



2nd quarter 2016

FINANCIAL RESULTS PRESENTATION

12 August 2016

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KEY TAKE AWAYS

1. Total Comprehensive Income of USD -2.3m in Q2
2. Sold TK Development in Q2, proceeds distributed to shareholders
3. Pure-play Russia strategy
4. NAV per share at NOK 3.98, after dividend of NOK 3.80.

STRATEGY

As presented in the Q1 presentation in May.

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. 15% of the proceeds were retained to improve the company's working capital
85% of the proceeds were distributed to shareholders as dividends
3. After the sale, the business consists of direct ownership of investment property in Russia.

STORM CAPITAL MANAGEMENT

P&L – MAJOR ITEMS

mill. USD	Q2 2016	Q2 2015	6M 2016	6M 2015
Total Comprehensive Income	-2,3	-5.5	-4,9	-7.8
<u>Summary of major items:</u>				
NOI from investment properties	+1,3	+2.4	+2,5	+4,7
Value change investment properties	-0,9	-6.7	-1,2	-12,3
Value change shares in real estate companies	-1,5	-1.7	-3,0	+1,5
Other operating costs	-1,0	-0.5	-1,6	-1,0
Funds and liquid investments	0,0	+0.3	0,0	+0,1
Borrowing costs	-0,5	-0.8	-1,1	-1,6
Currency gains/ losses	0,0	+0.5	+0,4	-1,5
Contract- and interest derivatives	-0,2	+0.5	-0,9	+0,1
Taxes	+0,5	+1.0	+0,6	+2,5

STORM CAPITAL MANAGEMENT

H1 2016 – ILLUSTRATIVE EBT

	ORDINARY OPERATIONS				NON-RECURRING + FX / DERIVATIVES				SUM	
mill. USD	Russia	Group op.ex	Finance	H1 2016	TK	Provision	Valuations	FX / derivatives	H1 2016	H1 2016
NOI from investment property	+2,5			+2,5					+0,0	+2,5
Valuation investment property				-			-1,2		-1,2	-1,2
Shares in real estate				-	-3,0				-3,0	-3,0
Other operating costs	-0,3	-0,6		-0,9		-0,7			-0,7	-1,6
Funds and liquid investments			0,0	0,0					+0,0	0,0
Borrowing costs			-1,1	-1,1					+0,0	-1,1
Currency gains/ losses				-	+0,7			-0,3	+0,4	+0,4
Derivatives				-				-0,9	-0,9	-0,9
ILLUSTRATIVE EBT ⁽¹⁾	+2,2	-0,6	-1,1	+0,5	-2,3	-0,7	-1,2	-1,2	-5,4	-4,9

(1) Illustrative and non-IFRS. Some effects of translation differences of foreign-currency subsidiaries reclassified for illustrative purposes.

STORM CAPITAL MANAGEMENT

BALANCE SHEET – MAJOR ITEMS

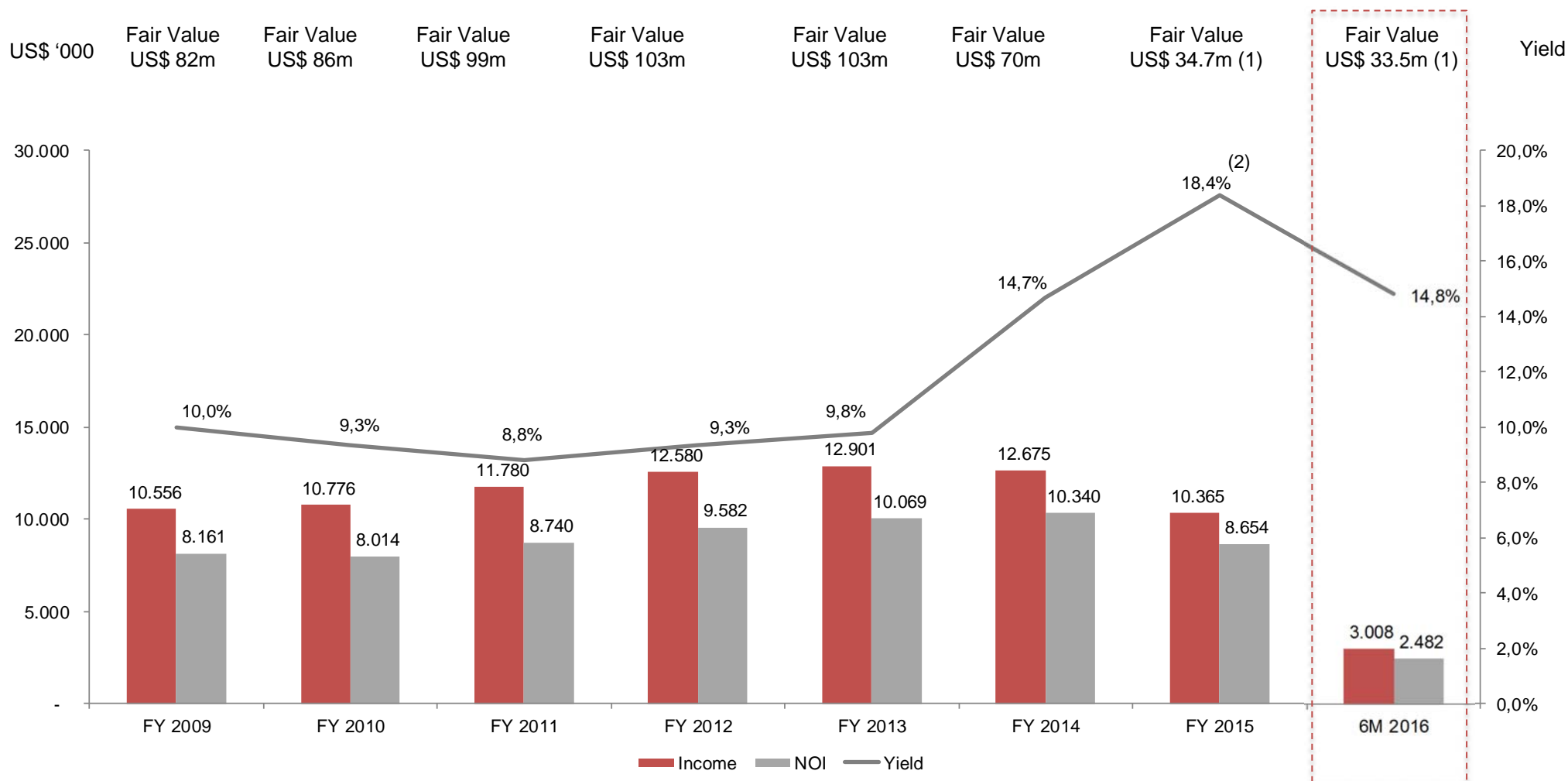
(US\$ '000)	31/12/15	30/06/16 ⁽¹⁾		31/12/15	30/06/16 ⁽¹⁾
Investment property	\$38,950	\$35,021	Bank loans	\$24,707	\$22,259
Investments property shares	\$12,641	\$0	Deferred tax	\$5,513	\$4,300
Total non-current assets	\$51,611	\$41,093	Other liabilities	\$7,132	\$5,817
Cash & liquid investments ⁽²⁾	\$6,353	\$5,768	Total liabilities	\$36,351	\$32,375
Total current assets	\$6,741	\$6,052	Equity	\$22,000	\$8,717
Total assets	\$58,352	\$41,093	Total equity and liabilities	\$58,352	\$41,093
			<i>Equity ratio</i>	37,7%	21,2%

(1) Unaudited.

