



1st quarter 2016

FINANCIAL RESULTS PRESENTATION

26 May 2016

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KEY TAKE AWAYS

1. Total Comprehensive Income of USD -2.6m in Q1

2. Russia values stabilised

3. Sold TK Development in Q2

4. NAV per share at NOK 8.74

STRATEGY

1. The Board decided to narrow down the strategy to bring out underlying values.
2. Multi-asset class strategy and wide geographical spread seen as a hindrance for some strategic alternatives (mergers, acquisitions, takeovers etc).
3. To enable potential strategic alternatives, the company has reverted to a single-strategy Russia platform.

TK DEVELOPMENT – INVESTMENT SOLD IN Q2

1. In line with new strategy, the Board resolved to sell Storm's stake in TK Development A/S
2. The proceeds from the sale will be used to increase the company's working capital and the Board has also proposed distribution of dividends to shareholders
3. The sale enabled a distribution of dividends to shareholders at a dividend yield of 46% ⁽¹⁾
4. After the sale, the business consists of direct ownership of investment property in Russia.

(1) Proposed dividend at NOK 3,80 / latest SRE share price as at the date of selling TK shares 4 May 2016.

STORM CAPITAL MANAGEMENT

P&L – MAJOR ITEMS

mill. USD	Q1 2016	Q1 2015	12M 2015
Total Comprehensive Income	-2.6	-2.3	-16.8
<u>Summary of major items:</u>			
NOI from investment properties	+1.2	+2.3	8.7
Value change investment properties	-0.3	-5.6	-19.0
Value change shares in real estate companies	-1.5	+3.2	-0.1
Other operating costs	-0.6	-0.6	-1.8
Funds and liquid investments	0.0	-0.2	-0.2
Borrowing costs	-0.6	-0.8	-3.2
Currency gains/ losses	+0.4	-2.1	-1.1
Contract- and interest derivatives	-0.7	-0.5	-0.1
Taxes	-0.1	+1.5	2.3
Recognised loss on disposal of subsidiary	-	-	-1.8

STORM CAPITAL MANAGEMENT

BALANCE SHEET – MAJOR ITEMS

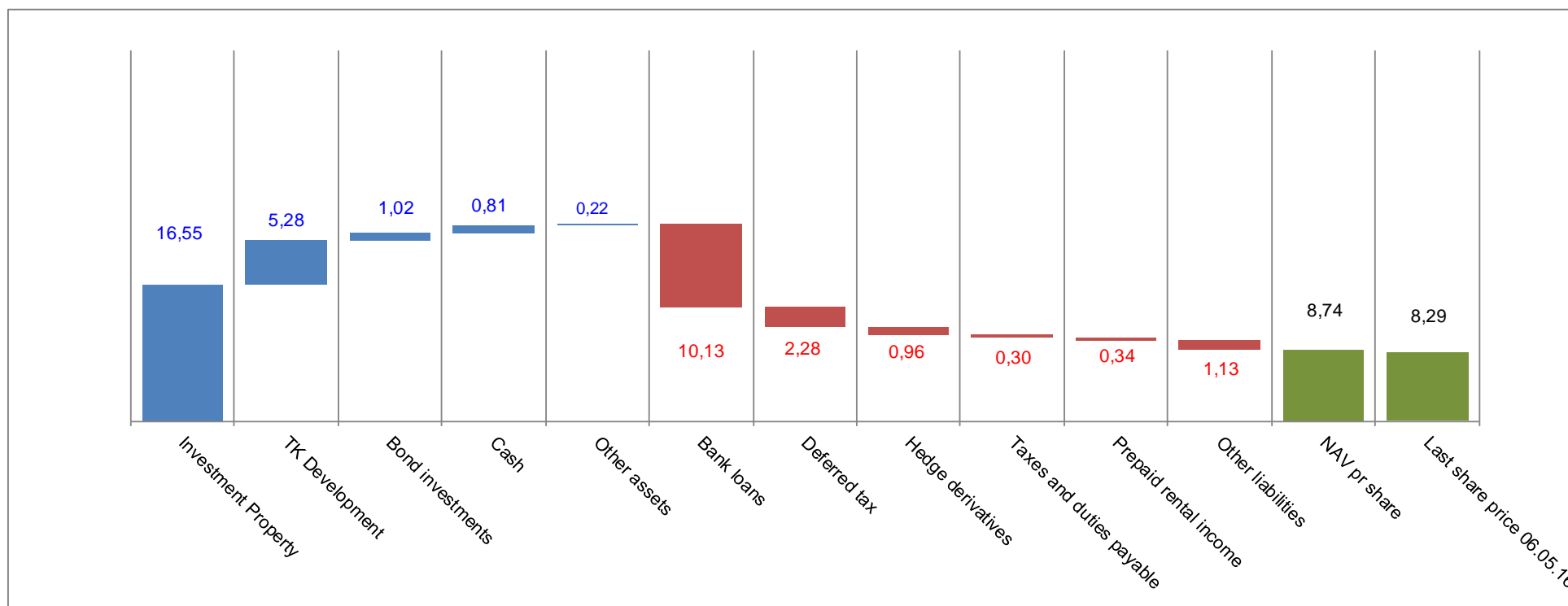
(US\$ '000)	31/12/15	31/03/16 ⁽¹⁾		31/12/15	31/03/16 ⁽¹⁾
Investment property	\$38,950	\$36,711	Bank loans	\$24,707	\$22,479
Investments property shares	\$12,641	\$11,704	Deferred tax	\$5,513	\$5,063
Total non-current assets	\$51,611	\$48,436	Other liabilities	\$7,132	\$3,894
Cash & liquid investments ⁽²⁾	\$6,353	\$4,463	Total liabilities	\$36,351	\$33,577
Total current assets	\$6,741	\$4,531	Equity	\$22,000	\$19,388
Total assets	\$58,352	\$52,966	Total equity and liabilities	\$58,352	\$52,966
			<i>Equity ratio</i>	38%	37%

(1) Unaudited.

