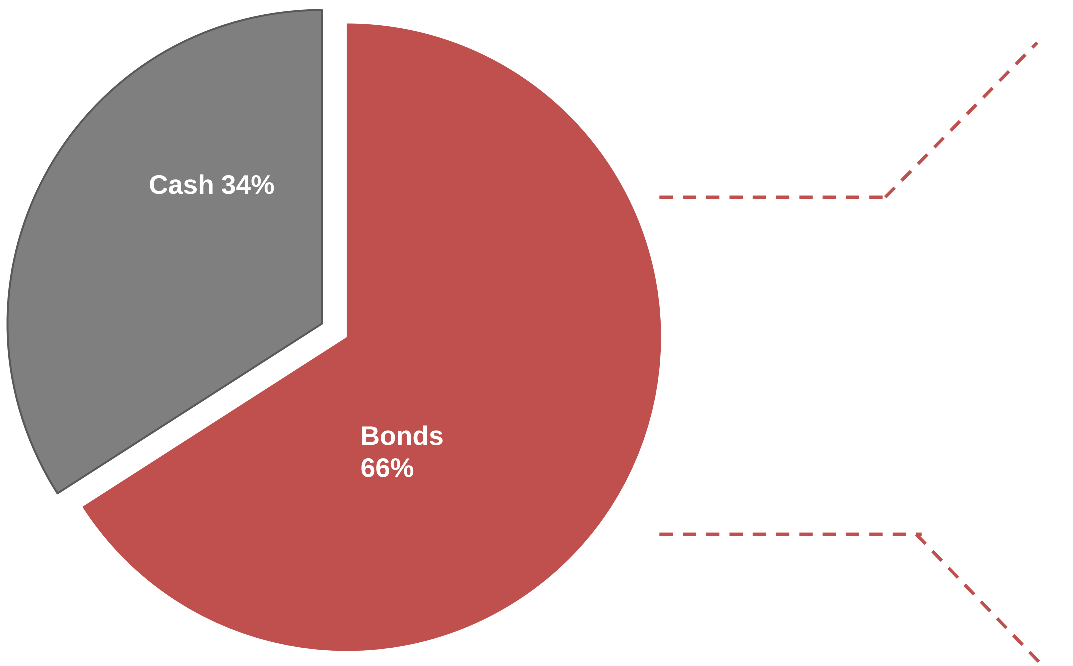


Source: Storm Capital Management Ltd.

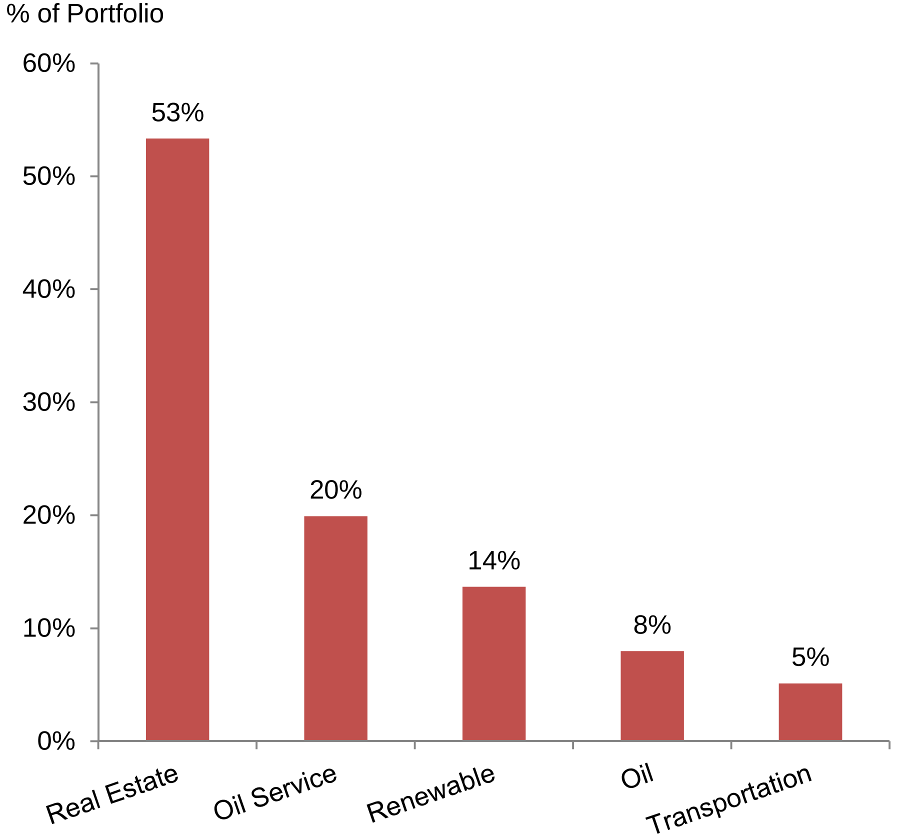
STORM CAPITAL MANAGEMENT

CASH & INVESTMENTS

Break-Down of Cash & Liquid Investments (1)



Break-Down by Sector of Bond Portfolio (2)



Source: Storm Capital Management Ltd.
(1) As per 30 September 2015. Includes investment in Storm Bond Fund and direct investments in bonds.
(2) Sector split as per 30 September 2015.

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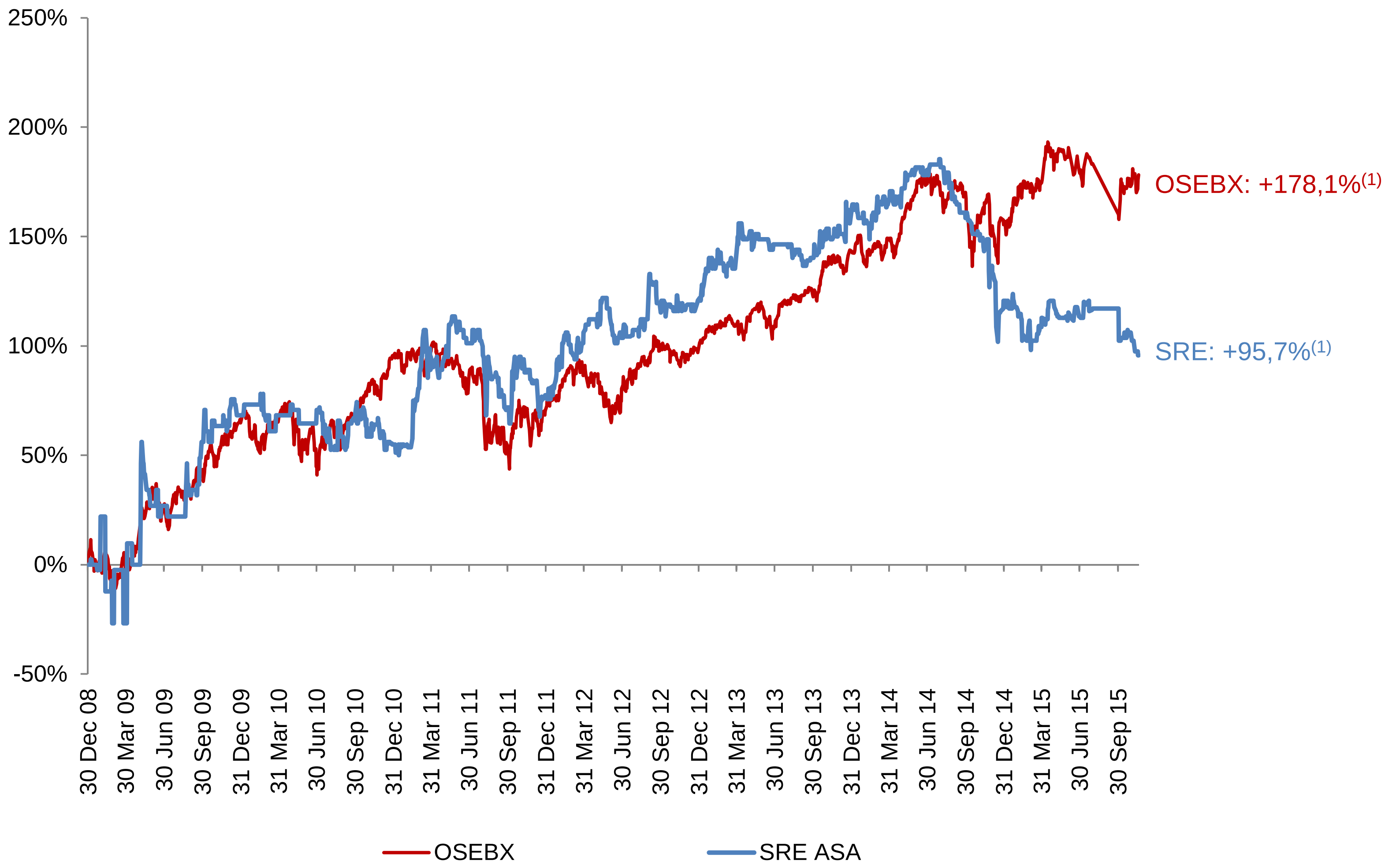
STORM CAPITAL MANAGEMENT