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

STORM CAPITAL MANAGEMENT

DEVELOPMENT OF ASSET VALUE 2009 – 2016

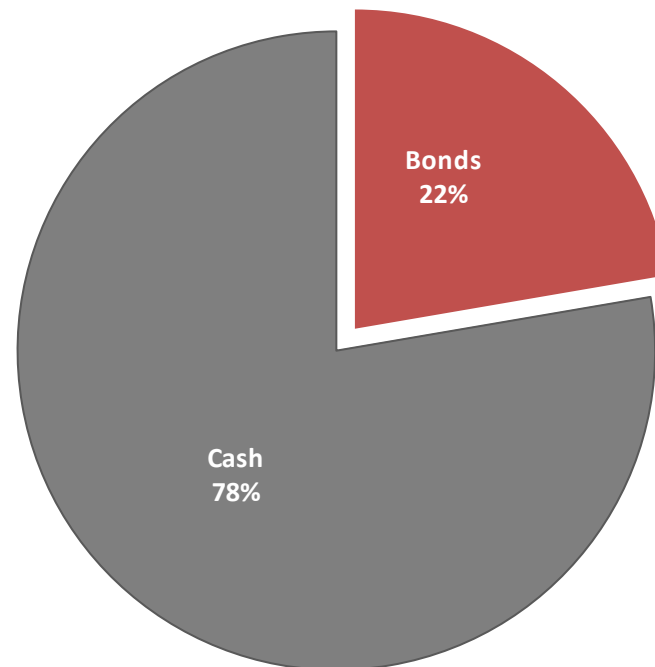


(1) Grifon sold. Value of Gasfield building as per valuation from independent valuer.