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

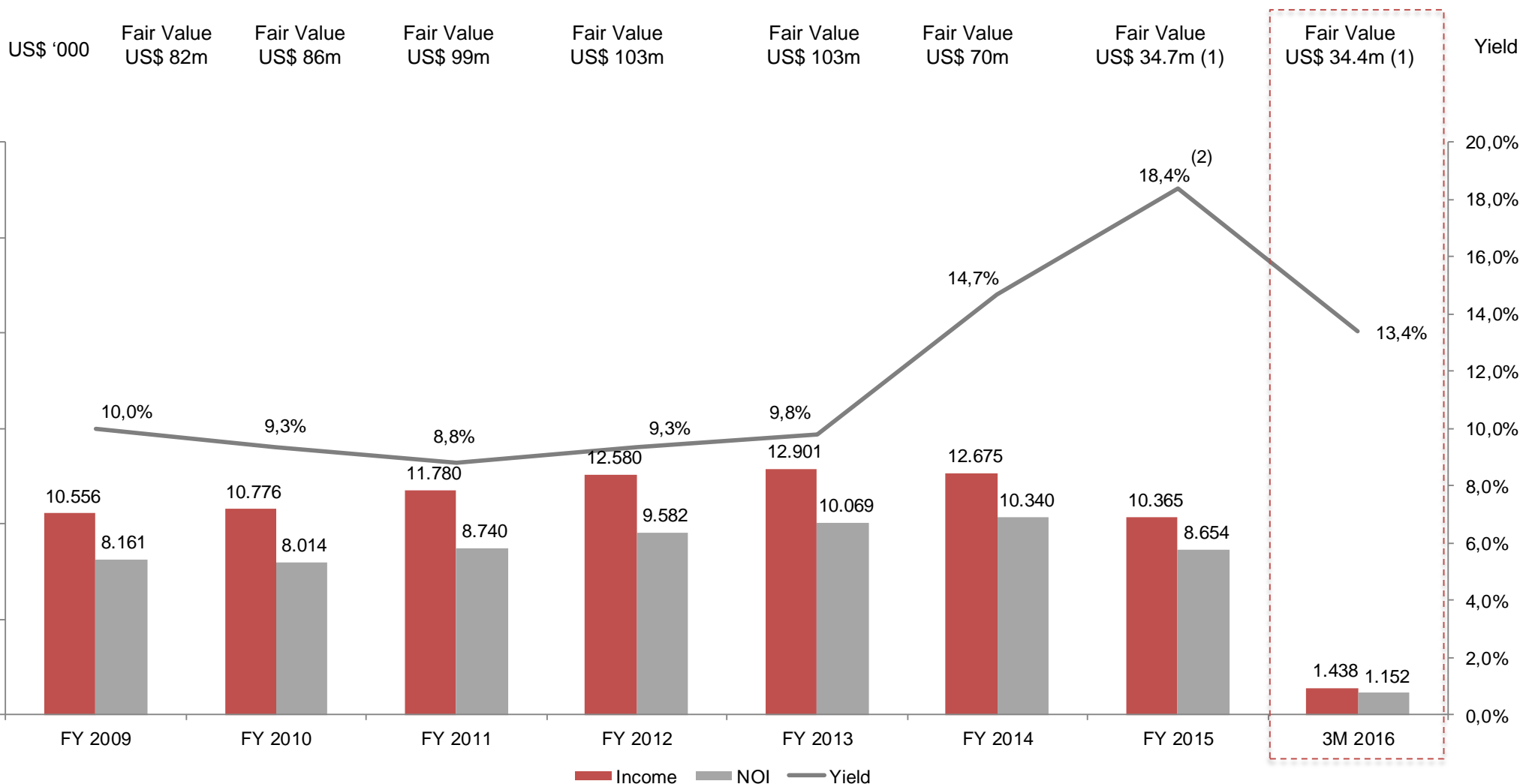
NAV PER SHARE

As at 31 March 2016. Numbers in NOK per share.



STORM CAPITAL MANAGEMENT

DEVELOPMENT OF ASSET VALUE 2009 – 2016

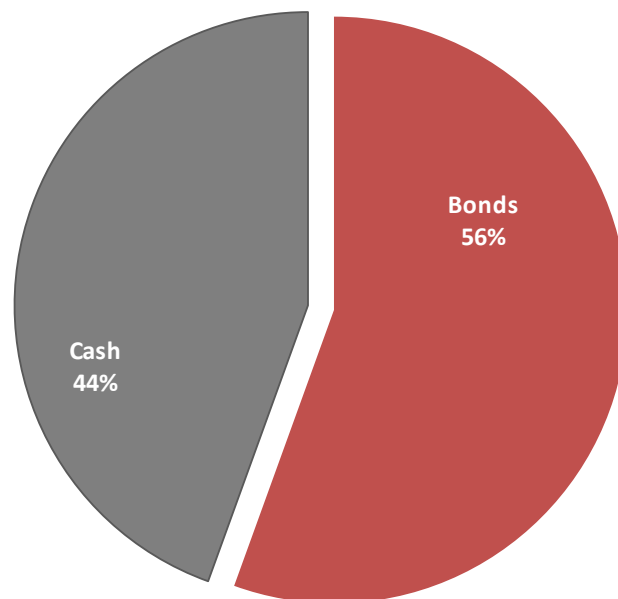


(1) Grifon sold. Value as per valuation from independent valuer.

(2) Yield for the year is calculated on the 2015 NOI / Asset value at year end of the remaining asset (Gasfield)

CASH & INVESTMENTS

Break-Down of Cash & Liquid Investments ⁽¹⁾

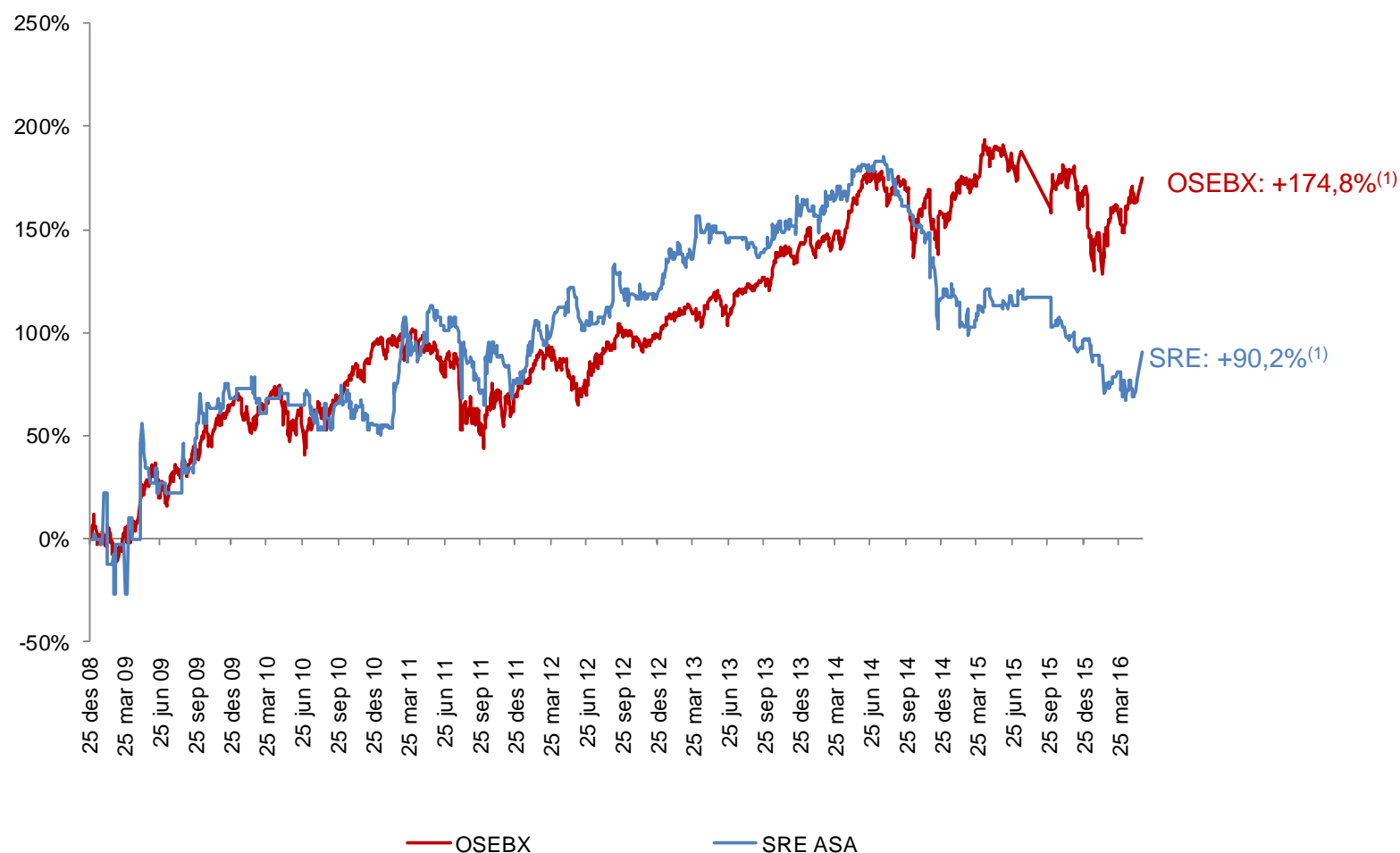


Source: Storm Capital Management Ltd.