STORM REAL ESTATE SHARE PRICE PERFORMANCE

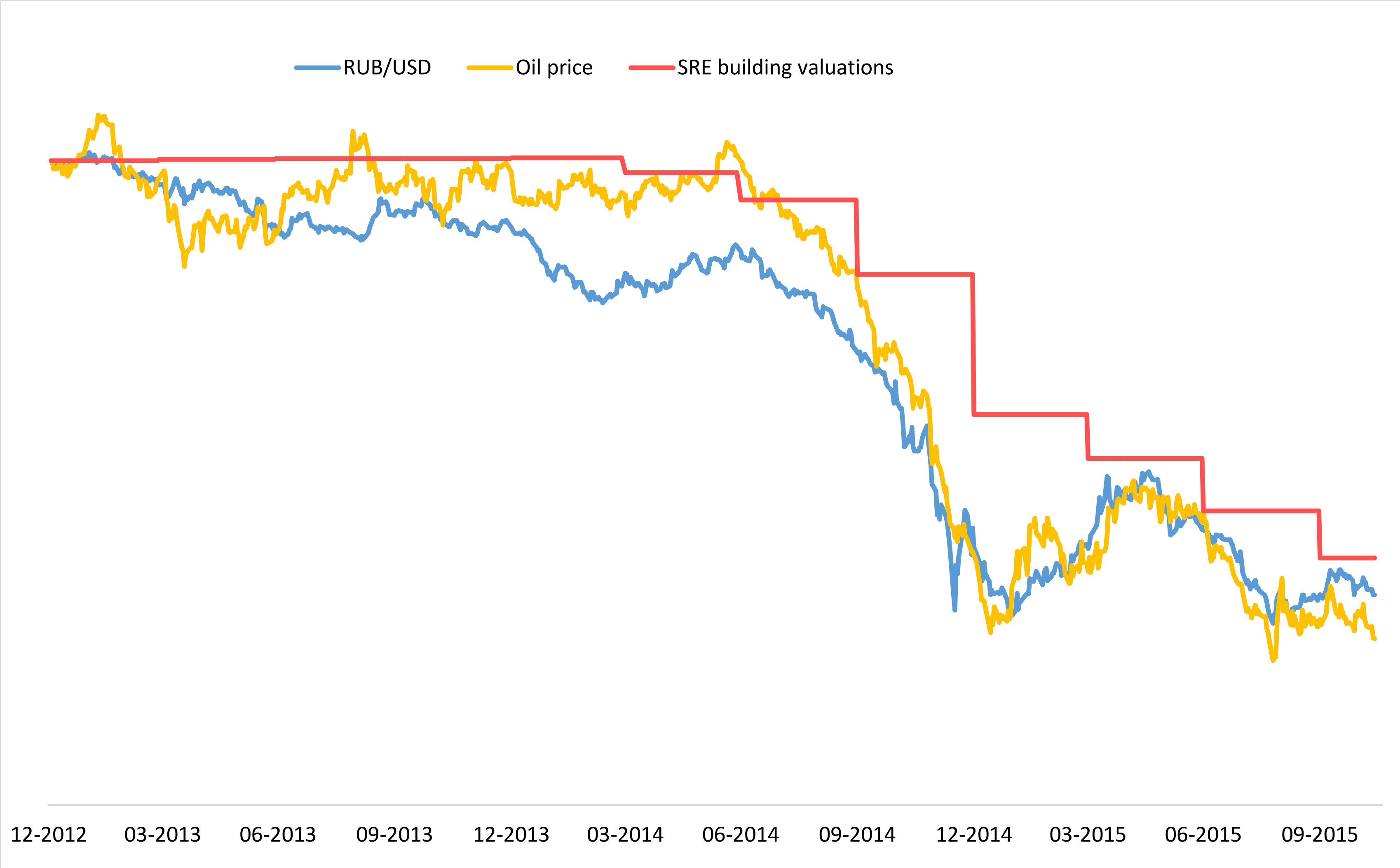
- *The Storm Real Estate ASA share is listed on Oslo main exchange since 6 July 2010*
- *Current share price of NOK 10.45 per share (18 Nov 2015)*
- *Net Asset Value of 11.47 NOK per share (30 Sep 2015)*



Source: Oslo Stock Exchange, Bloomberg

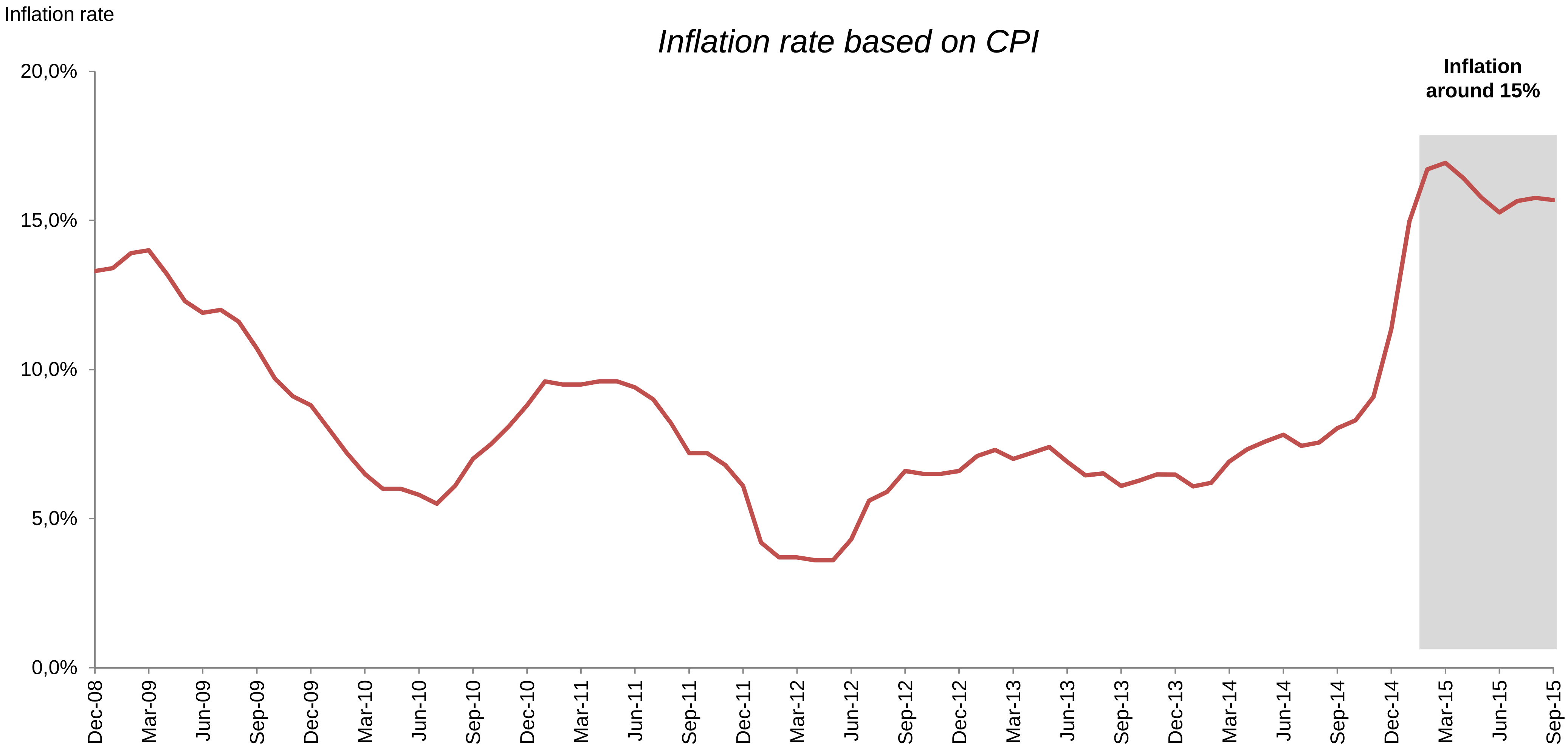
(1) SRE and OSEBX adjusted for dividends. As per 18 November 2015.

