

Q2

Storm Real Estate ASA
April – June 2016



Storm Real Estate ASA's business strategy is to acquire and manage real estate. The strategy includes equities and high yield investments.

Highlights

All numbers in mill. USD

	6M 2016	6M 2015
Total Comprehensive Income	-4.9	-7.8

Major items:

NOI from investment property	+2.5	+4.7
Value change investment property	-1.2	-12.3
Value change real estate shares	-3.0	+1.4
Other operating expenses	-1.6	-1.0
Return on funds and other liquid investments	0.0	+0.1
Borrowing costs	-1.1	-1.6
Currency gain / loss	+0.4	-1.5
Value change on contract- and interest derivatives	-0.9	+0.1
Taxes	+0.6	+2.5

Return ratios

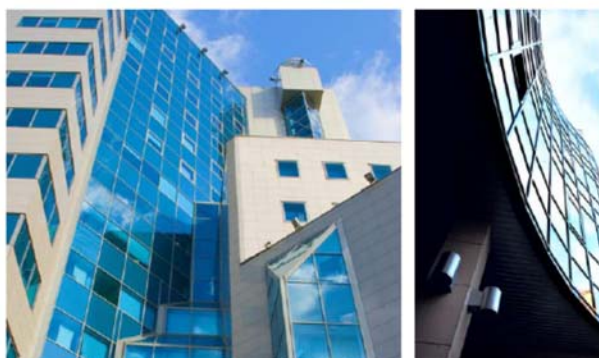
	Return on Equity ⁽¹⁾	Total Shareholder Return ⁽²⁾	NAV per share in NOK ⁽³⁾
Last year (1 year)	-43.7%	-11.7%	-42.8%
Last 3 years (annualised)	-32.3%	-8.0%	-28.6%
Last 5 years (annualised)	-16.8%	+2.0%	-14.6%

(1) Return on Equity = Total Comprehensive Income for the period / brought forward equity for start of the period.

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

The share was listed on Oslo Stock Exchange in June 2010.

(3) NAV per share in NOK = IRR NAV per share, dividend-adjusted.



Semi annual report

(all following numbers are in USD)

Highlights

- The group a total comprehensive loss of 4.9 million in the first six months of 2016, compared with -7,8 million for the same period in 2015.
- In Q2 the group sold its shares in TK Development A/S, and distributed approx. 85% of the proceeds as dividends to shareholders (NOK 3.80 per share). After this sale the company's remaining business is direct ownership of the investment property Gasfield in Russia.
- A loss on the sale of the shares in TK Development A/S are recognized of 3.0 million in 2016, compared with the book value at year end (First six months 2015: +1.4 million).
- Impairment of the carrying value of the investment property Gasfield totals 1.2 million in the first six months 2016, according to valuations by independent valuer, Cushman & Wakefield (First six months 2015: -12.3 million). In 2015 the group also owned the Grifon building in St Petersburg, which was sold in December 2015.
- Revenues from the investment property in Russia were 3.0 million in the first six months 2016, compared with 5.6 million for the same period last year. In 2015 the group also had revenues from Grifon, which was sold in December 2015.
- From investments in bonds and funds it is recorded approx. nil change in value for the first six months 2016. Storm Real Estate ASA has in the first six months sold their entire holdings in Storm Bond Fund.
- Borrowing costs were 1.1 million in the first six months (2015: 1.6 million), including interest rate swaps.

Accounting for value change on 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, million USD	6M 2016	6M 2015
Over income statement	-0.2	-14.6
Translation difference over Other Comprehensive Income	-1.0	+2.3
Sum value adjustments properties	-1.2	-12.3

Balance sheet

- The investment property Gasfield is recorded at 35.0 million. The building's valuation in accordance with valuation obtained from an independent valuer is 33.5 million. In addition, values of contract derivatives and land leases are recognised with 1.5 million.
- On the closing date, the group had a cash balance of 4.5 million and investments in bonds for 1.3 million. Available liquid assets were therefore 5.8 million.
- The group has made provisions of 4.3 million in deferred tax. 1.8 million of this is deferred tax related to the value adjustment on the investment property Gasfield, after acquisition date and measured in local currency. The deferred tax could become payable on a potential realisation of the building, while a potential realisation of shares in the property-owning subsidiaries could result in lower tax or no taxes. 2.5 million is deferred tax in Norway, related to unrealized foreign exchange gains on intercompany loans to foreign subsidiaries.
- The group is about to implement an intra-group parent/subsidiary merger, that is expected to have a positive effect on equity. This is as a result of that there are deferred taxes related to unrealized foreign exchange gains on intercompany loans between the merging companies.
- The group's equity ratio is 21.2%. The bank loan has a covenant of minimum 20% equity ratio.
- The Company's NAV per share in NOK 30 June 2016 is 3.98, after payment of dividend at NOK 3.80 per share.