(1) As per 31 March 2016. Investment in Storm Bond Fund is realised in Q1 2016.

STORM REAL ESTATE SHARE PRICE PERFORMANCE

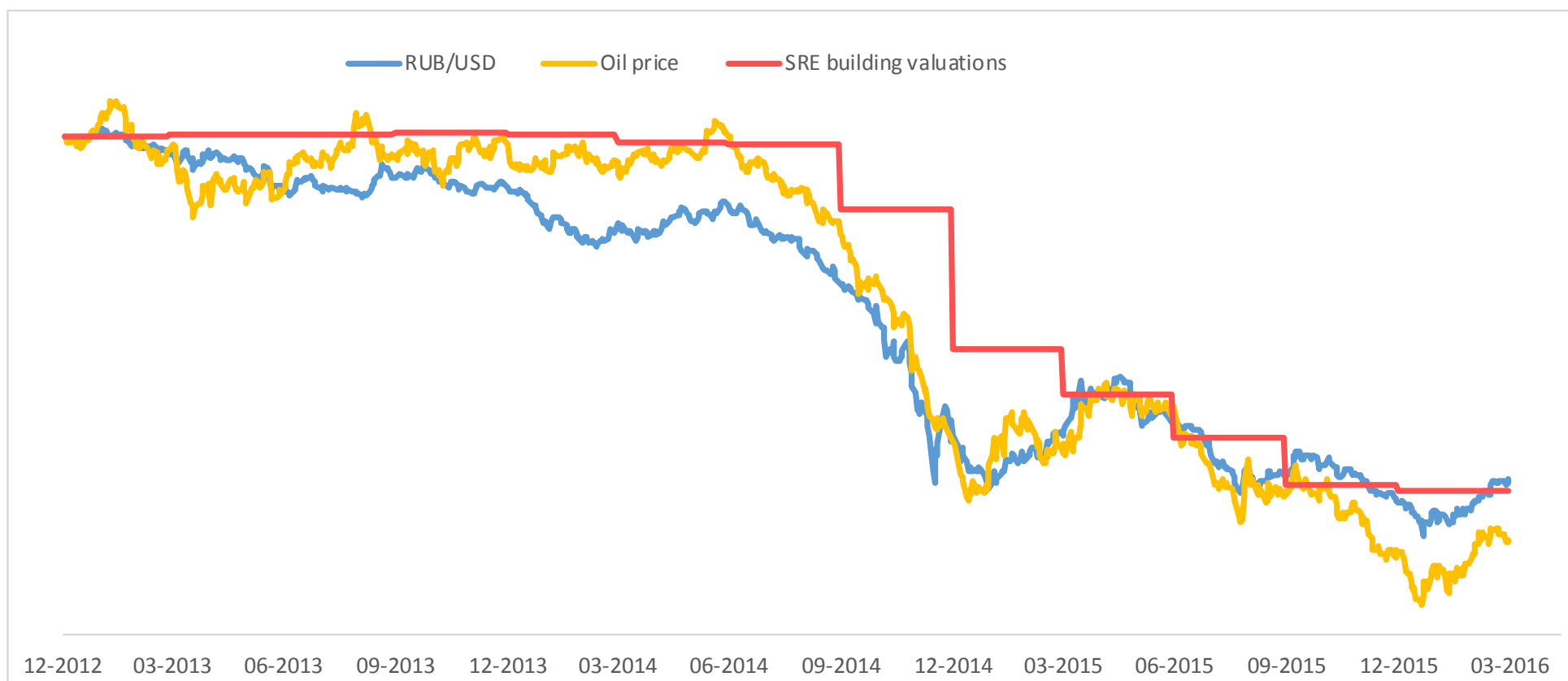
- *The Storm Real Estate ASA share is listed on Oslo main exchange since 6 July 2010*
- *Current share price of NOK 10.00 per share (25 May 2016)*
- *Net Asset Value of 8.74 NOK per share (31 Mar 2016)*



Source: Oslo Stock Exchange, Bloomberg

(1) SRE and OSEBX adjusted for dividends. As per 25 May 2016.