PROPERTY VALUES VS OIL PRICE AND ROUBLE DEPRECIATION



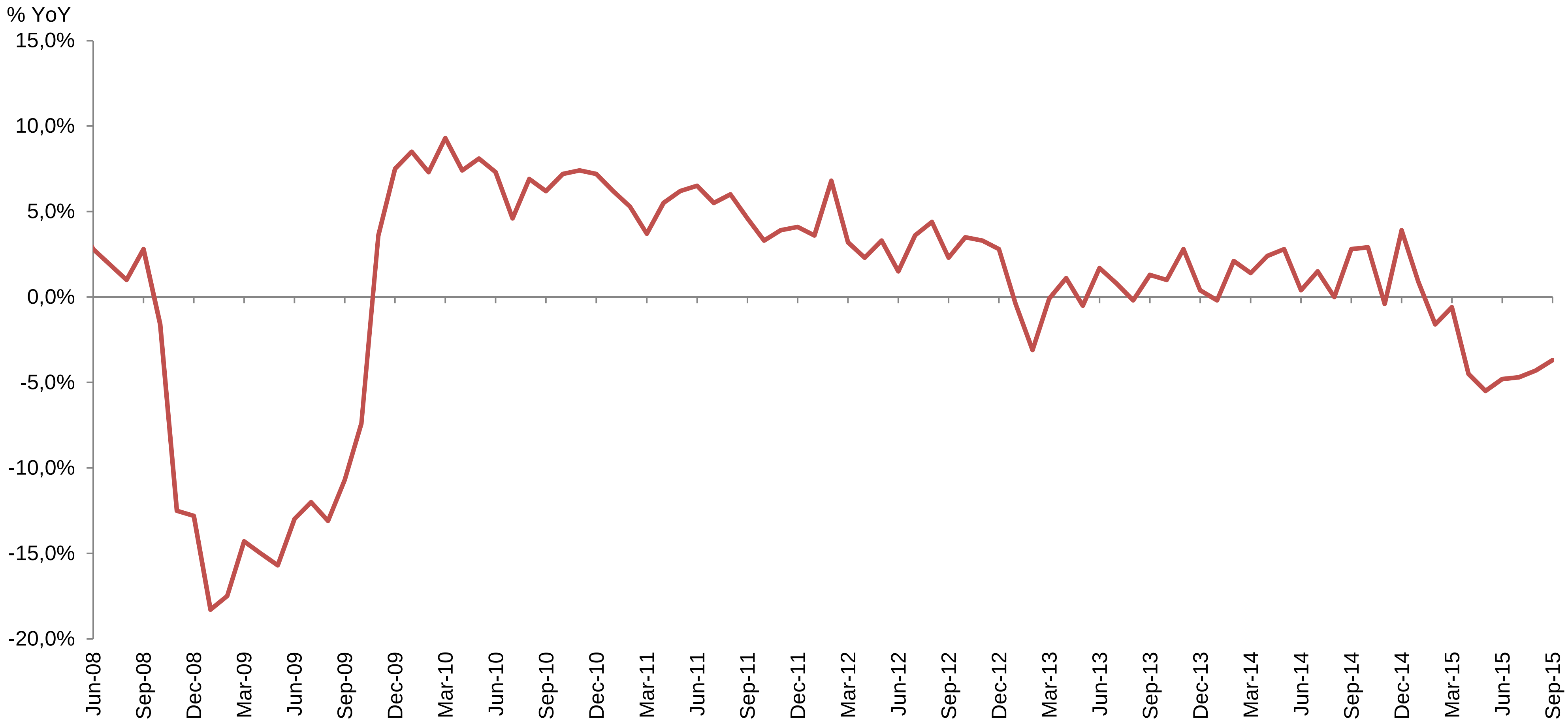
Source: Bloomberg, Storm Real Estate

RUSSIA – INFLATION



Source: Global Rates.

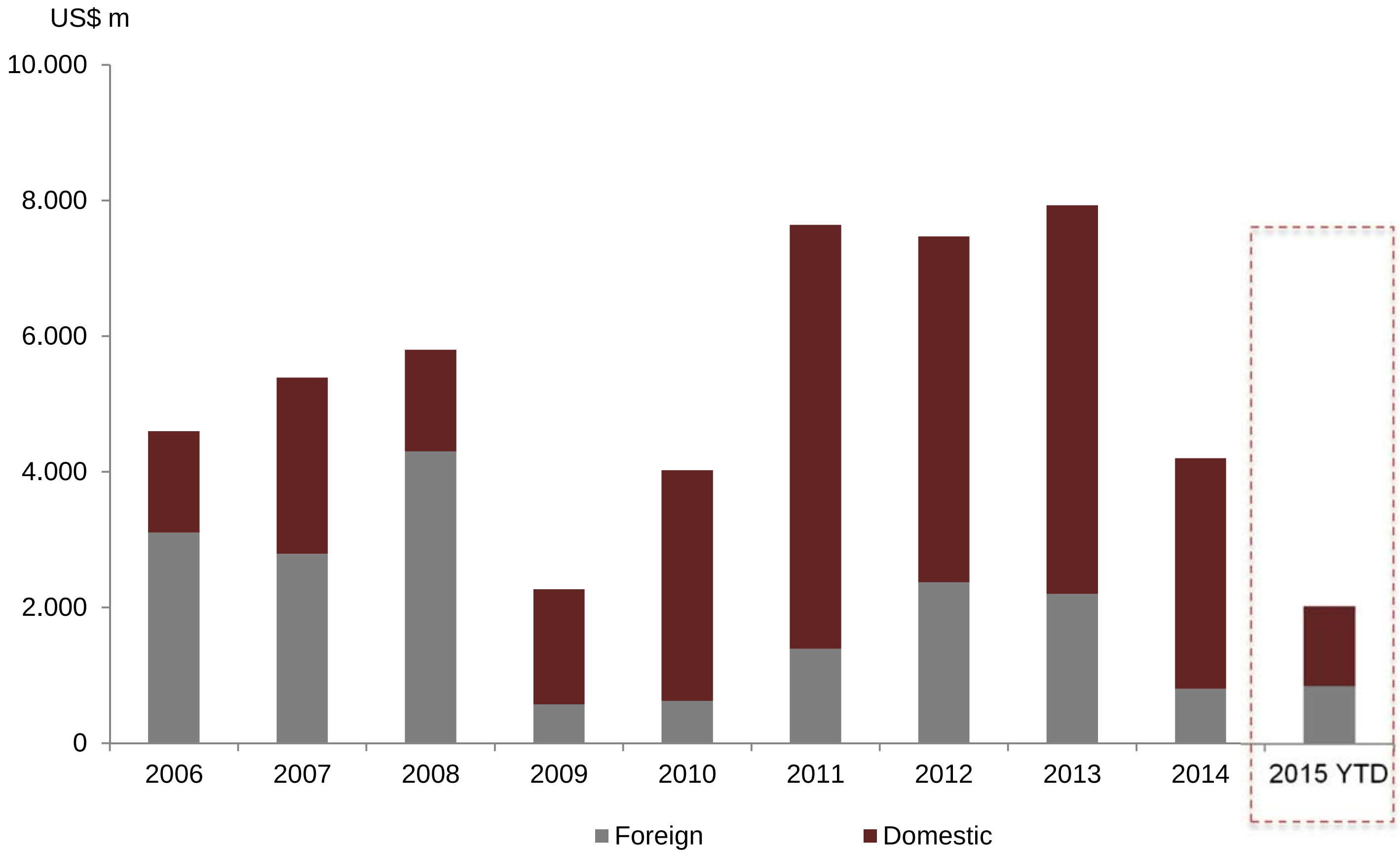
RUSSIA – INDUSTRIAL PRODUCTION



Economic activity (as measured by industrial production) showing decline at slower rate

Source: Bloomberg 5 November 2015.

RUSSIA – INVESTMENT VOLUME BY SOURCE OF CAPITAL

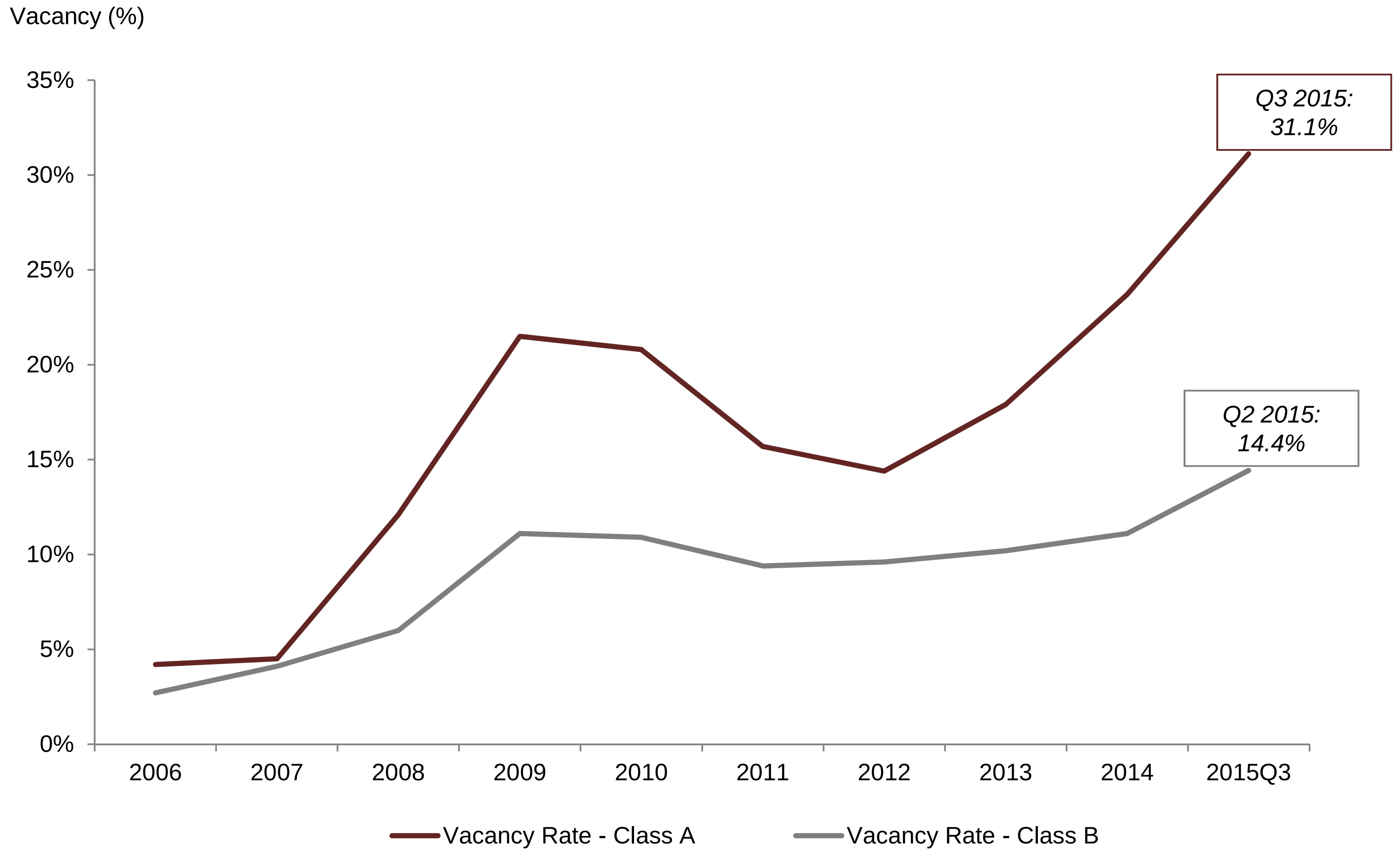


- *Investment volume reached c. US$ 2.0 billion YTD 2015.*
- *Domestic capital constituted 58% of total investment volume YTD 2015*
- *Of foreign investors, European and American investors most active. Little activity from Asian investors.*