The company's risk is still considered high due to the company's exposure to Russia. The situation in Russia is still very demanding. Large vacancy combined with short leases in our buildings could lead to lower future income. The business risks are otherwise roughly the same as those described in the company's annual report for 2015.

Oslo, 11 August 2016,

The Board of Directors, Storm Real Estate ASA

The Company's Investment areas

In the first six months the company realized both shares in TK Development A/S and holdings in investment fund Storm Bond Fund. The company is now a pure investment company with one investment in Russia.

Real Estate in Russia (Gasfield, Moscow)

Macro snapshot

- Russia is still in a recession. But market commentators have upgraded expectations of growth in the coming years. There is an expected negative growth in 2016, but from 2017 there is an expected positive growth.
- Coinciding with an increase in oil prices, the Russian currency also strengthened in the first six months. The Russian Rouble has strengthened against the US Dollar with more than 20% since the beginning of January. This gives higher revenues for foreign investors such as Storm Real Estate.
- Inflation is down from 15.3% at the end of the first six months 2015 to 7.5% at the end of six months 2016.
- Unemployment is down from 5.8% at the year end to 5.4% at the end of the first six months.

Real Estate Market

- Only 0.2 billion USD was invested in commercial properties in Q2 2016. However, in Q1 2016 2.8 billion USD was invested. For comparison the invested volume for the whole of 2015 was 2.8 billion USD.
- Of the investments made, approx. 95% were made by domestic investors, and only 5% by foreign investors.
- During the first six months, 175,000 m² of office buildings were completed in Moscow, were 83% are class B buildings.
- The vacancy in class B buildings is approx. 15.9%. For class A buildings the vacancy is approx. 28%. For the overall market the vacancy is 18.7%. Low access and constant demand caused a drop in the vacancy in Q2.
- Registered rent levels showed a declining trend in the first six months.
- It is a trend that tenants seek rental agreements in roubles instead of US dollar. 93% of observed rental agreements were contracted in roubles during the first six months 2016. Storm Real Estate has also increased their rouble exposure during the last year, which has resulted in lower revenues in USD following the sharp rouble drop in 2014 and 2015.

Sources market information Russia: Cushman & Wakefield, Trading Economics, Ministry of Economic Development