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

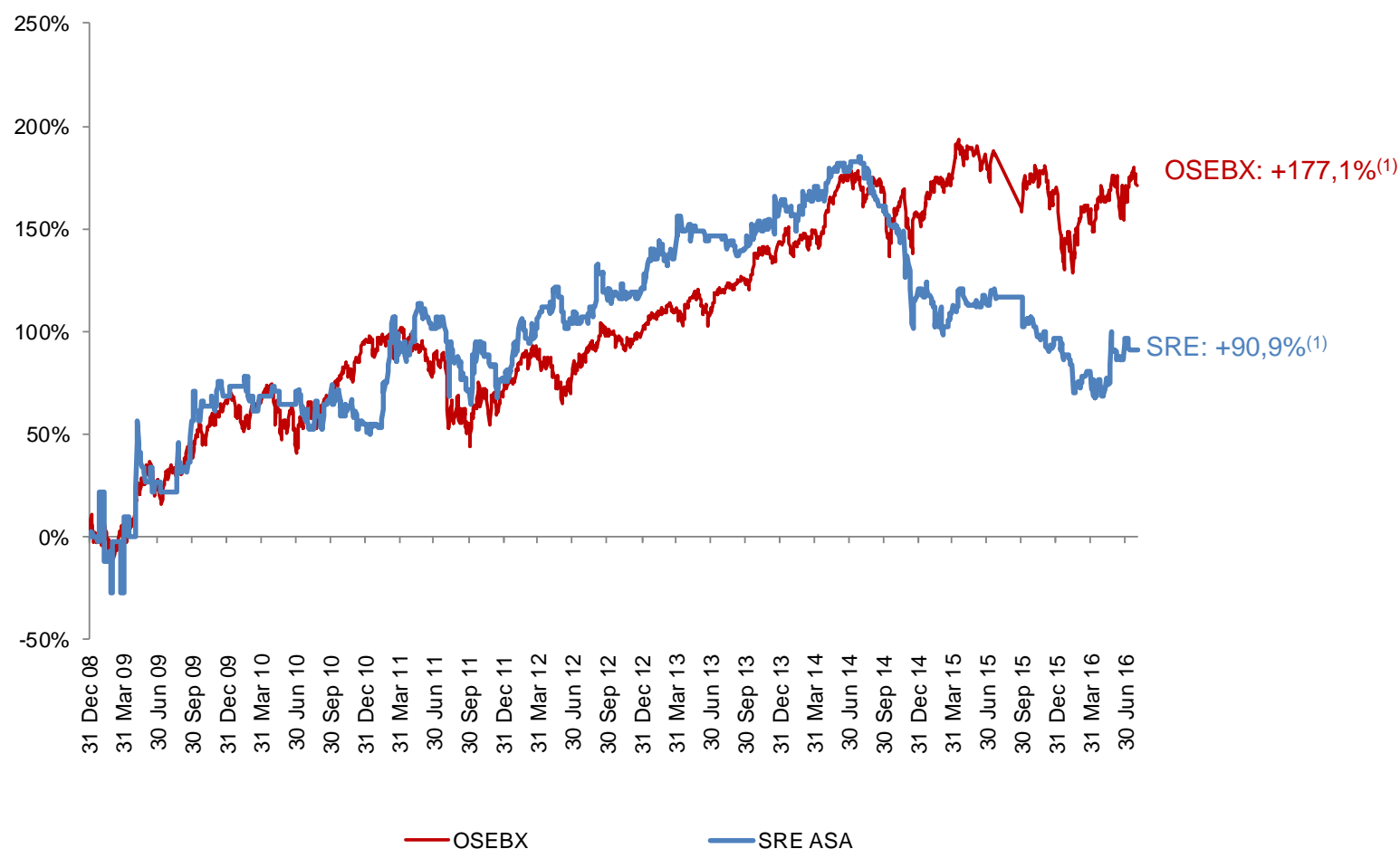
CASH & INVESTMENTS

Break-Down of Cash & Liquid Investments ⁽¹⁾



STORM REAL ESTATE SHARE PRICE PERFORMANCE

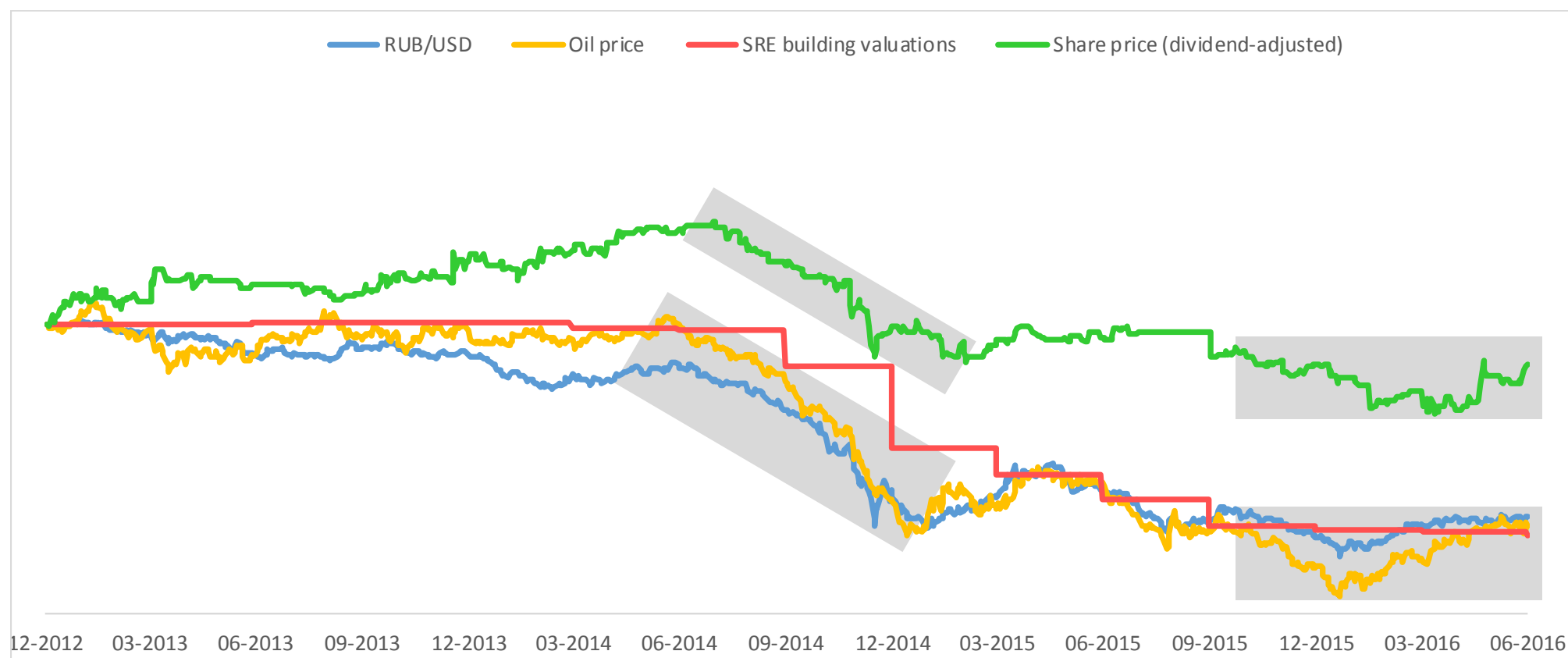
- *The Storm Real Estate ASA share is listed on Oslo main exchange since 6 July 2010*