Investment volumes low

Source: Cushman & Wakefield

MOSCOW OFFICE MARKET – VACANCY RATE



- *Significant increase in vacancy rates in new class A business centres.*
- *Class B continues to show lower vacancy rates than Class A*

Class B lower vacancy rate than class A buildings

Source: Cushman & Wakefield (Oct 2015)

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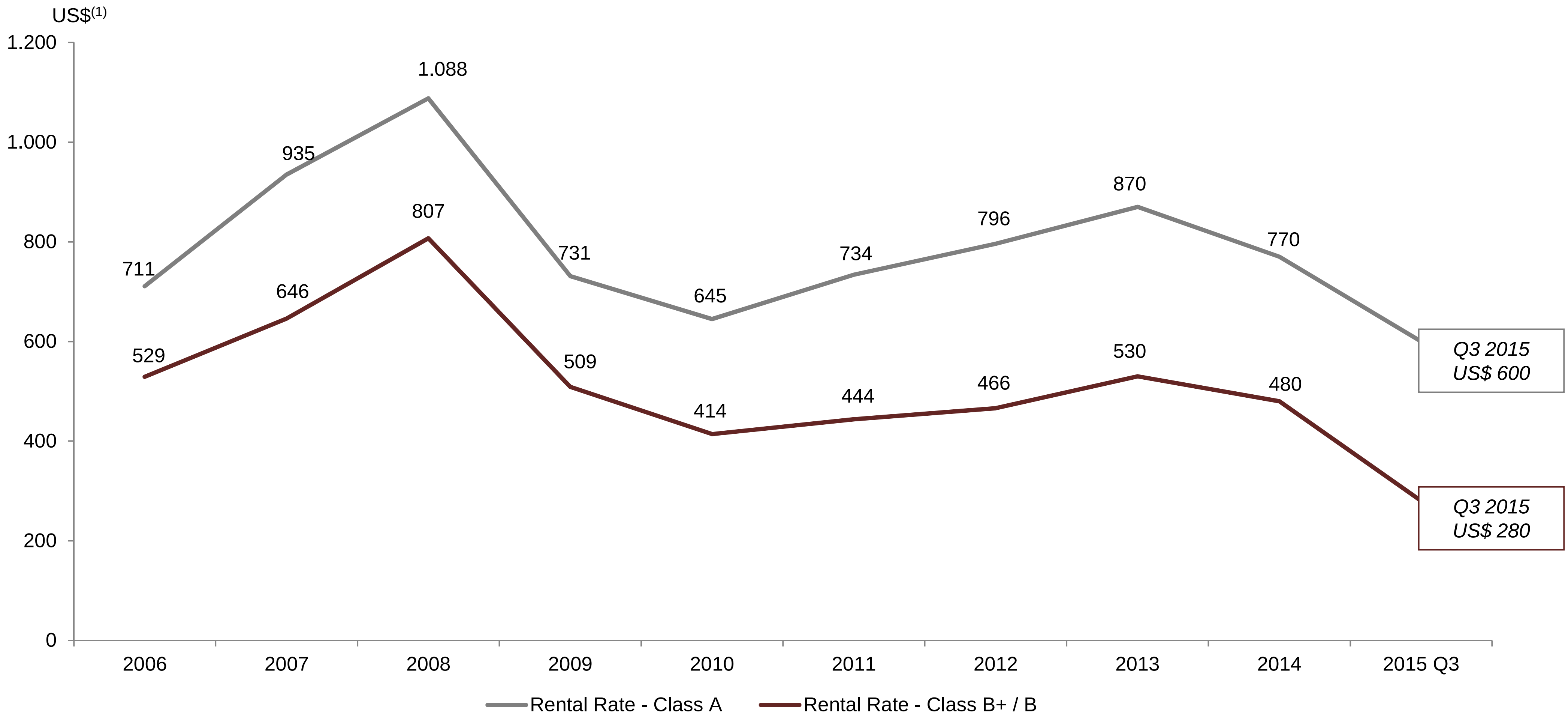
MOSCOW OFFICE MARKET - AVERAGE RENTAL RATES IN USD (1)

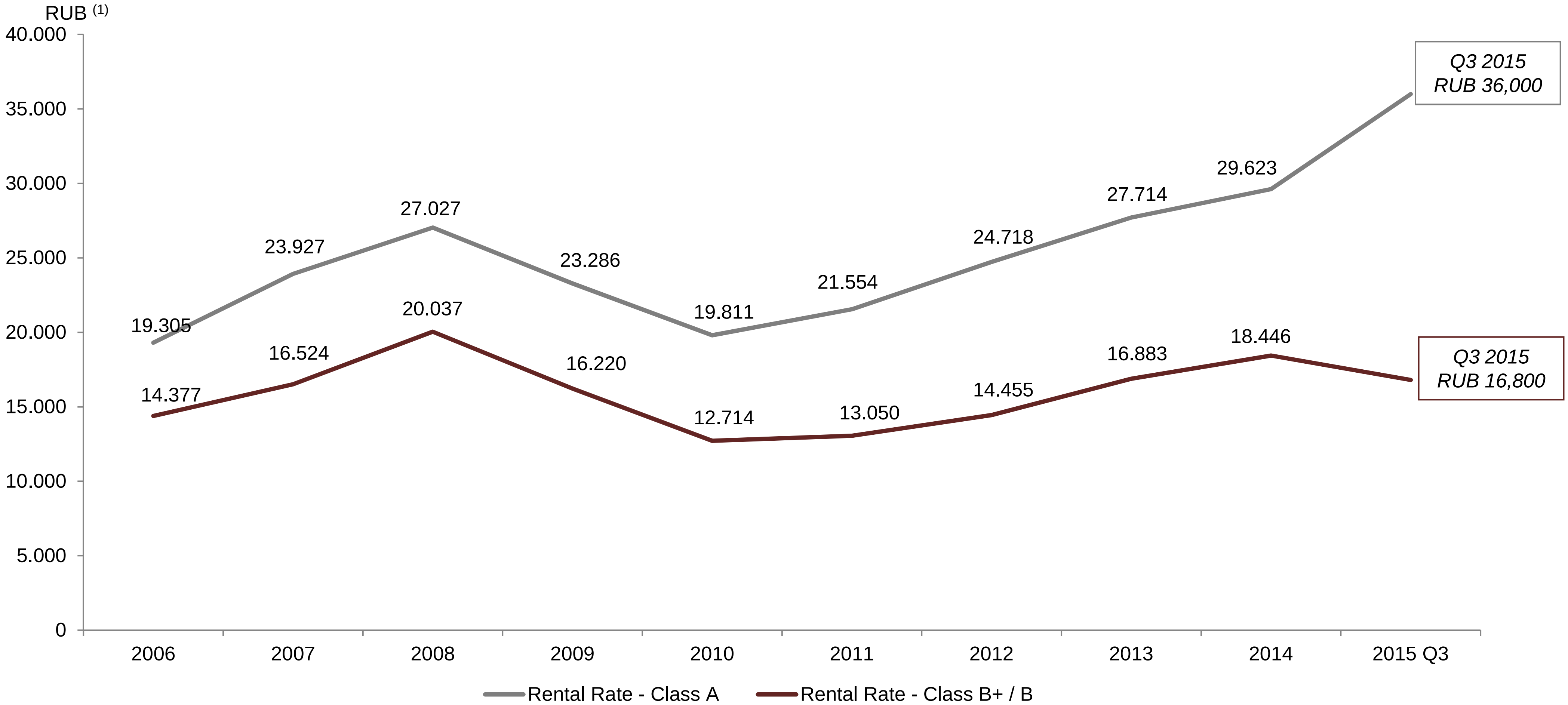


Rents in USD down last two years

Source: Cushman & Wakefield

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

MOSCOW OFFICE MARKET - AVERAGE RENTAL RATES IN RUB (1)