Consolidated Statement of Comprehensive Income

	Note	Unaudited Q2 2016	Unaudited Q2 2015	Unaudited 6M 2016	Unaudited 6M 2015	Audited 2015
All numbers in 000 USD						
Continuing operations:						
Rental income	3	1,570	2,853	3,008	5,589	10,365
Total Income		1,570	2,853	3,008	5,589	10,365
Property related Expenses	3	-240	-461	-526	-906	-1,710
Personnel Expenses		-77	-110	-271	-239	-451
Other Operational Expenses		-881	-373	-1,296	-799	-1,385
Total Operational Expenses		-1,198	-944	-2,093	-1,943	3,546
Operating Profit (Loss) Before Fair Value Adjustments		372	1,910	915	3,646	6,819
Fair Value Adjustments on Investment Property	3	200	-9,559	-196	-14,550	-7,461
Total Operating Profit (Loss)		572	-7,649	719	-10,904	-643
Finance Revenues	5	45	630	106	268	264
Finance Expenses	5	-733	-605	-1,970	-1,723	-3,746
Sale of subsidiary		0	0	0	0	-1,810
Currency Exchange Gains (Losses)	5	-188	-121	-331	-403	351
Net Financial Gains (Losses)		-876	-96	-2,195	-1,858	-4,942
Earnings before Tax (EBT) continuing operations		-304	-7,745	-1,476	-12,762	-5,584
Income Tax Expenses	7	-537	-985	-647	-2,457	-2,339
Profit (Loss) for the Period from continuing operations		233	-6,760	-829	-10,305	-3,246
Discontinued operations:						
Profit (Loss) from discontinued operations	11	-1,332	-1,069	-2,268	312	-1,549
Profit (Loss) for the Period		-1,099	-7,828	-3,097	-9,993	-4,794
Other Comprehensive Income:						
<i>Items that are reclassified from Equity to earnings in subsequent periods:</i>						
Translation differences, continuing operations		-1,153	2,331	-1,766	2,217	-11,993
Sum other income and expenses after tax, continuing operations		-1,153	2,331	-1,766	2,217	-11,993
Sum other income and expenses after tax, discontinued operations	11	0	0	0	0	0
Sum other income and expenses after tax		-1,153	2,331	-1,766	2,217	-11,993
Total Comprehensive Income for the Period		-2,252	-5,497	-4,863	-7,776	-16,787
Average Number of Shares (Excluding Treasury Shares)		18,345,623	18,345,623	18,345,623	18,345,623	18,345,623
Earnings per share (USD)		-0.06	-0.43	-0.17	-0.54	-0.26
Earnings per share (USD) from continuing operations		0.01	-0.37	-0.05	-0.56	-0.18
Total Comprehensive Income per share (USD)		-0.12	-0.30	-0.27	-0.42	-0.92

Consolidated Statement of Financial Position

All numbers in 000 USD	Note	30.06.2016	31.12.2015
Investment Property	3	35,021	38,950
Financial Investments	4	0	12,641
PP&E		20	20
Sum Fixed Assets		35,042	51,611
Financial investments	4	1,286	4,651
Other Receivables	10	284	387
Cash and Cash Equivalents	4	4,481	1,703
Total Current Assets		6,052	6,741
Total Assets		41,093	58,352
Share Capital		1,236	1,236
Share Premium		21,036	21,036
Other Paid-in Equity		56,763	56,763
Total Paid-in Equity		79,035	79,035
Other equity		-70,319	-57,036
Total other equity		-70,319	-57,036
Total Equity		8,717	22,000
Loans From Credit Institutions	4	19,894	0
Deferred Tax Liabilities		4,300	4,513
Financial Derivative Liabilities	4	2,261	817
Other Long-term Liabilities		198	321
Total long term liabilities		26,652	5,651
Trade Payables		38	58
Financial Derivative Liabilities		1,346	4,450
Loans from Credit Institutions	4	2,366	24,707
Other Short-term Payables	9	1,973	1,486
Total short term liabilities		5,723	30,700
Total Liabilities		32,375	36,351
Total Equity and Liabilities		41,093	58,352

Consolidated Statement of Cash Flow

All numbers in 000 USD	6M 2016	6M 2015	2015
Cash Flow from Operational Activities			
Earnings before Tax, continuing operations	-1,476	-12,762	-5,584
Earnings before Tax, discontinued operations	-2,268	312	-1,549
Earnings before Tax	-3,744	-12,450	-7,133
<i>Adjusted for:</i>			
Depreciations	3	4	8
Value Adjustments on Investment Property	196	14,550	7,461
Financial Income	2,844	-1,666	87
Financial Expenses	1,994	1,670	3,490
Gain/Loss on disposal of subsidiary	0		1,810
Net Currency Gains	-748	1,246	1,337
Cash Flow Before Changes in Working Capital	546	3,353	7,061
<i>Changes in Working Capital:</i>			
Trade Receivables and Other Receivables	103	-103	123
Trade Payables and Other Payables	541	172	-577
Paid Taxes	-586	-1,944	-2,339
Net Cash Flow From Operating Activities	604	1,479	4,268
Cash Flow From Investment Activities			
Outflows from Investments in Financial Securities	0	-1,353	-3,179
Inflows from Investments in Financial Securities	13,992	1,028	5,365
Sale of subsidiary, net of cash	0		12,615
Interest Received	85	161	248
Net Cash Flow From Investment Activities	14,077	-164	15,049
Cash Flow From Financing Activities			
Repayments of Loans	-2,455	-2,303	-17,822
Changes in Other Long-term Liabilities	0	0	-663
Dividends Paid	-8,420	0	0
Interest Paid	-1,125	-1,608	-3,225
Net Cash flow From Financing Activities	-11,999	-3,911	-21,710
Net Change in Cash and Cash Equivalents	2,682	-2,597	-2,393
Carried Forward Cash and Cash Equivalents	1,703	3,922	3,922
Currency Exchange Variation on Cash and Cash Equivalents	97	704	174
Cash and Cash Equivalents on Closing Date	4,481	2,029	1,703
Of which restricted Cash and Cash Equivalents	238	372	238