Source: Oslo Stock Exchange, Bloomberg

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

OIL PRICE vs PROPERTY VALUES vs ROUBLE vs SHARE PRICE



RUSSIA – INFLATION

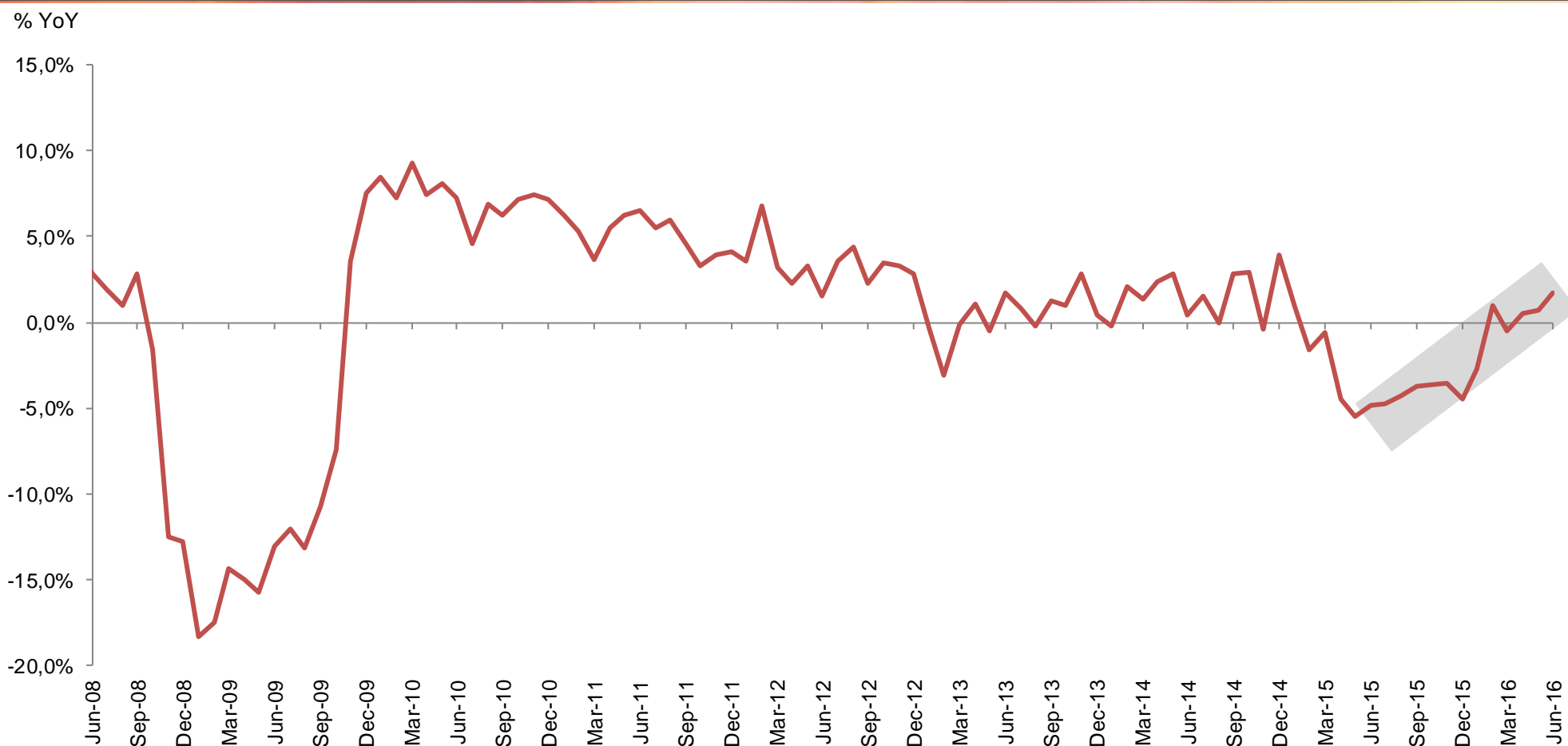
Inflation rate

Inflation rate based on CPI



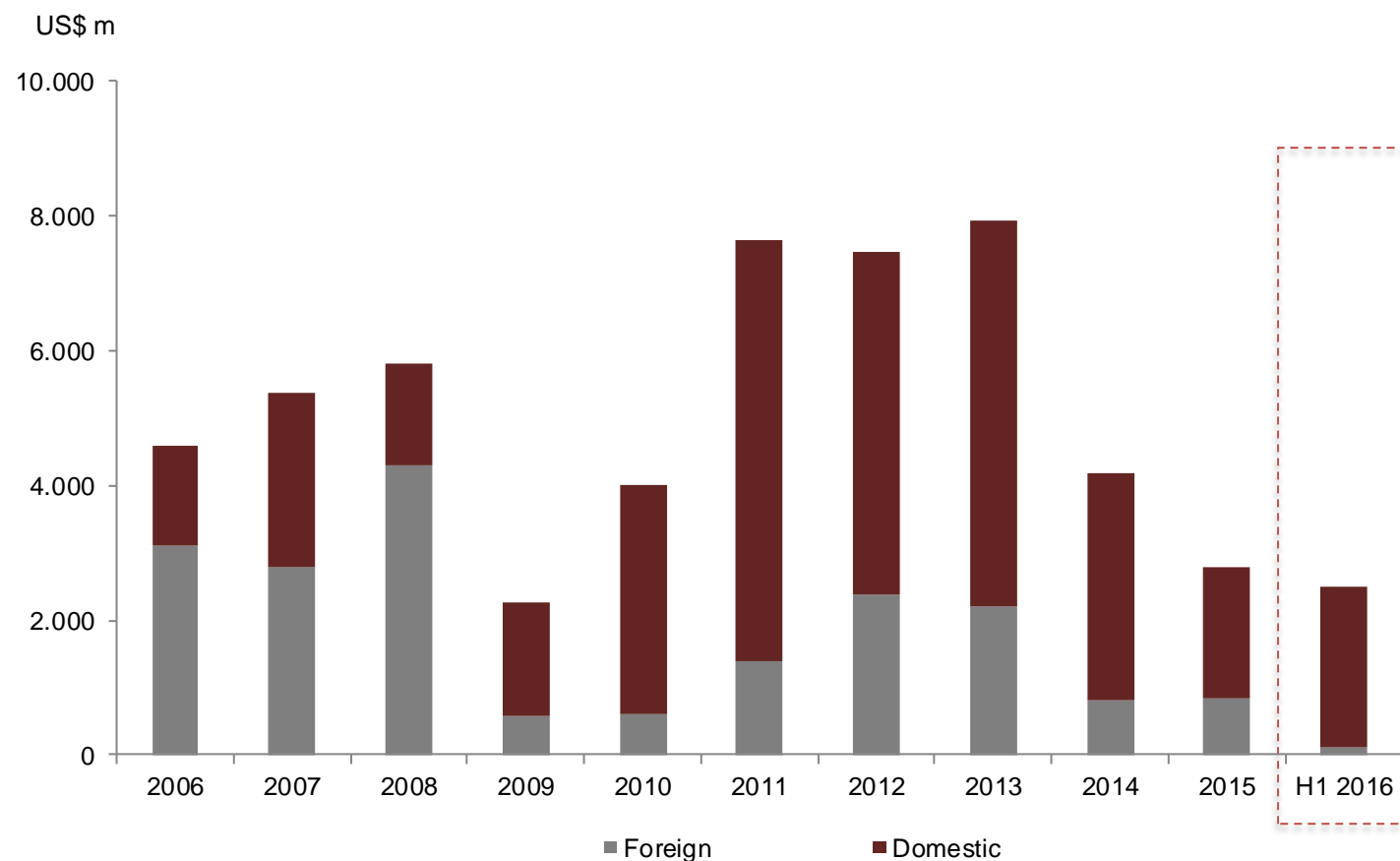
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RUSSIA – INDUSTRIAL PRODUCTION



Economic activity (as measured by industrial production) trending up

RUSSIA – INVESTMENT VOLUME BY SOURCE OF CAPITAL

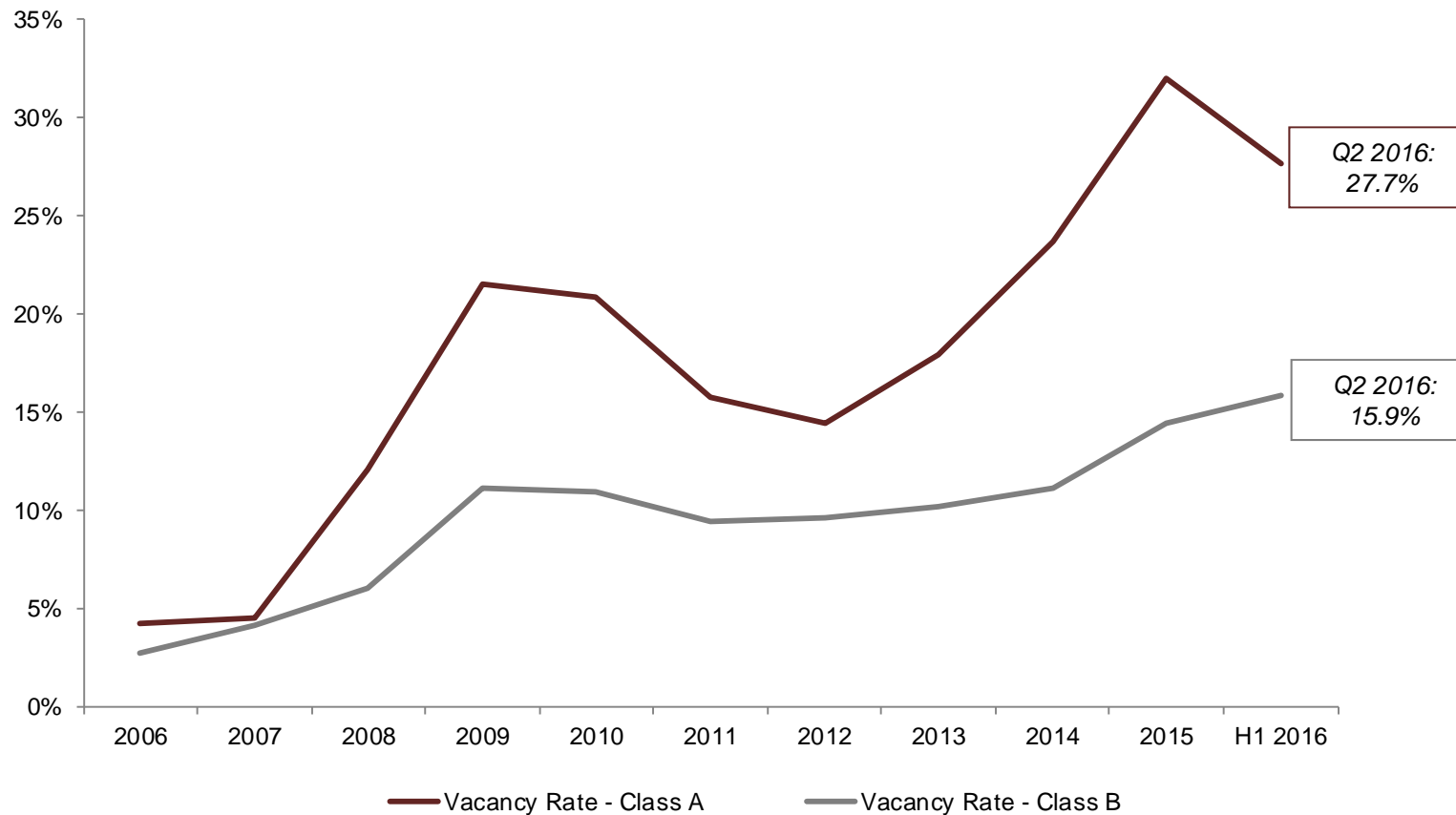


- Investment volume reached c. US\$ 2.5 billion in H1 2016.
- For reference the investment volume in the whole of 2015 was US\$ 2.8 billion.
- Domestic capital constituted 95% of total investment volume