Class A up in RUB terms - Class B down

Source: Cushman & Wakefield

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

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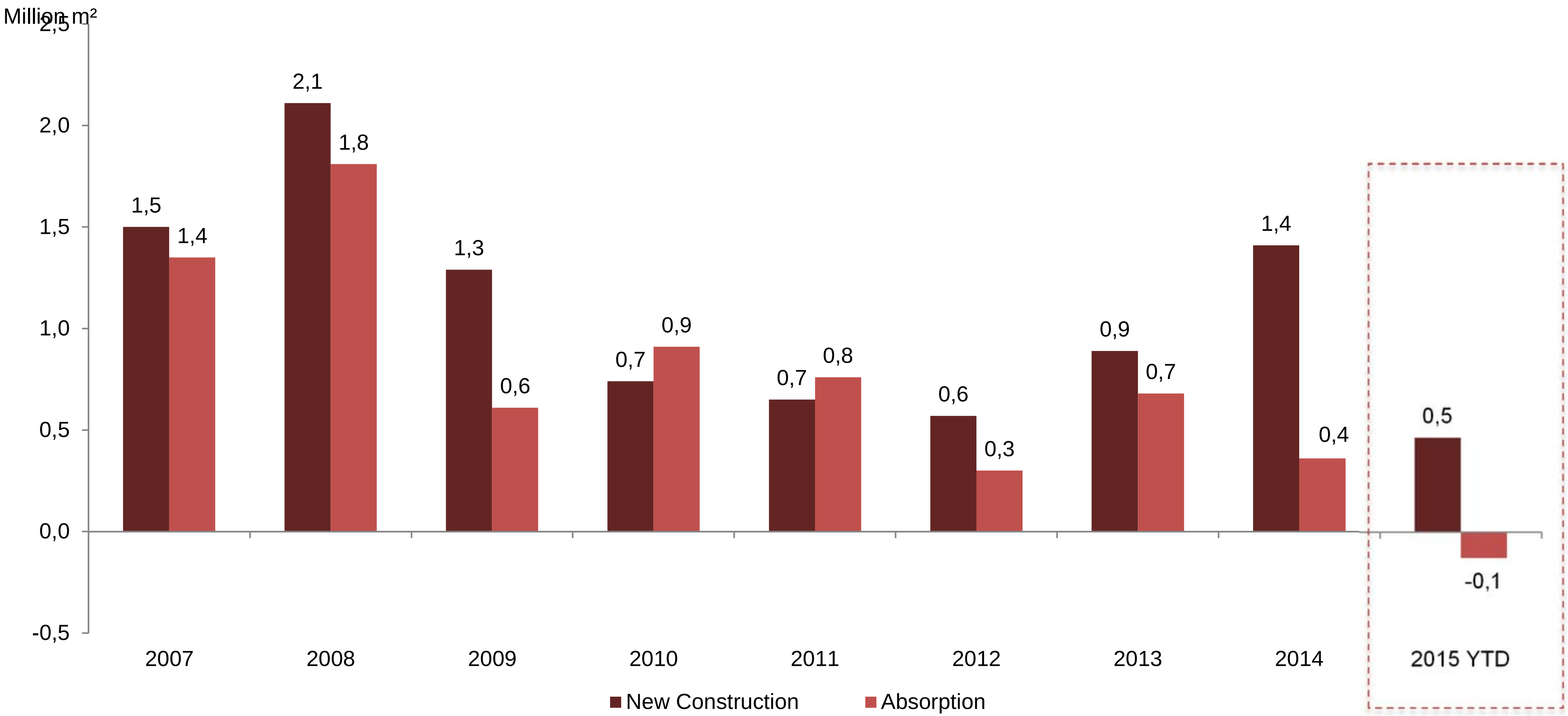
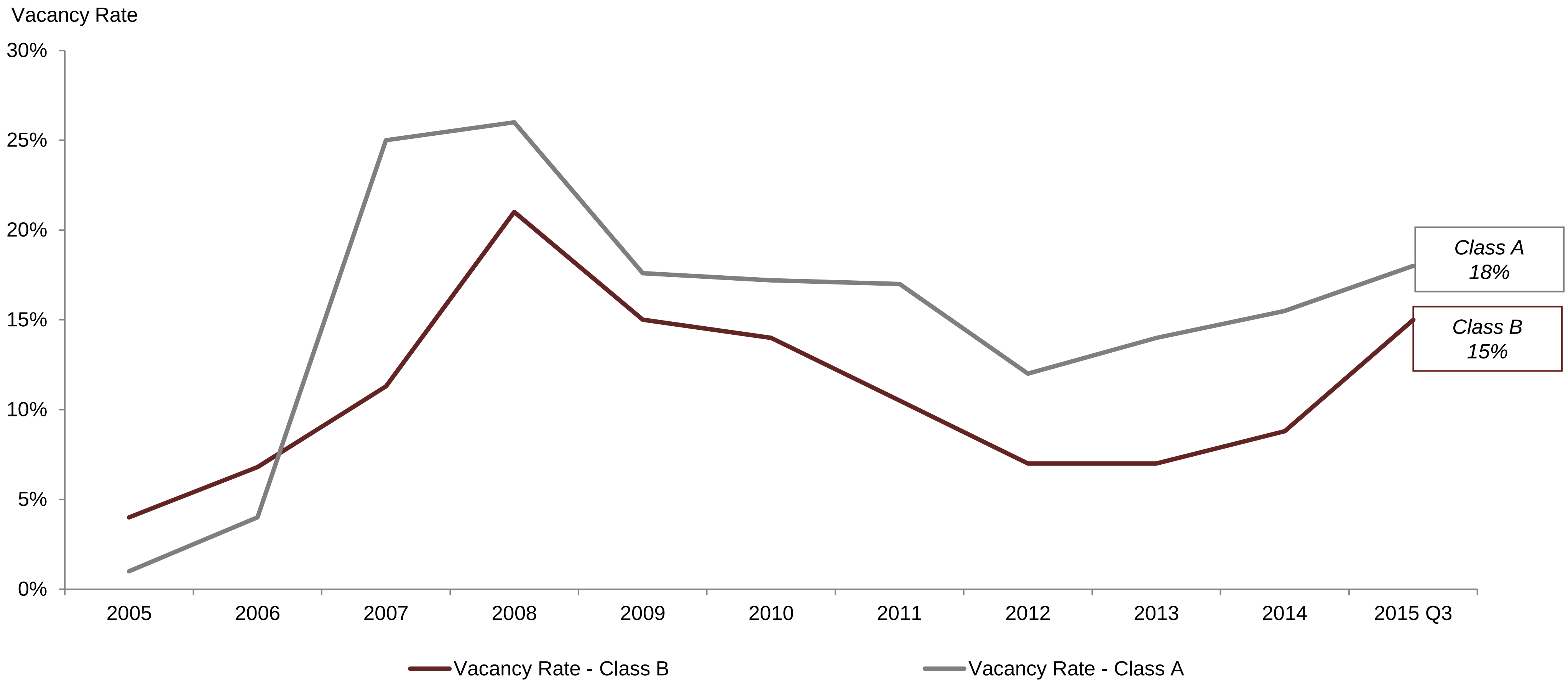
MOSCOW OFFICE MARKET – NEW CONSTRUCTION AND ABSORPTION



New construction at low levels, negative absorbtion

Source: Cushman & Wakefield (October 2015). Absorption = movement in occupied stock (total stock - vacancy).