Consolidated Statement of Changes in Equity

	Paid-in Equity			Other Equity		Total Equity
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings	Translation Differences on Foreign Operations	
1 January 2015	1,236	21,036	56,763	26,399	-66,649	38,786
Profit (Loss) for the Period				-9,993		-9,993
Other Comprehensive Income					2,217	2,217
Sum	0	0	0	-9,993	2,217	-7,776
30 June 2015	1,236	21,036	56,763	16,406	-64,431	31,010

	Paid-in Equity			Other Equity		Total Equity
	Share Capital	Share Premium	Other Paid-in Equity	Retained Earnings	Translation Differences on Foreign Operations	
1 January 2016	1,236	21,036	56,763	21,605	-78,641	22,000
Profit (Loss) for the Period				-3,097		-3,097
Dividends				-8,420		-8,420
Other Comprehensive Income					-1,766	-1,766
Sum	0	0	0	-11,517	-1,766	-13,283
30 June 2016	1,236	21,036	56,763	10,088	-80,407	8,717

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENT

(Unaudited)

1. Company 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.

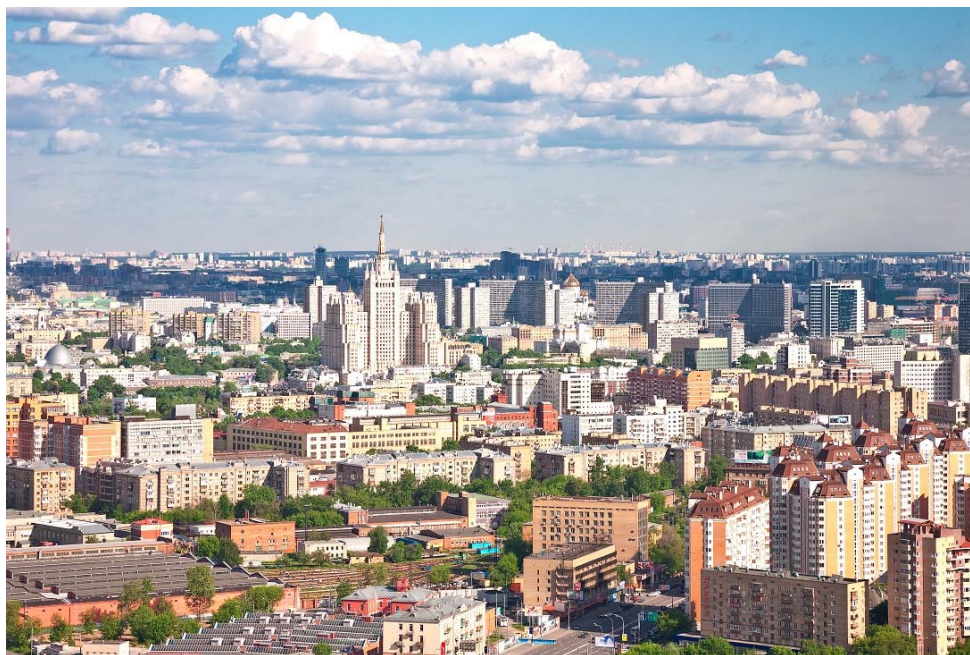
2. Basis of Preparation and Accounting Policies

Basis of Preparation

The interim financial statements for the period ending 30 June 2016 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 2015. The interim financial statements are unaudited. The interim financial statement was approved by the Board of Directors on 11 August 2016.

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 2015. All notes are in '000 USD, except where otherwise indicated.