Investment volumes high in H1 2016 compared with 2014 and 2015

MOSCOW OFFICE MARKET – VACANCY RATE

Vacancy (%)

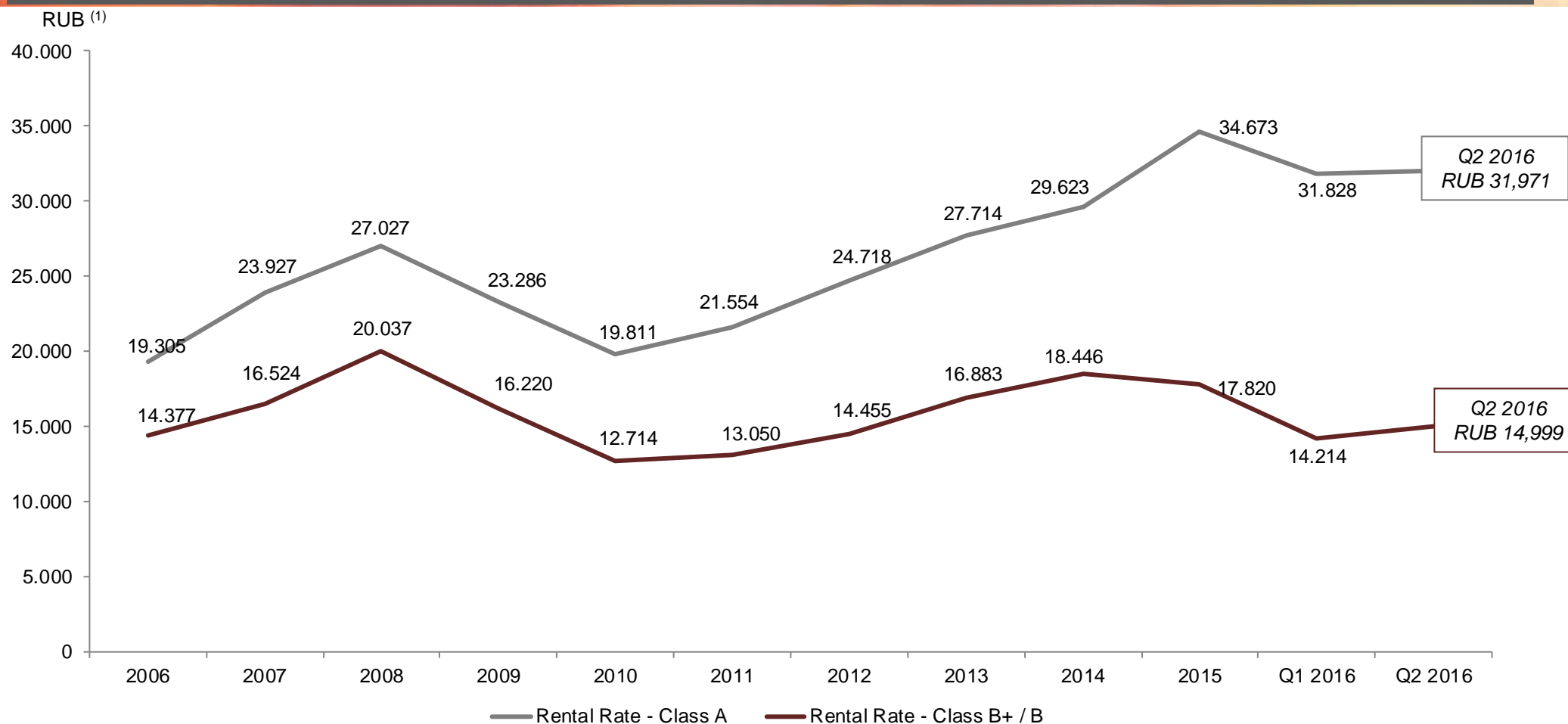


- Drop in vacancy rates in new class A business centres.
- Class B continues to show lower vacancy rates than class A
- Low new delivery in class A contributes to reduced vacancy rates