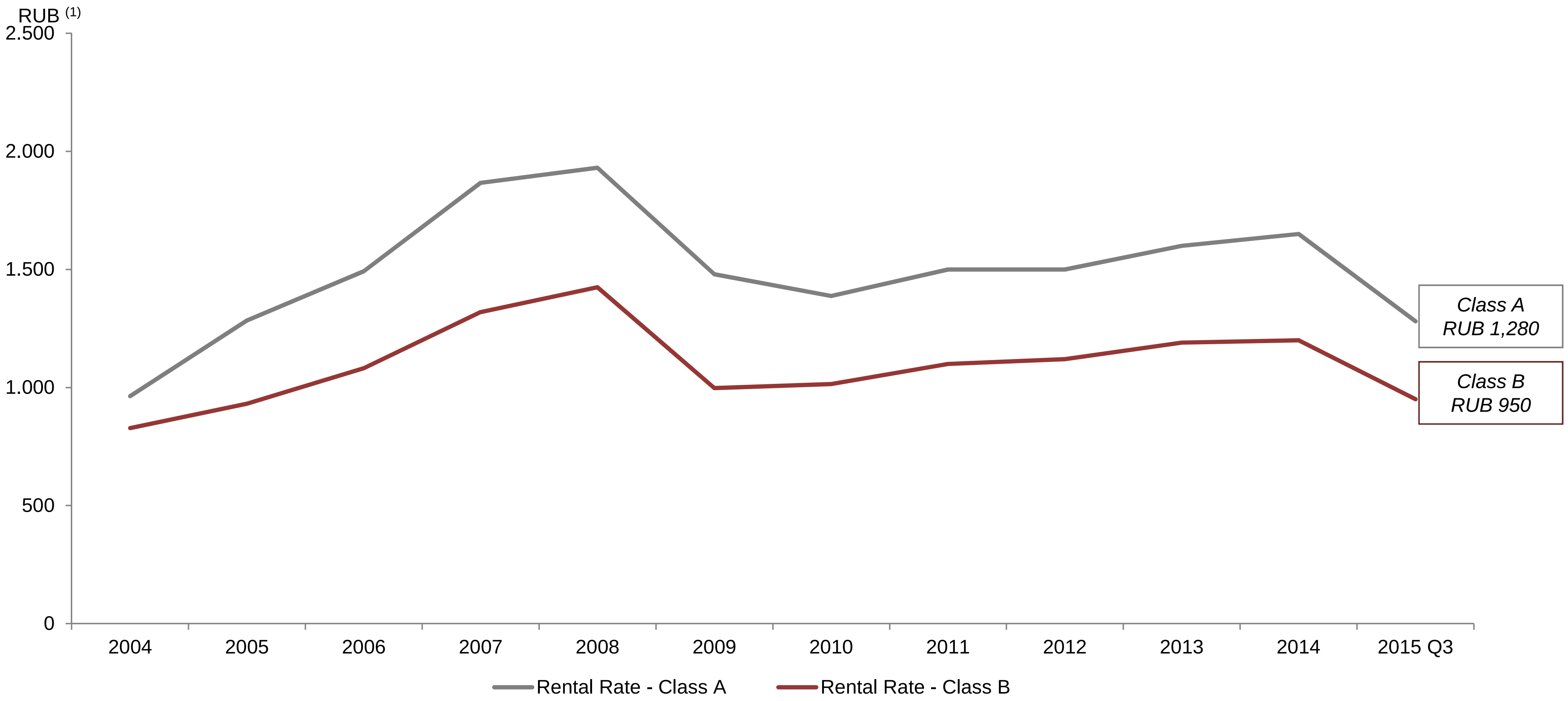
ST. PETERSBURG OFFICE MARKET – VACANCY DYNAMICS



Vacancy during Q3 down from 19% to 18% for class A, flat at 5% for Class B

Source: Maris, Part of the CBRE Affiliate Network, 2015.

ST. PETERSBURG OFFICE MARKET – DYNAMICS OF AVERAGE WEIGHTED RENTAL RATES[1]



Source: Cushman & Wakefield
(1) In rub/sq m/month including VAT and OPEX.

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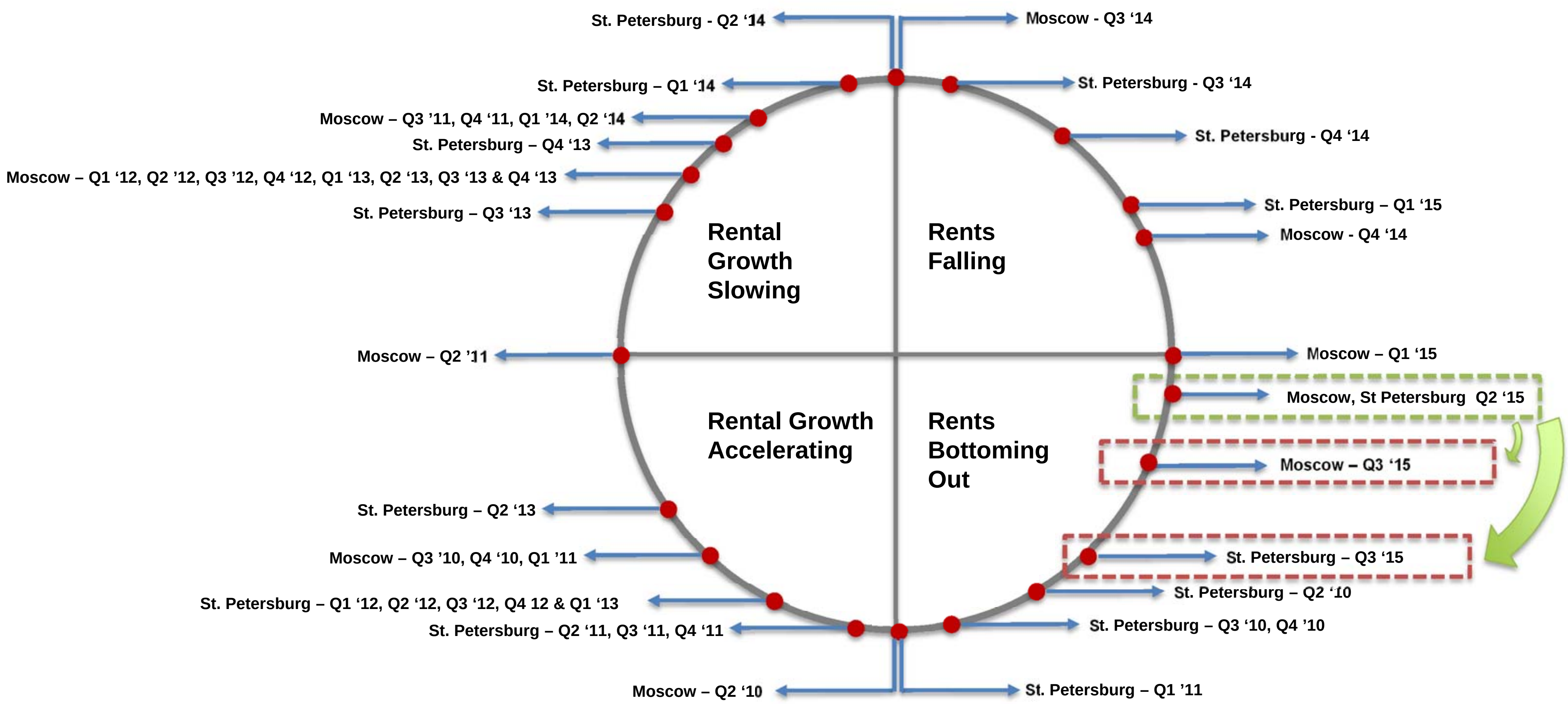
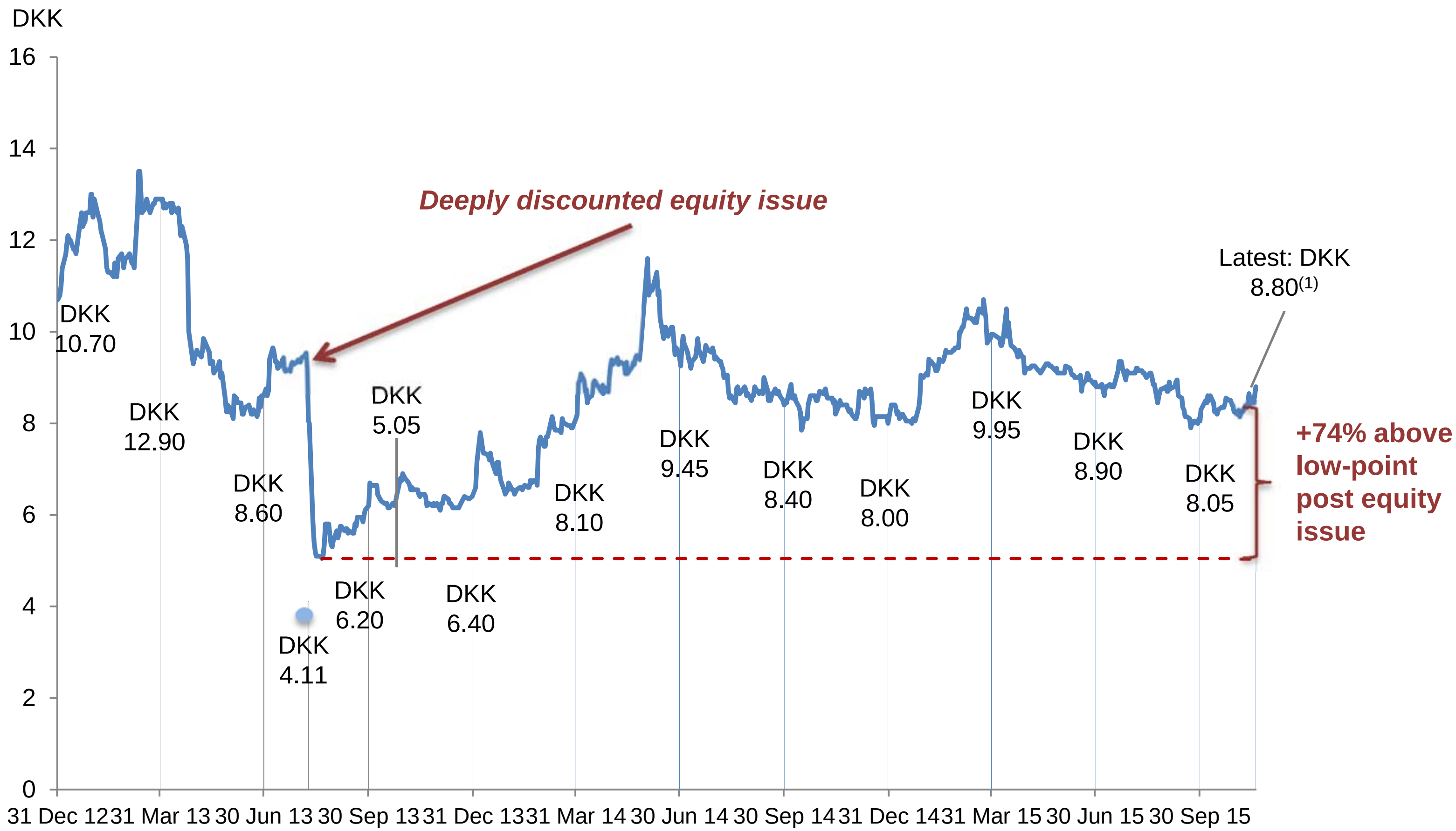
EUROPEAN OFFICE CLOCK Q2 2010 – Q3 2015



Source: Jones Lang Lasalle, Storm Capital Management Ltd.