3. Investment Property

	30.06.2016	31.12.2015
Value as valued by an independent valuer:		
As at 1 January	34,700	69,900
Value Adjustment Investment	-1,200	-19,000
Disposal Investment Property	0	-16,200
Value per Closing	33,500	34,700
Other assets recognised as part of Investment Property:		
As at 1 January	4,250	443
Changes in carrying value of land plot lease agreements **	-21	-247
Changes in embedded derivatives contract ***	-2,708	4,054
Value per Closing	1,521	4,250
Carrying value 01.01	38,950	70,343
Carrying value per Closing date	35,021	38,950

* 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 in the income statement.
- Translation differences in the Group presentation currency (USD) are not allowed in the income statement, and are presented in the statement of comprehensive income.

The two effects are presented separately below:

	6M 2016	6M 2015
Change in RUB over Income Statement	-196	-14,550
Translation Differences over Comprehensive Income	-1,004	2,250
Net Change in Fair Value	-1,200	-12,300

	6M 2016	6M 2015
NOI from Properties		
Rental Income	3,008	5,589
Direct Property Related Expenses	-526	906
NOI from Properties	2,482	4,684

** The Company has capitalised land plot lease agreements in accordance with IAS 40 *Investment Property* and IAS 17 *Leases*.

*** In 2015 The Company signed an agreement on a lease reduction with the anchor tenant in Moscow. Reduction is in practice done by agreeing a ceiling on exchange rate USD/RUB = 45. This arrangement shall in accordance with IFRS be treated as a financial derivative. This derivative is related to the investment property. The company has recognised a financial liability when USD/RUB at the reporting date was unfavourable. A recognition of this currency derivative has no effect on the net asset value, when the size of the asset and liability are equal (see liability in note 4).

The big change from the beginning of the year is a result of that the contract's duration is halved. Maturity date for agreement is in January 2017. At year end there were approx. 12 months remaining. At the end of the first six months There is approx. 6 months remaining.

Variables for Independent Valuations	30.06.2016	31.12.2015
Discount Rate	12.55%	12.50%
Yield (cap. rate)	11.50%	11.50%
Market rates, \$/sq.m	280	300

The investment property is valued according to Level 3 of the fair value analysis (see note 4).

4. Financial Assets and Liabilities

Investments in financial securities:	30.06.2016	31.12.2015
Value as at 1 January	17,291	22,490
Additions	0	3,175
Disposals	-13,977	-5,402
Change in Fair Value	-2,949	-320
Change in Currency *	921	-2,653
Verdi per balansedato	1,286	17,291

* Investments in TK Development A/S (DKK) are not currency hedged.

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Other Financial Assets and Liabilities	30.06.2016	31.12.2015
Cash and Cash Equivalents	4,481	1,703
Financial Investments	1,286	17,291
Embedded Derivatives	0	35
Interest Rate Swaps	-2,261	-1,401
Embedded derivatives *)	-1,346	-4,054
Bank Loan	-22,259	-24,707
Land plot lease agreements	-175	-154
Total Financial Assets and Liabilities	-20,274	-11,287

*) see note 3 *Investment Property* for a description of the recognised liability of embedded derivatives.

Bank loan

The parent company has one loan to finance its property. The loan is secured with pledge in investment property, Gasfield and is repaid in quarterly instalments. The loan started in September 2008.

The loan matures in September 2018 (nominal balance per 30.06.2016 was 22.326k USD).

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 Position, 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: listed bonds	1,286			1,286
Sum financial assets measured at fair value	1,286	0	0	1,286

Financial liabilities measured at fair value	Level 1	Level 2	Level 3	Sum
Interest rate swaps	-2,261			-2,261
Embedded derivatives on leases	-1,346			-1,346
Land plot lease agreements	-175			-175
Sum financial liabilities measured at fair value	-3,783	0	0	-3,783

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	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Financial assets				
Financial assets	15	3	15	3
Other receivables	269	384	269	384
Derivative financial liabilities at fair value	0	35	0	35
Held-for-trading financial investments	1,286	17,291	1,286	17,291
Cash and cash equivalents	4,481	1,703	4,481	1,703
Sum	6,052	19,416	6,052	19,416
Financial liabilities				
Interest-bearing loans and borrowings	22,259	24,707	22,326	24,780
Trade liabilities	38	58	38	58
Derivative financial liabilities at fair value	3,608	5,455	3,608	5,455
Land plot lease agreements	175	154	175	154
Other current liabilities	1,973	1,656	1,973	1,656
Sum	28,053	32,030	28,120	32,103