Class B lower vacancy rate than class A buildings

STORM CAPITAL MANAGEMENT

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

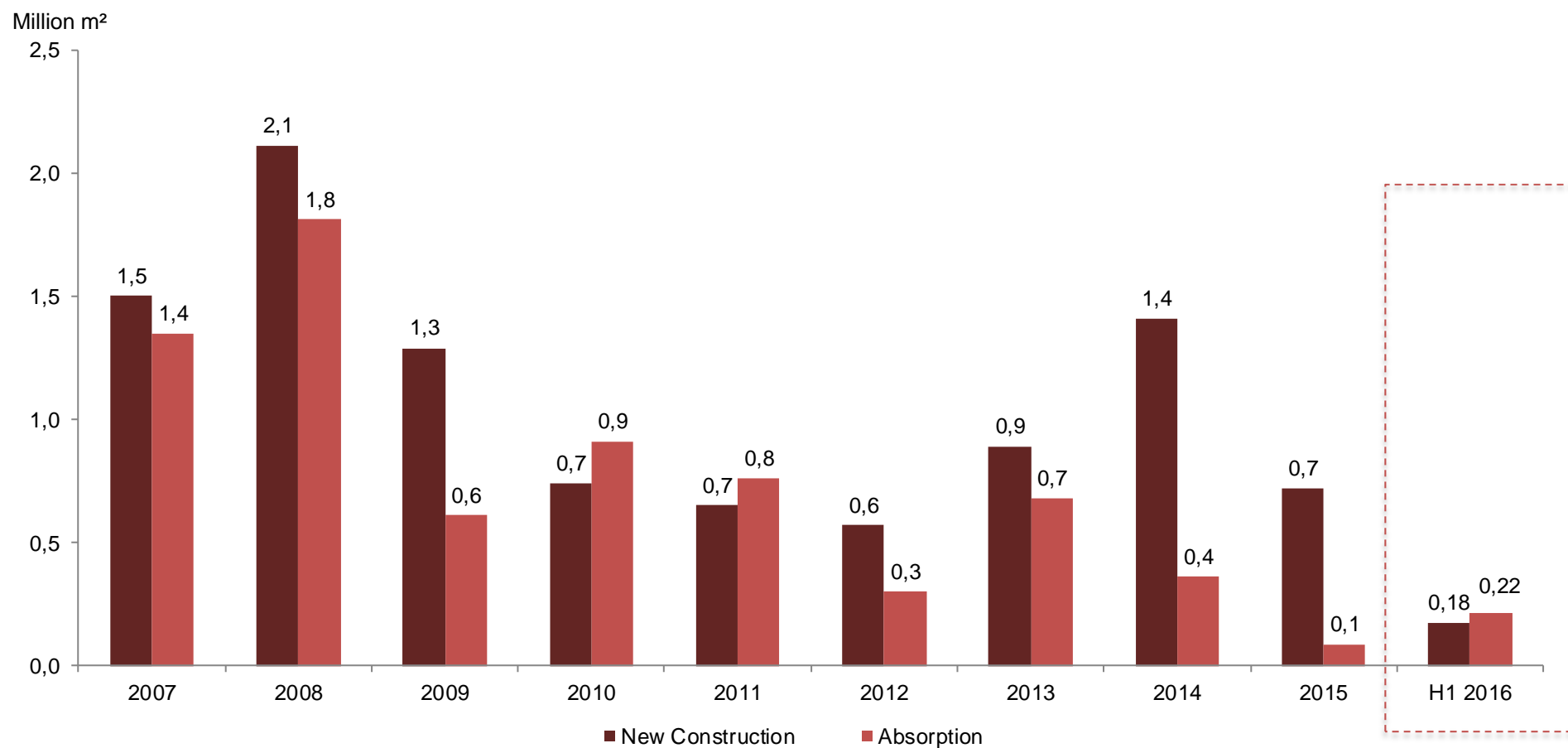


Relative stability in RUB rents

Source: Cushman & Wakefield

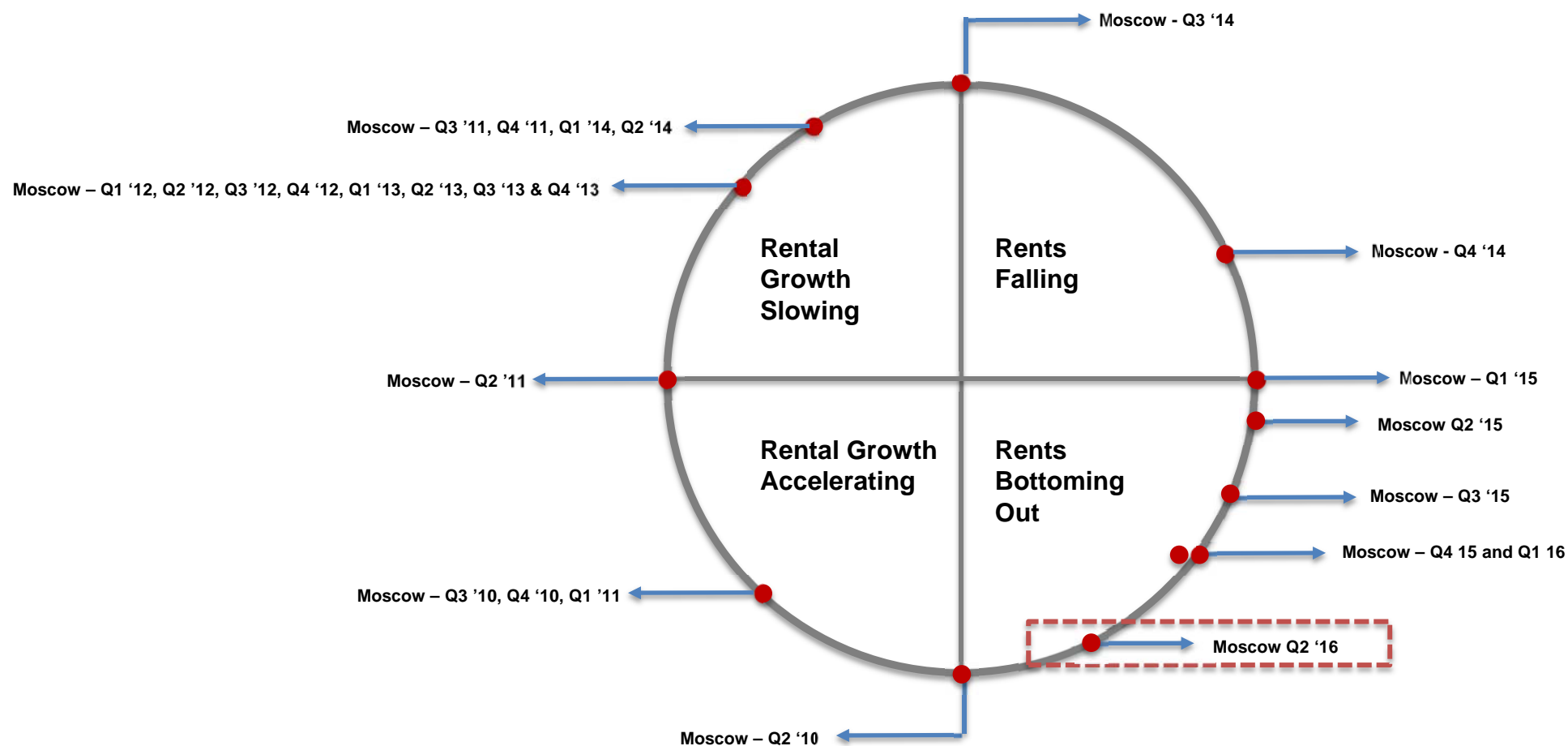
(1) Average rental rates is a weighted average rental rate of asking rents of deals closed within the period, RUB / m²/ annum/ triple net

MOSCOW OFFICE MARKET – NEW CONSTRUCTION AND ABSORPTION



New construction at low levels, but absorption positive again after a period of negative absorption

EUROPEAN OFFICE CLOCK Q2 2010 – Q2 2016



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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. 98%