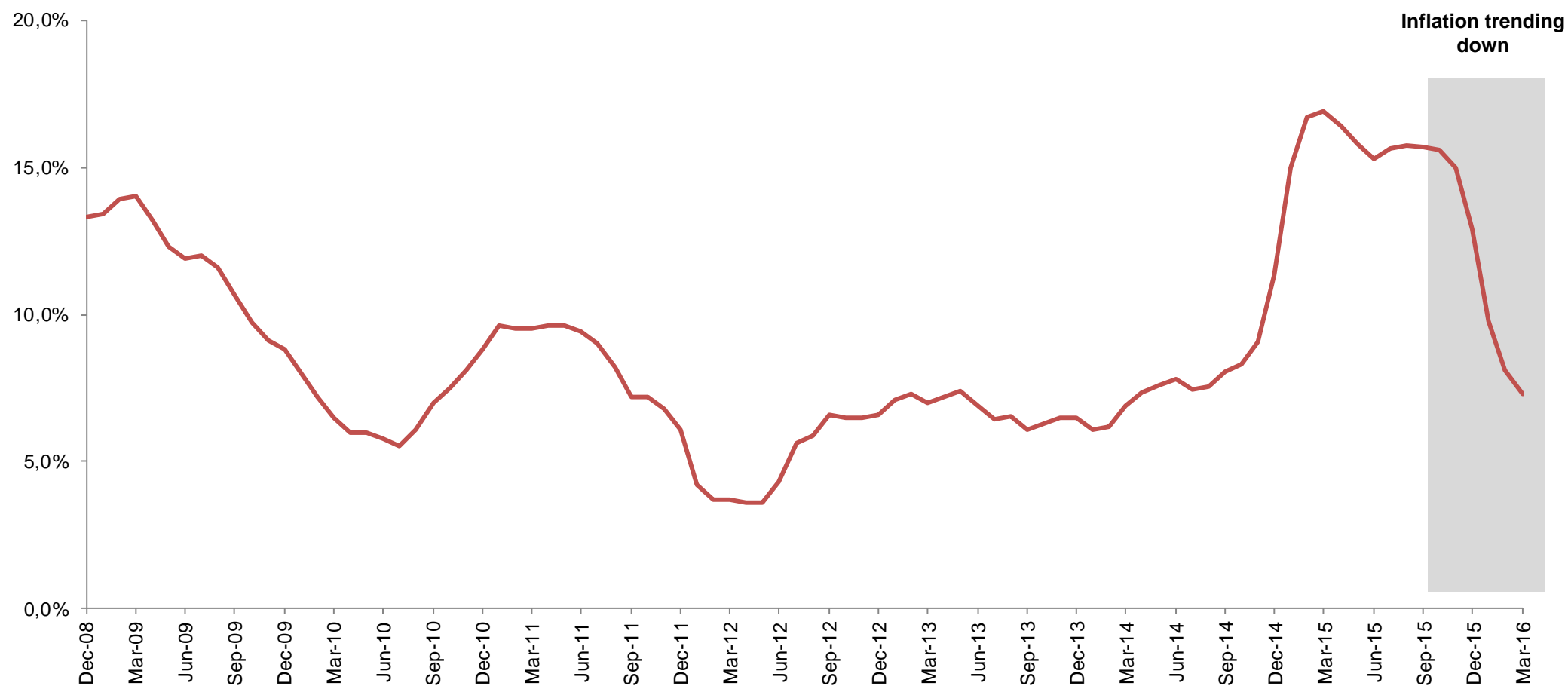
PROPERTY VALUES VS OIL PRICE AND ROUBLE DEPRECIATION



RUSSIA – INFLATION

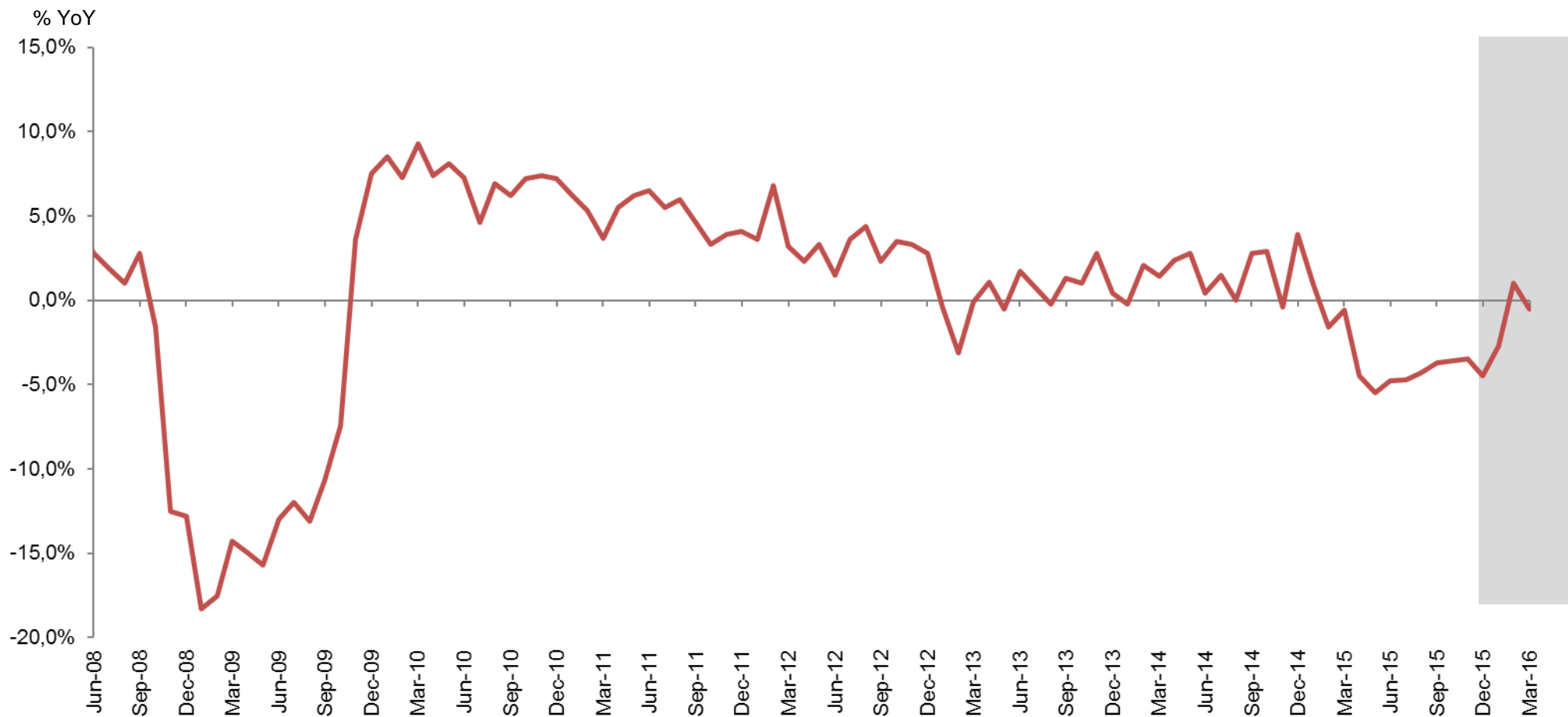
Inflation rate

Inflation rate based on CPI



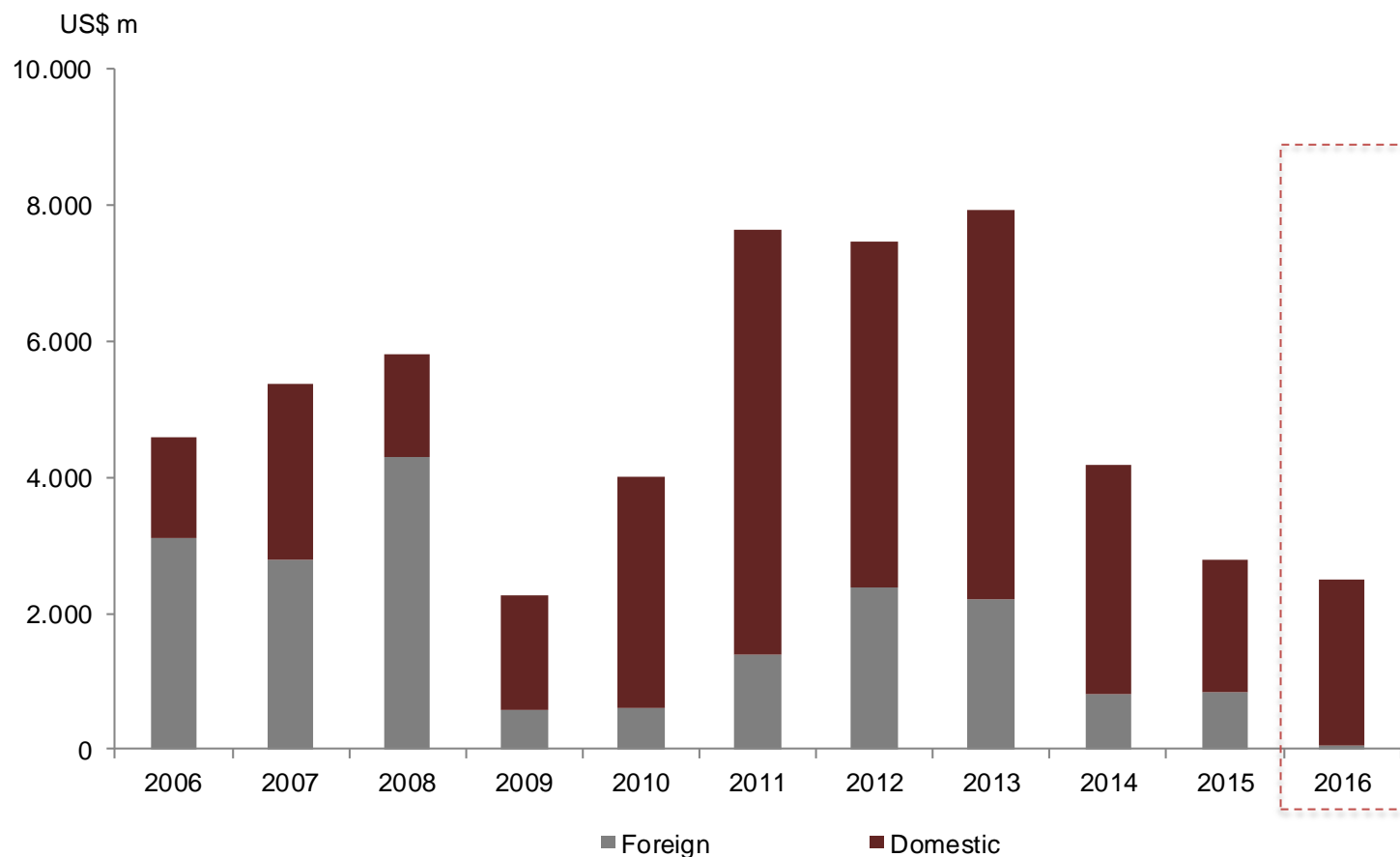
STORM CAPITAL MANAGEMENT

RUSSIA – INDUSTRIAL PRODUCTION



Economic activity (as measured by industrial production) trending up