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*
- *Latest share price 8.80 DKK per share (18 Nov 2015)*



Source: Bloomberg

(1) As per 18 November 2015

TK DEVELOPMENT – INVESTMENT UPDATE

1. • Share price at DKK 8,80 vs NAV at DKK 15,40 = discount to NAV at 43%. (1)

2. • Project development: Increasing activity.

3. • Asset management: Increased occupancy.

(1) Share price as per 18 November 2015.
NAV = latest published quarterly accounts.

TK DEVELOPMENT – GENERAL MARKET THEMES

- GDP growth and rising consumer confidence across TK Developments key markets
- Macro indicators improved from previous quarters
- Increase in private consumption is anticipated
- Easing in restraints when procuring financing of projects
- Diminishing uncertainty in the property markets
  - However decision-making processes remains lengthy and carefully considered
  - Historically low interest level fuelling property demand
- Investment market showing increasing optimism and appetite for development projects

	GDP Growth (Y-o-Y)		Unemployment	
	2015E	2016E	2015E	2016E
Denmark (flag)	1,6%	2,0%	6,1%	5,8%
Sweden (flag)	3,0%	2,8%	7,7%	7,7%
Poland (flag)	3,5%	3,5%	7,6%	7,2%
Czech Republic (flag)	4,3%	2,2%	5,2%	5,0%

Sources: TK Development, European Economic Forecast (Autumn 2015)

KEY TAKE AWAYS Q3 2015

1. • Total Comprehensive Income of USD -6.3m in Q3

2. • Russia values and property shares written down

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APPENDIX

GASFIELD BUILDING, MOSCOW & GRIFON HOUSE, ST. PETERSBURG

Gasfield Building

Class	B
Gross Area	c. 15,200 m²
Occupancy Rate	c. 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*

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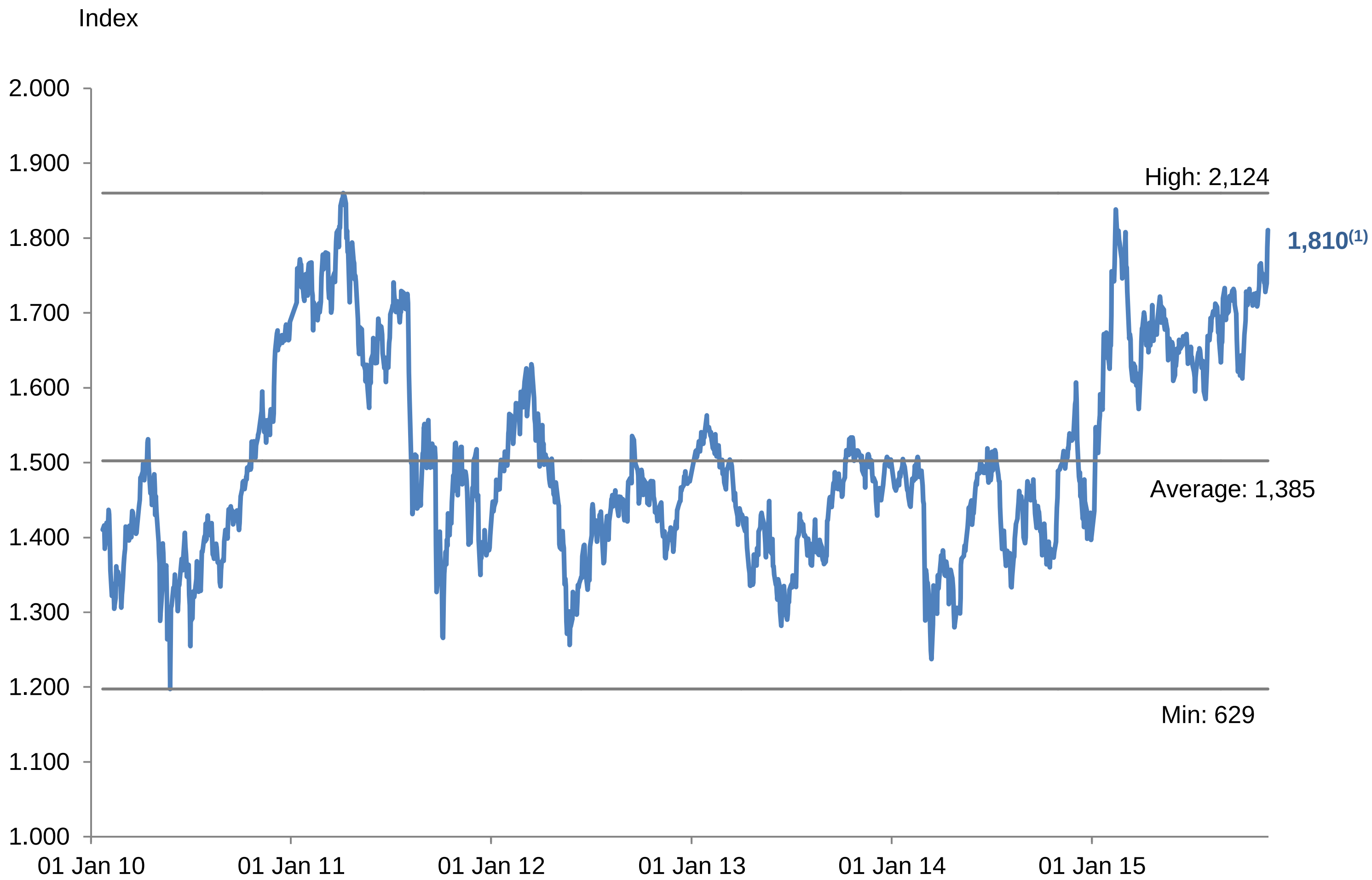
PERFORMANCE OF THE RUSSIAN MICEX INDEX

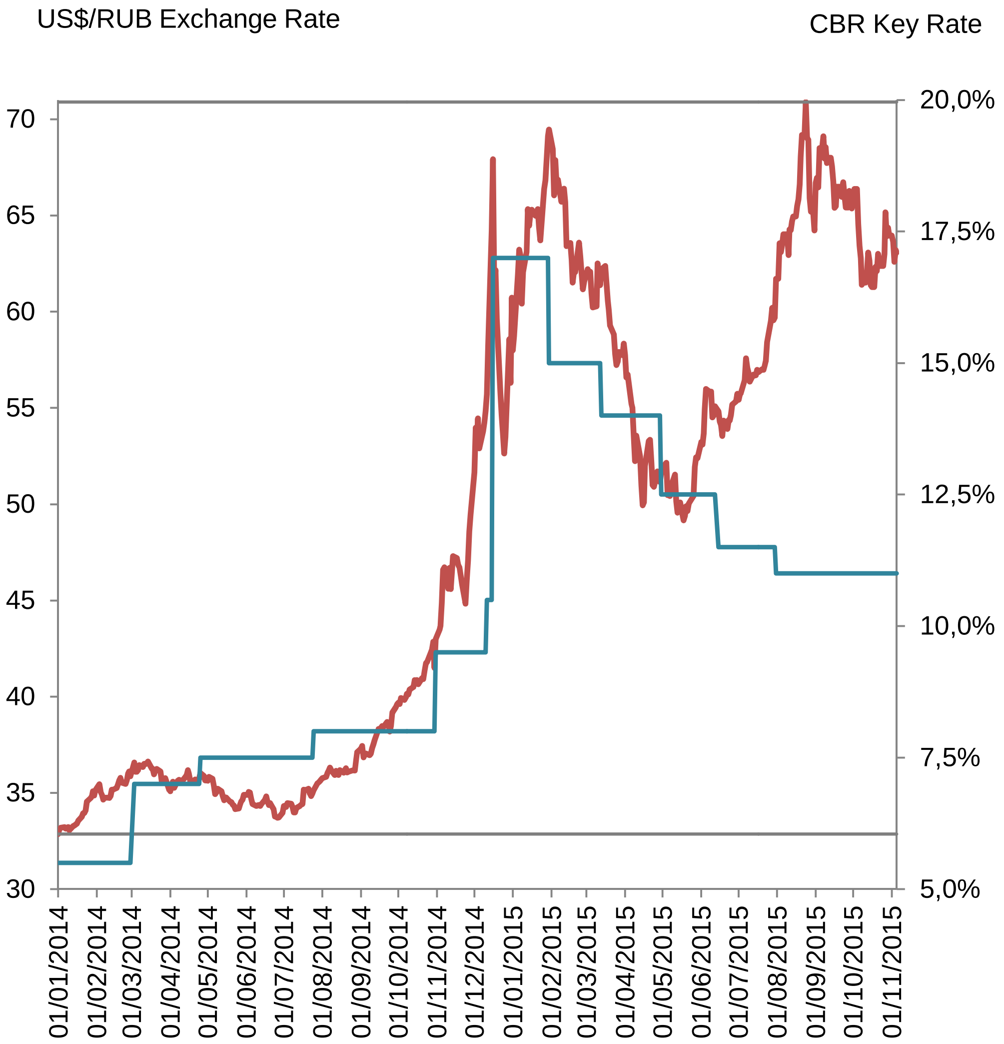
- *The Russian stock market has shown some positive movements lately*
- *The MICEX index is up 29,6% in 2015 (1)*