Major Tenant *Gazprom Tsentrremont*

Grifon House

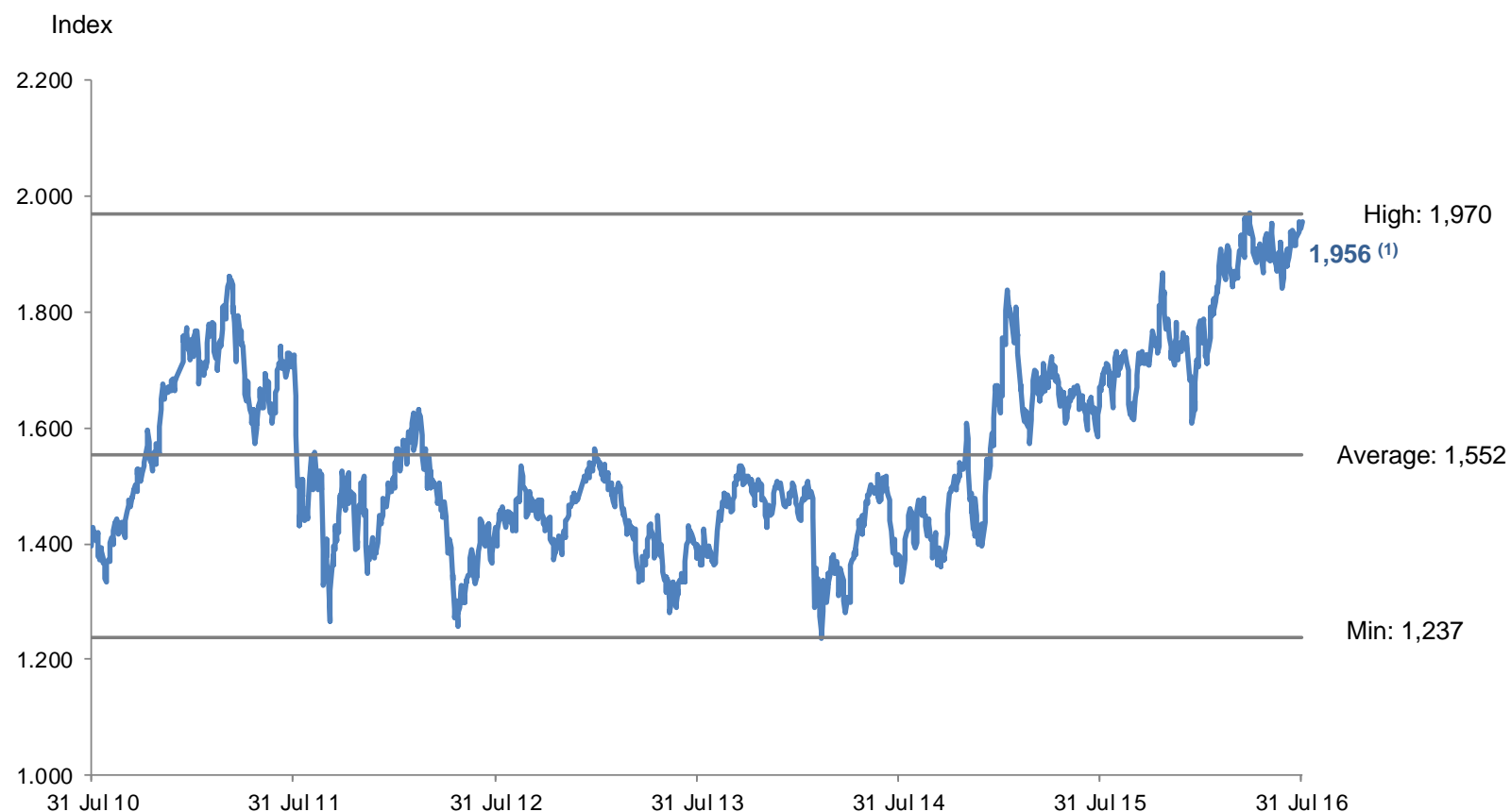


Gross Area c. 6,250 m²

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

PERFORMANCE OF THE RUSSIAN MICEX INDEX

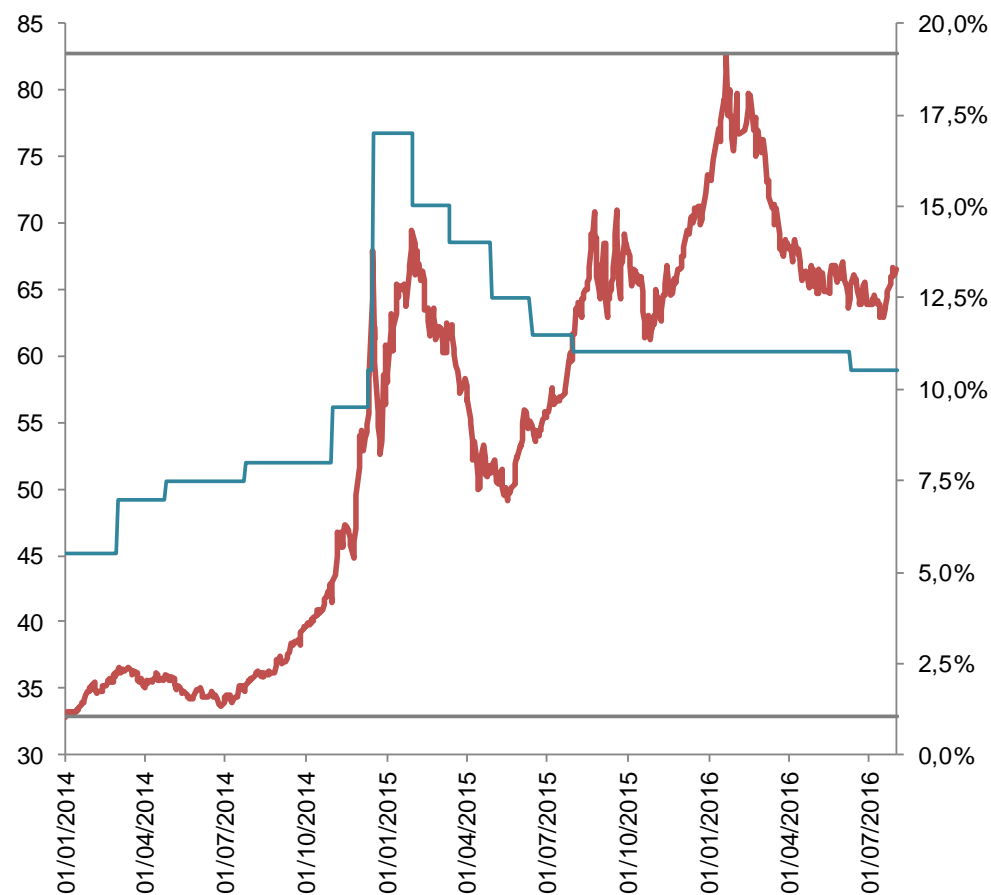
- The Russian stock market has shown positive movements
- The MICEX index was up 26,1% in 2015
- The index is up 11.1% YTD 2016 ⁽¹⁾,
- The Index is at an 8-year high (May 2008)