RUSSIA – INVESTMENT VOLUME BY SOURCE OF CAPITAL

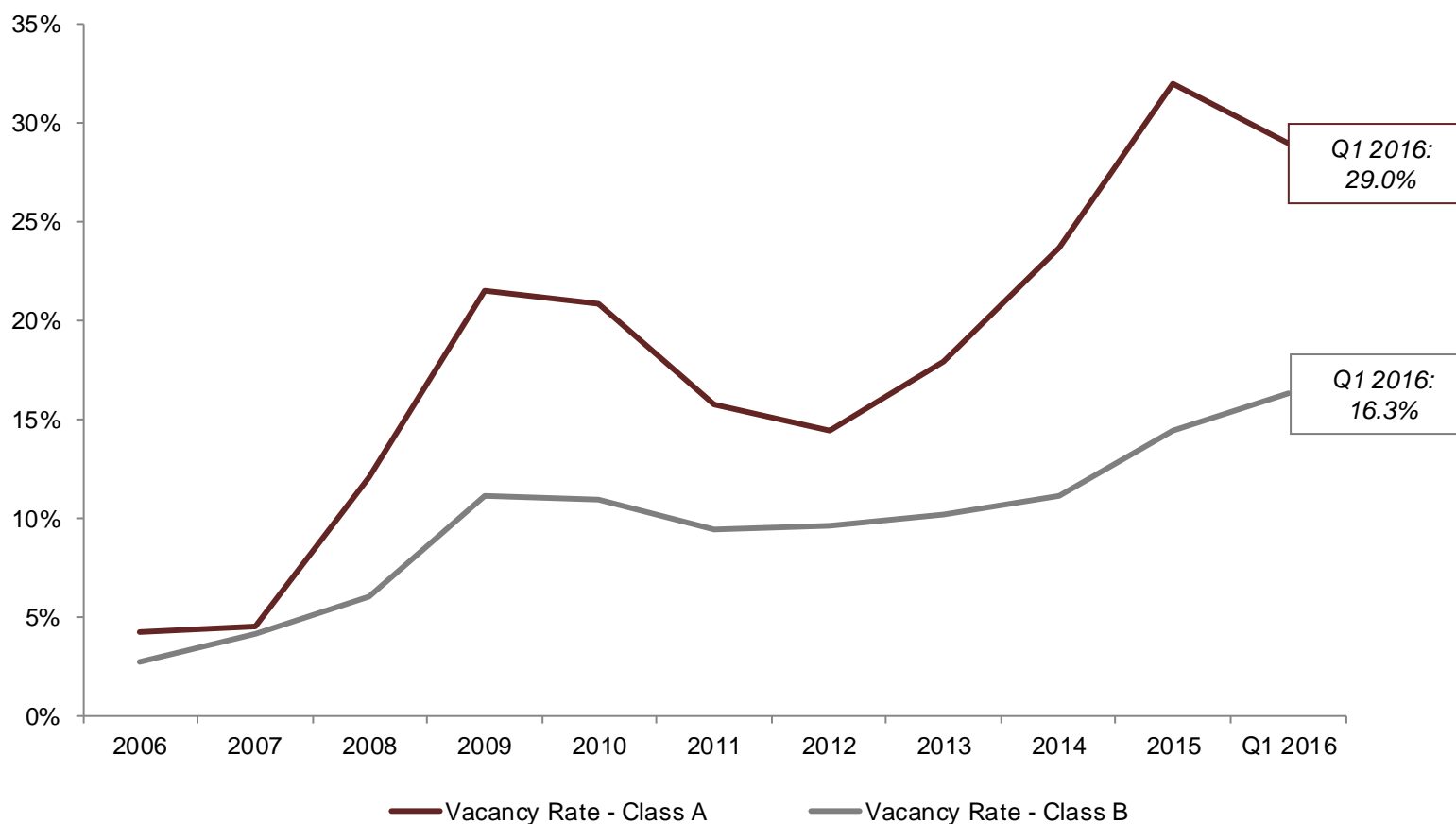


- Investment volume reached c. US\$ 2.5 billion in Q1 2016.
- For reference the investment volume in the whole of 2015 was US\$ 2.8 billion.
- Domestic capital constituted almost 100% of total investment volume

Investment volumes high in Q1 2016

MOSCOW OFFICE MARKET – VACANCY RATE

Vacancy (%)