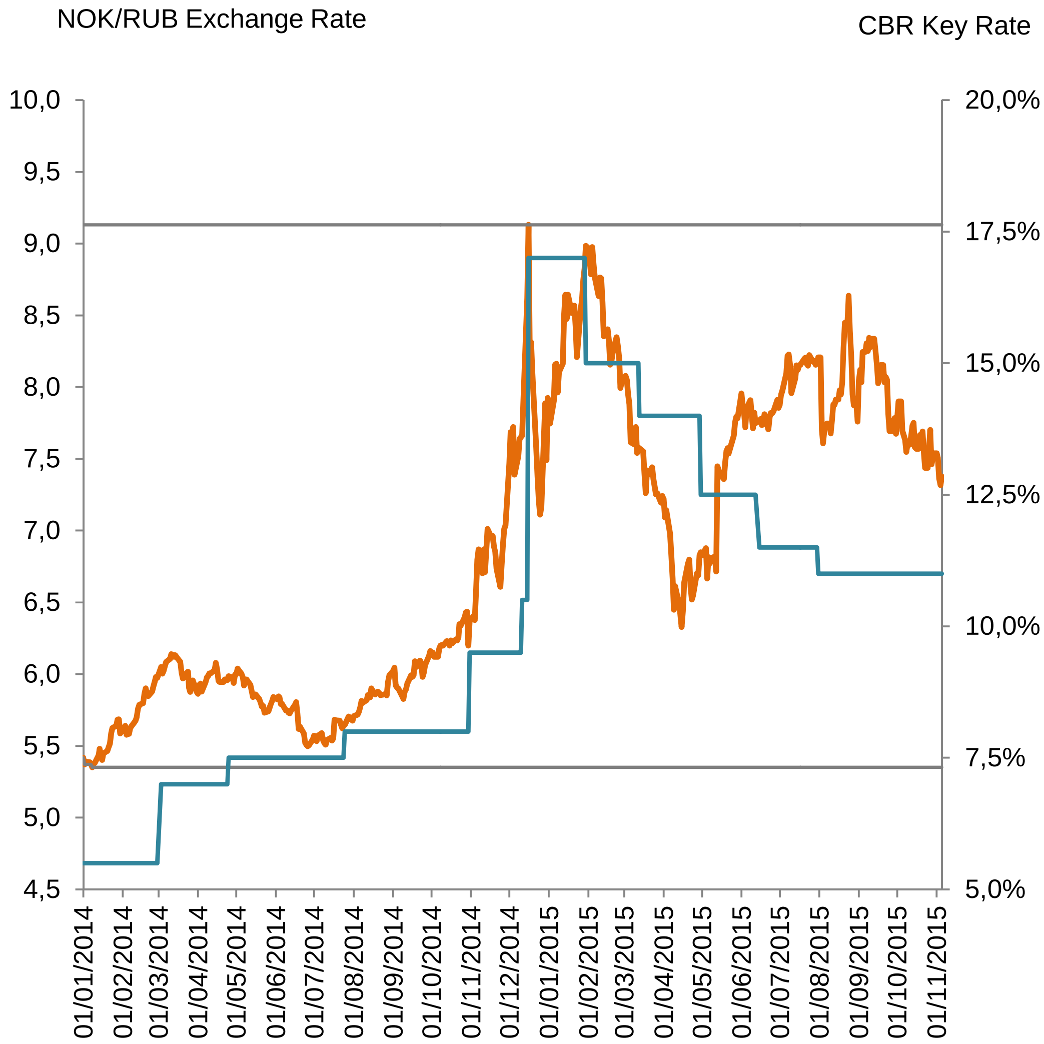


Source: MICEX .

(1) As per 18 November 2015. The MICEX Index is denominated in rubles, the RTS Index is denominated in dollar.

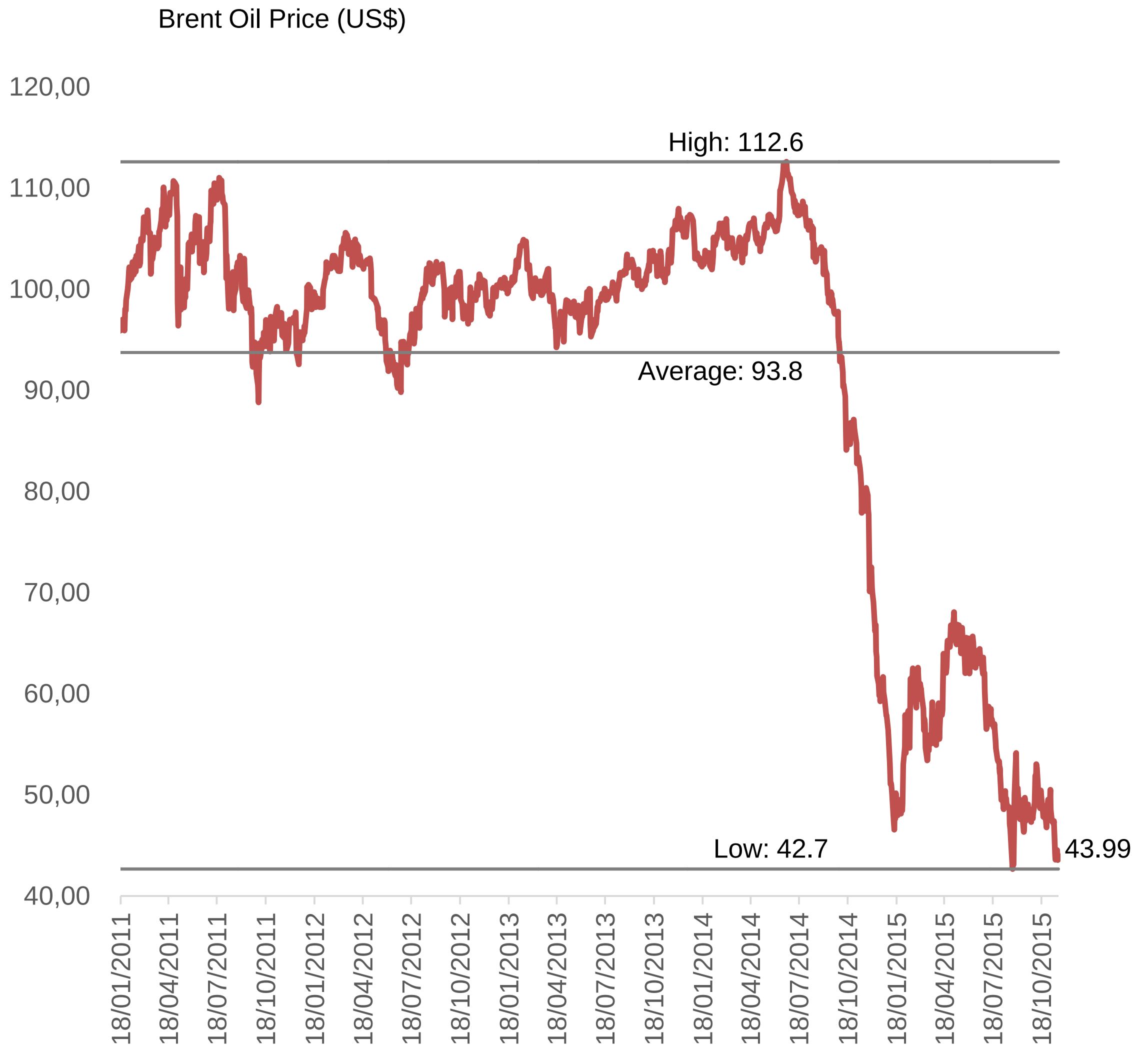
RUSSIA – US$/RUB AND NOK/RUB EXCHANGE RATE MOVEMENTS AND CBR KEY RATE

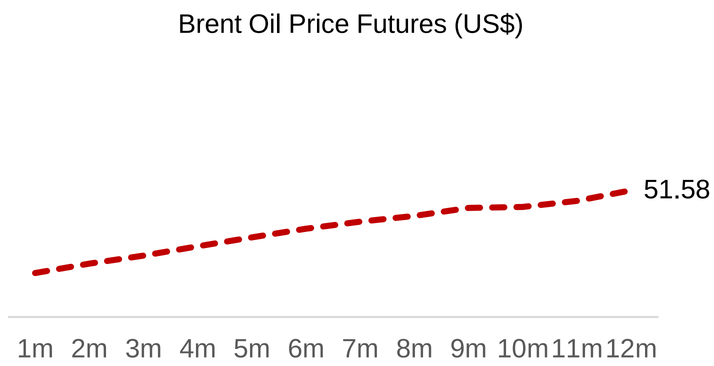




Source: Bloomberg.

BRENT OIL PRICE AND OIL PRICE FUTURES





Source: Bloomberg, as per 18 November 2015.

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