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

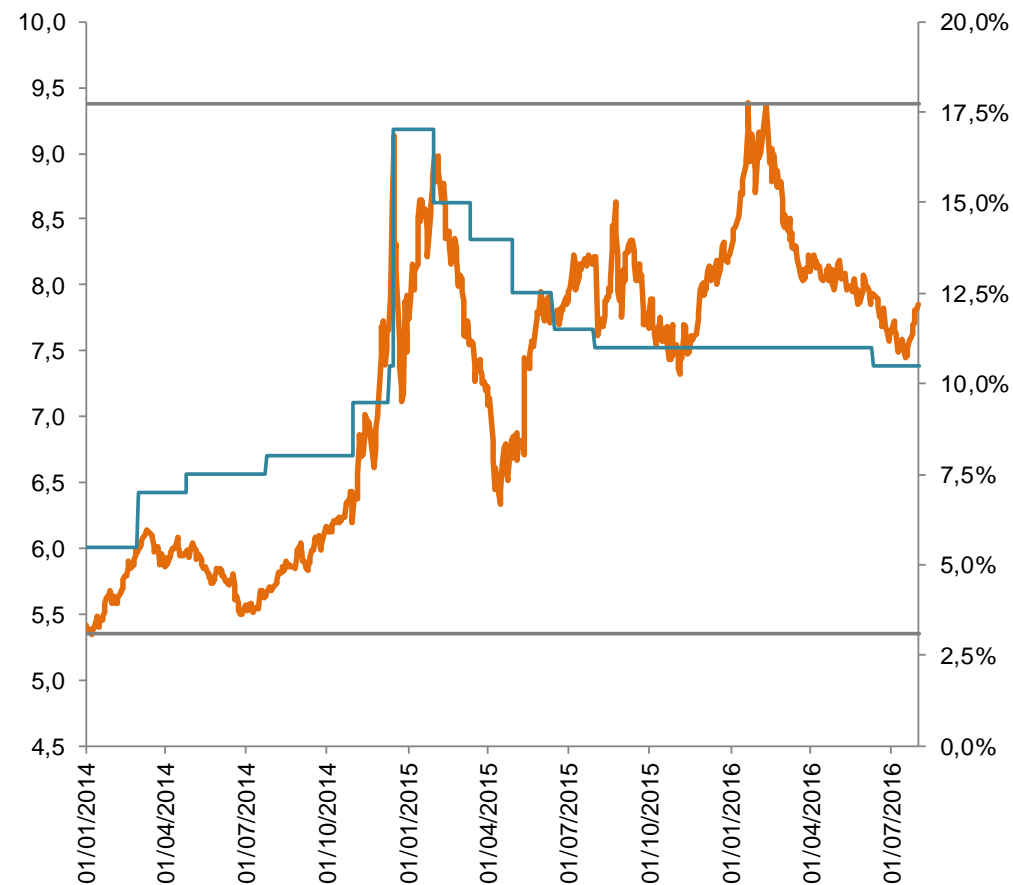
US\$/RUB Exchange Rate

CBR Key Rate



NOK/RUB Exchange Rate

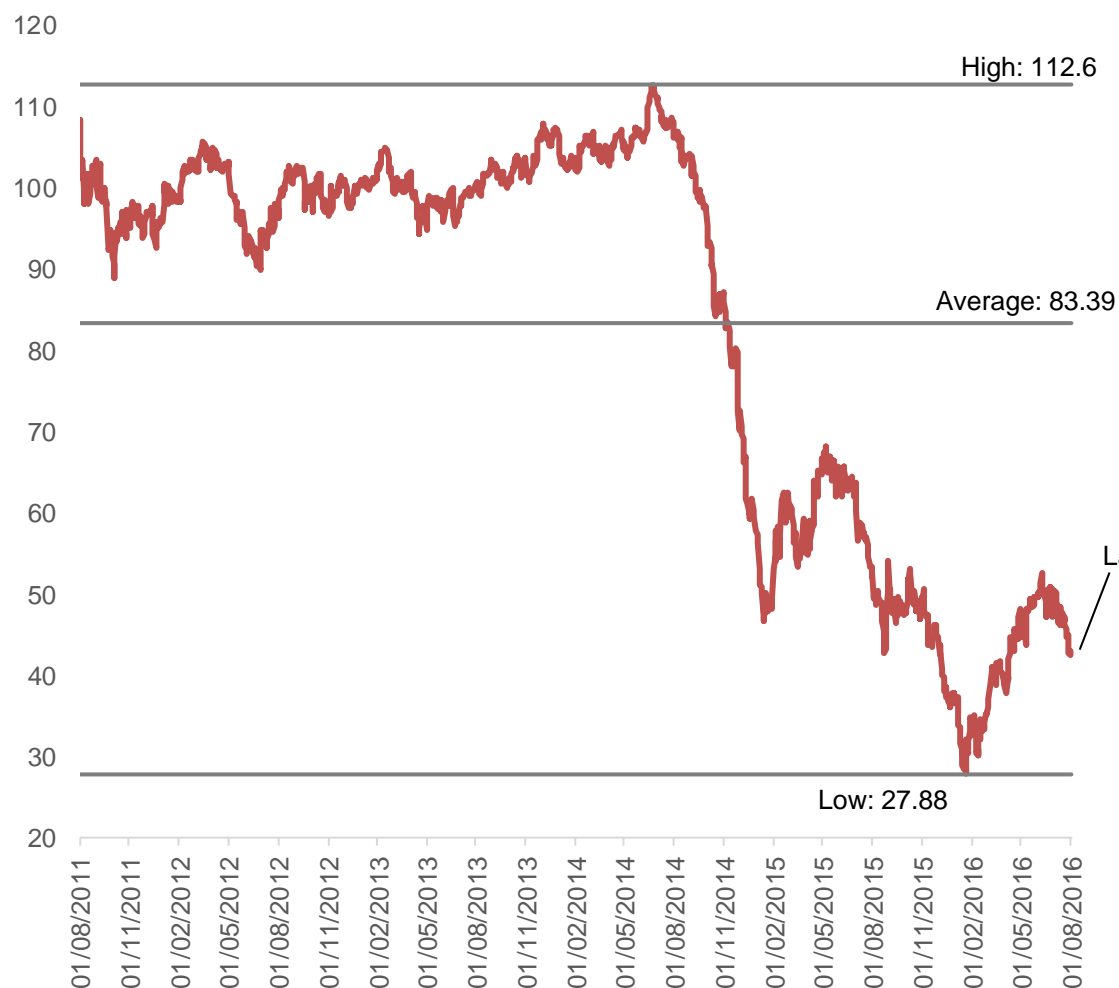
CBR Key Rate



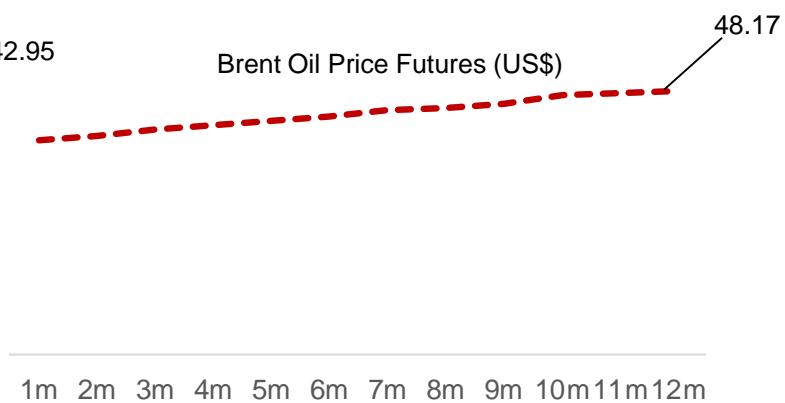
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BRENT OIL PRICE AND OIL PRICE FUTURES

Brent Oil Price (US\$)



Brent Oil Price Futures (US\$)



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