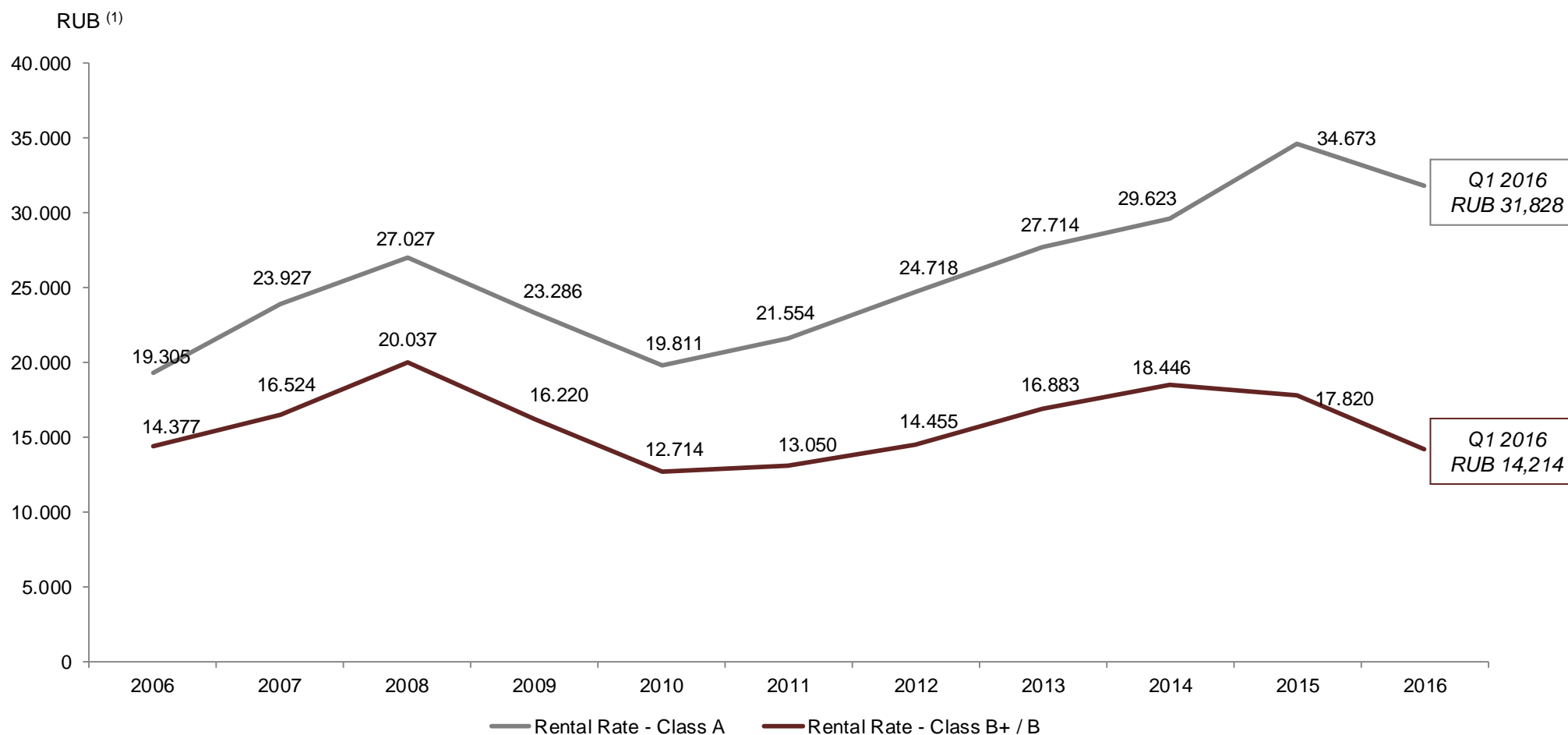


- Drop in vacancy rates in new class A business centres.
- Class B continues to show lower vacancy rates than class A
- No new deliveries in class A Q1

Class B lower vacancy rate than class A buildings

STORM CAPITAL MANAGEMENT

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

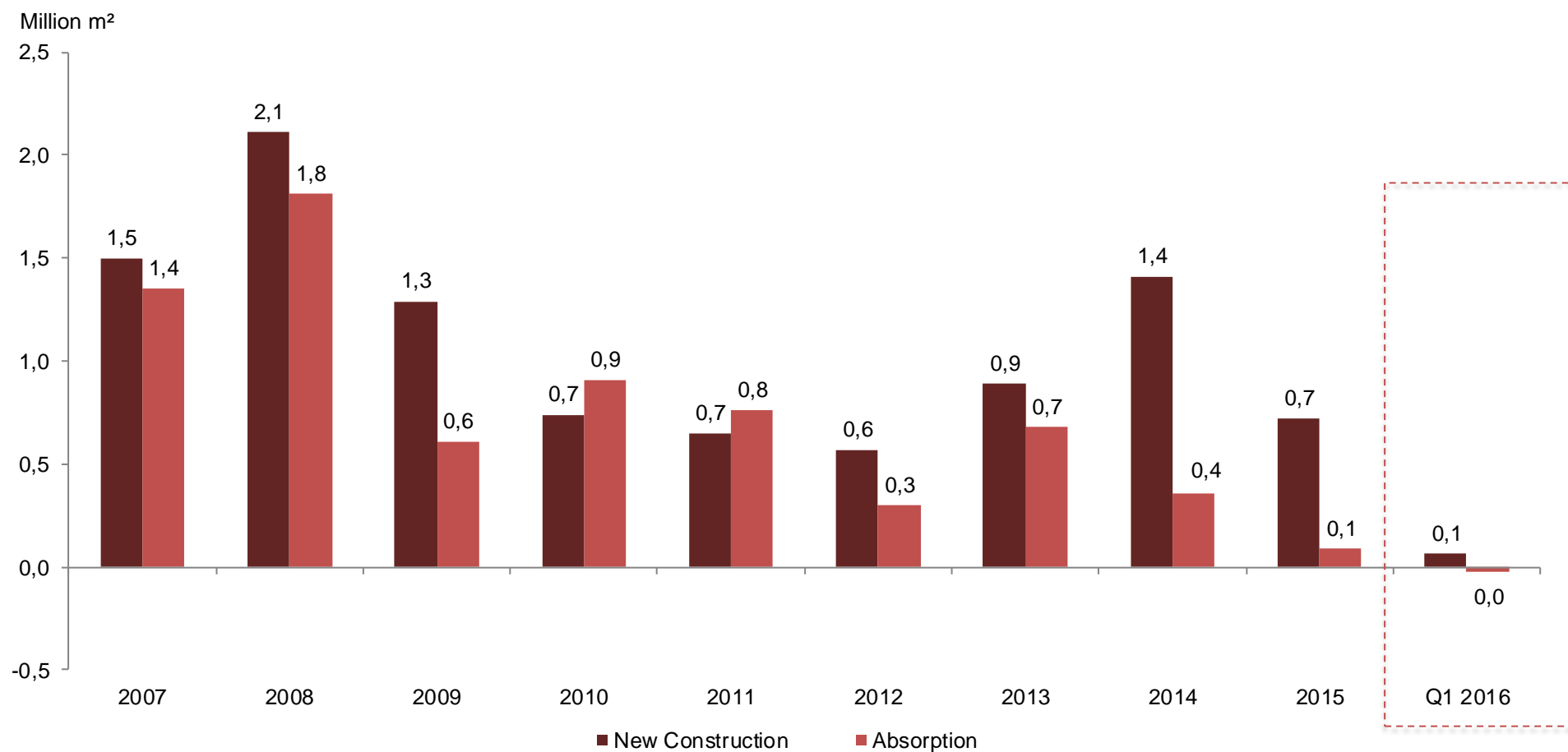


Rental rates down, also in RUB

Source: Cushman & Wakefield

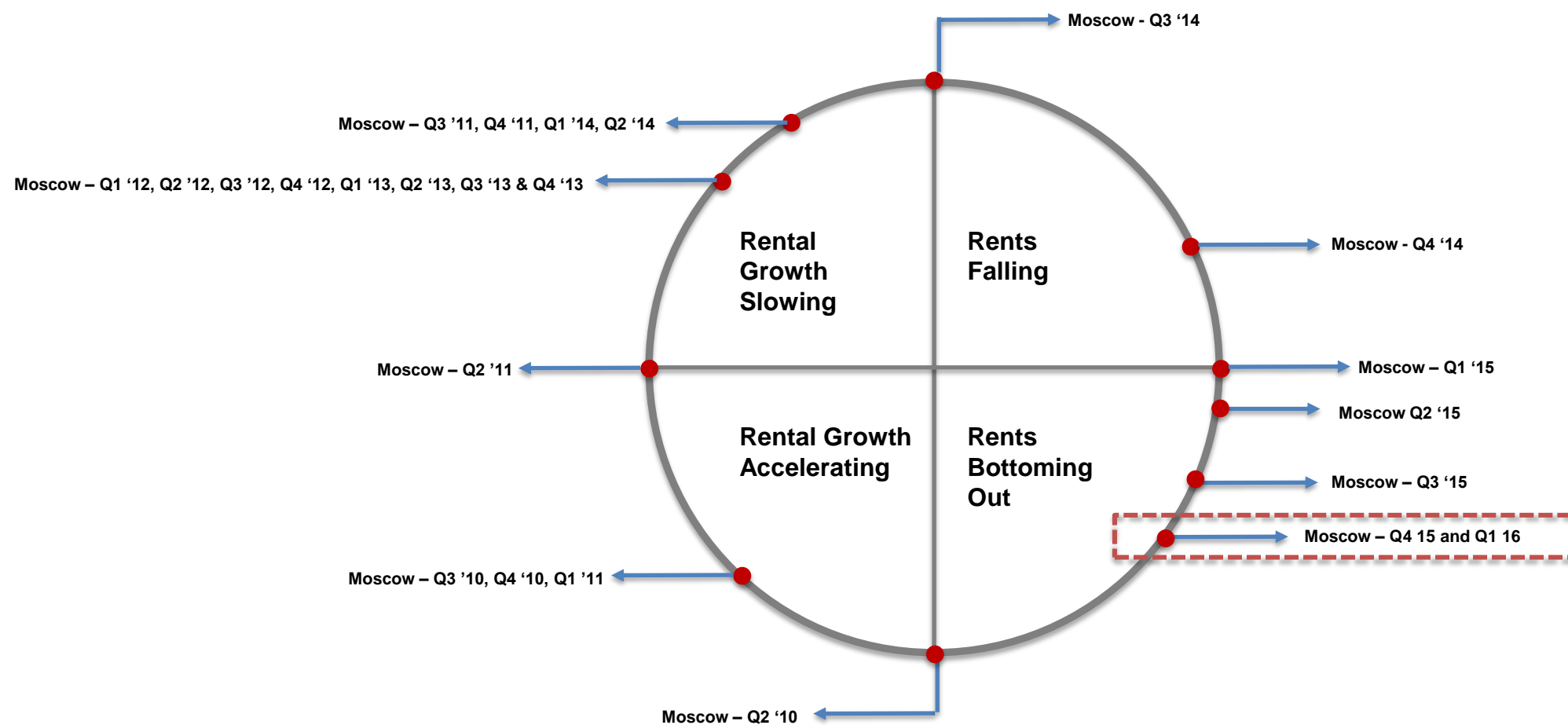
(1) Average rental rates is a weighted average rental rate of asking rents of deals closed within the period, RUB / m²/ annum/ triple net

MOSCOW OFFICE MARKET – NEW CONSTRUCTION AND ABSORPTION



New construction at low levels, negative absorption

EUROPEAN OFFICE CLOCK Q2 2010 – Q1 2016



KEY TAKE AWAYS

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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

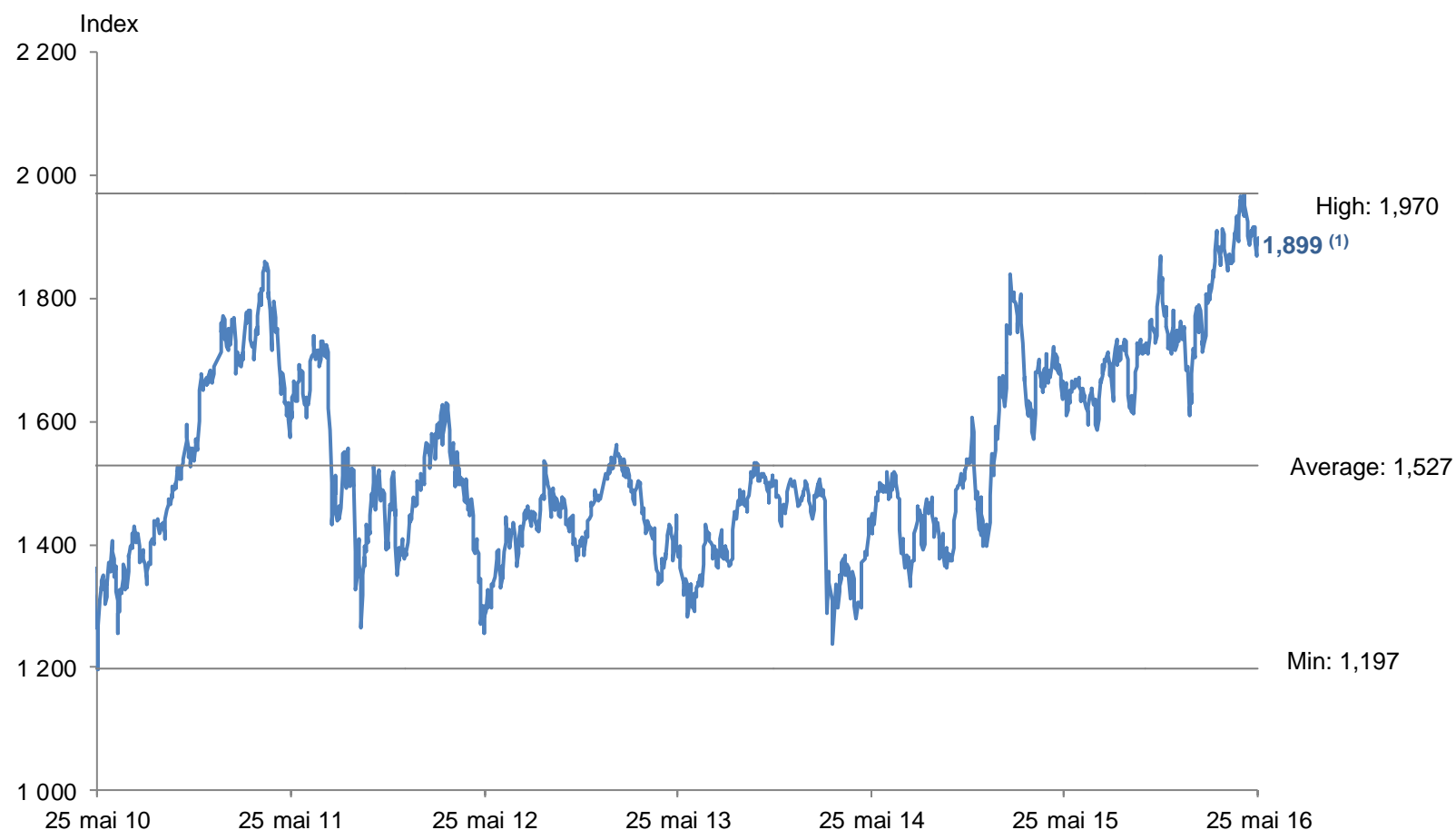


Gross Area c. 6,250 m²

Sold in December 2015.
Estimated IRR in the ownership period = 8.3%

PERFORMANCE OF THE RUSSIAN MICEX INDEX

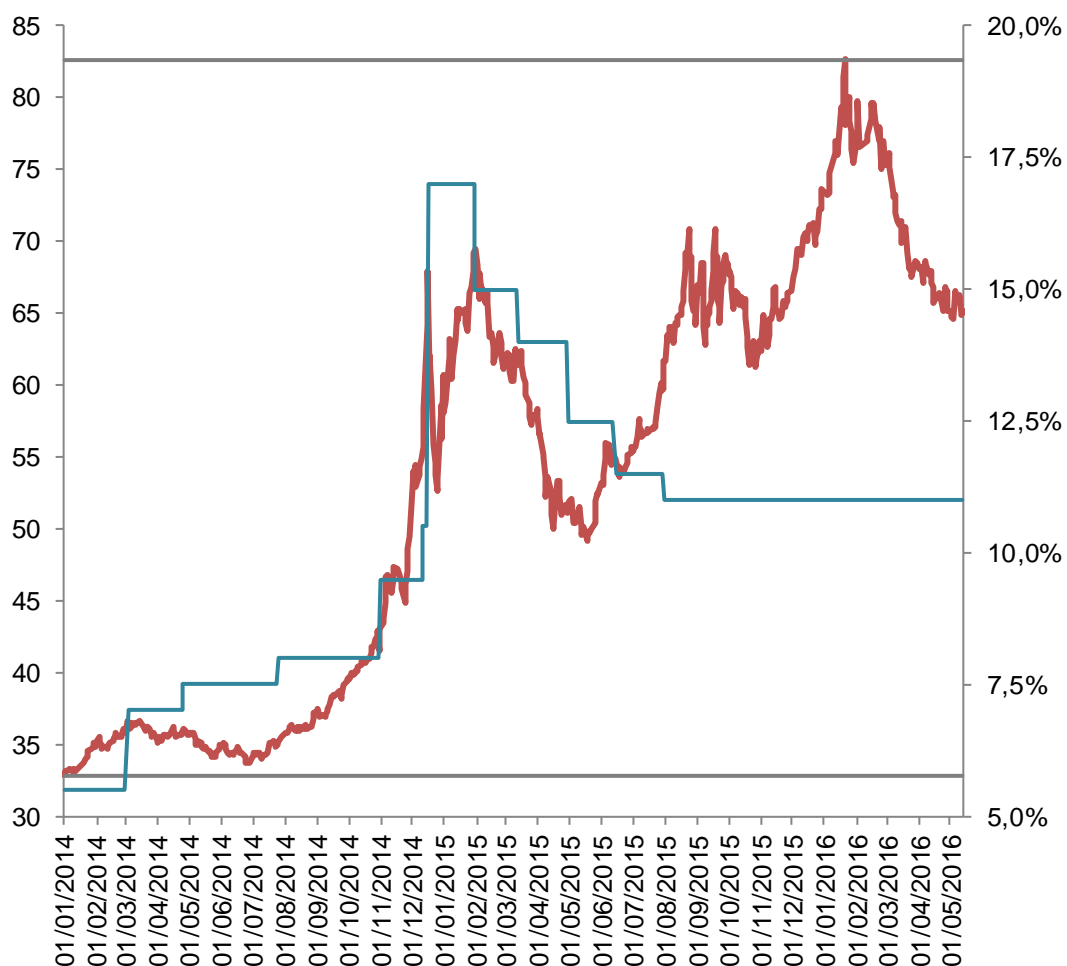
- The Russian stock market has shown positive movements
- The MICEX index was up 26,1% in 2015
- The index is up 7.8% YTD 2016 ⁽¹⁾,
- The Index is at an 8-year high (May 2008)
- State-run companies ordered to pay no less than 50% of net profit in dividends.



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

US\$/RUB Exchange Rate

CBR Key Rate



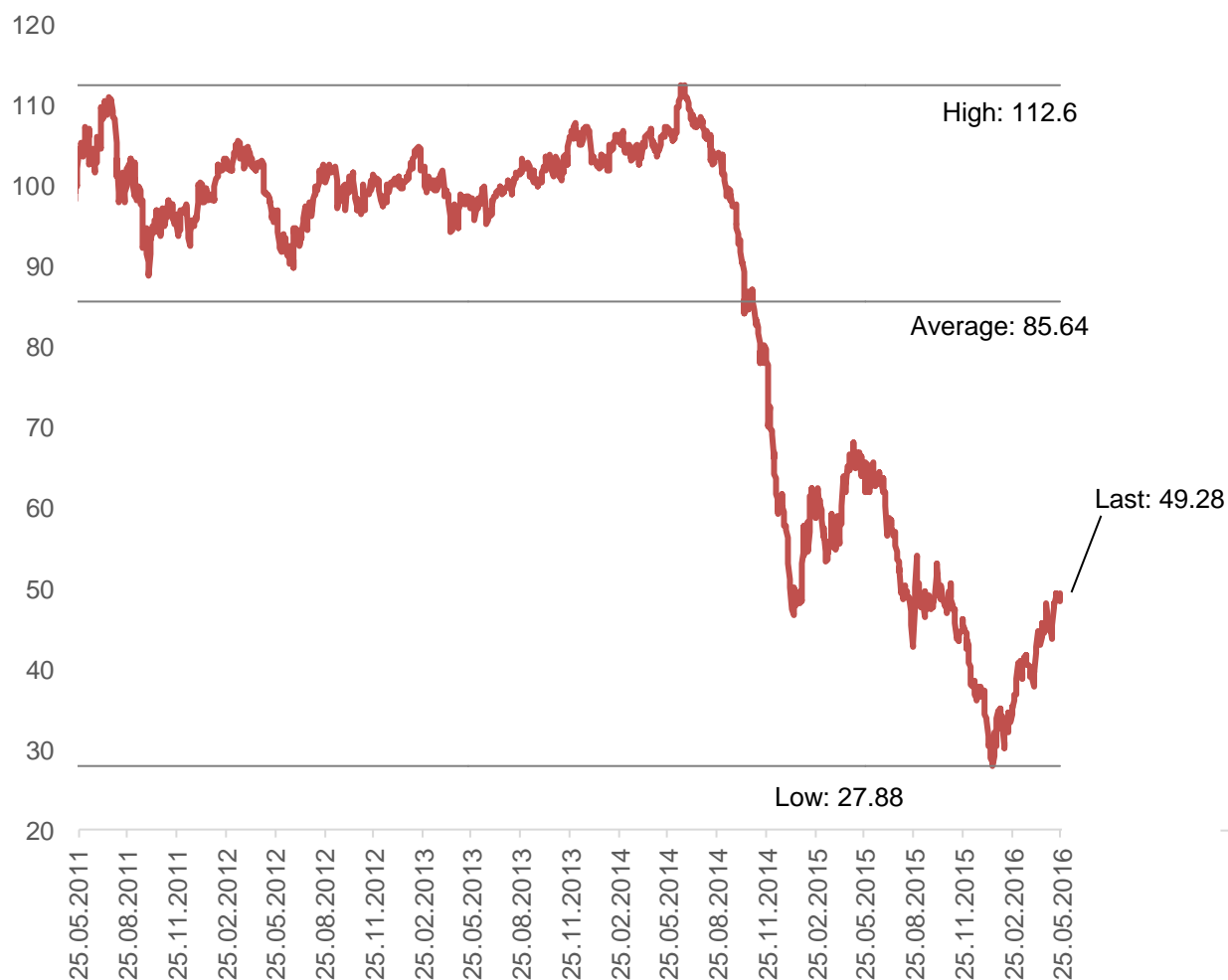
NOK/RUB Exchange Rate

CBR Key Rate

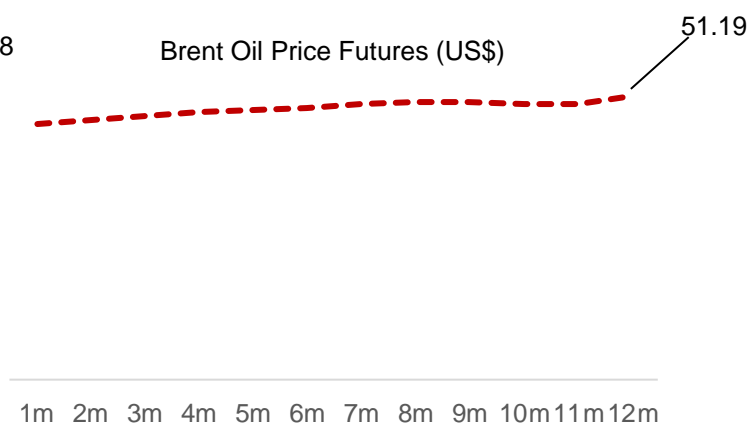


BRENT OIL PRICE AND OIL PRICE FUTURES

Brent Oil Price (US\$)



Brent Oil Price Futures (US\$)



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