5. Finance Income and Costs

(includes continuing and discontinued operations)

	6M 2016	6M 2015
Currency		
Currency Gain	662	851
Currency Loss	-288	-2,390
Net Currency Gain (Loss)	375	-1,539
Finance Revenues		
Interest Revenue	98	155
Fair Value Adjustment, Financial Investments	0	1,512
Fair Value Adjustment, Derivatives	0	53
Dividend income, Financial Investments	0	0
Other Financial Revenues	-4	0
Sum	106	1,720
Finance Costs		
Interest Costs	-1,064	-1,578
Fair Value Adjustment, Derivatives	-860	0
Fair Value Adjustment, Financial Investments	-2,963	0
Other Finance Gains (Loss)	-57	-146
Sum	-4,944	-1,723
Net Finance Gains (Losses)	-4,463	-1,546

6. Shareholder information

The 20 largest shareholders as at 30.06.2016:

Shareholder	Type *	Country	Shares	%
SKANDINAVISKA ENSKILDA BANKEN AB	NOM	SWEDEN	3,178,164	17.32%
ACONCAGUA MANAGEMENT LTD		LUXEMBOURG	3,000,000	16.35%
J.P. MORGAN BANK LUXEMBOURG SA	NOM	UK	844,041	4.60%
STORM NORDIC FUND SICAV SIF		SWEDEN	800,000	4.36%
DEUTSCHE BANK AG	NOM	UK	709,759	3.87%
AS BJØRGVIN		NORWAY	579,675	3.16%
BANAN II AS		NORWAY	476,338	2.60%
FINANSFORBUNDET		NORWAY	416,650	2.27%
AUBERT VEKST AS		NORWAY	373,304	2.03%
ØRN NORDEN AS		NORWAY	348,060	1.90%
TDL AS		NORWAY	182,250	0.99%
HYGGEN THORE		NORWAY	181,250	0.99%
MOTOR-TRADE EIENDOM OG FINANS AS		NORWAY	180,000	0.98%
LANGBERG INGRID MARGARETH		NORWAY	173,750	0.95%
STORM CAPITAL MANAGEMENT		UK	160,000	0.87%
ALBION HOLDING AS		NORWAY	155,250	0.85%
SVENSKA HANDELSBANKEN AB FOR PB	NOM	NORWAY	150,000	0.82%
AAA MANAGEMENT SUPPORT AS		NORWAY	100,000	0.55%
STORM CAPITAL PARTNERS LTD.		LUXEMBOURG	98,855	0.54%
EUROPA LINK AS			72,078	0.39%
SUM 20 LARGEST			12,179,424	66.39%
OTHER SHAREHOLDERS			6,166,199	33.61%
SUM			18,345,623	100.00%

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

The list is as per the shareholders registered in VPS as 30.06.2016

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

7. Tax Expenses

Periodens skattekostnad i resultatregnskapet	6M 2016	6M 2015
Current Tax	450	649
Deferred Tax	-1,097	-3,106
Total Tax Expense for Period	-647	-2,457

8. Transactions with Related Parties

	6M 2016	6M 2015
Storm Capital Management Ltd.	264	303
Storm Capital Partners Ltd	-	96
Sum	264	398

9. Other current liabilities

	30.06.2016	31.12.2015
Taxes and duties due	323	657
Advance rents paid by tenants	777	709
Provision Management fee *)	688	0
Other	185	120
Sum	1,973	1,486

*) In connection with the termination of the management agreement with Storm Capital Management Ltd, the Company has an obligation to pay an amount equivalent to 12 months of the remuneration paid in 2015. This provision is recognised in the accounts, and will be paid in December 2016.

10. Other Current Receivables

	30.06.2016	31.12.2015
Taxes and Duties Payable	136	164
Other Current Liabilities	148	223
Sum	284	387

11. Segment information and Discontinued operations

	Property shares	Investment Property	Other	Sum Group
Total comprehensive income 2016	-2,268	-2,596	2	-4,863
Assets	0	35,790	5,303	41,093
Liabilities	0	28,955	3,421	32,376
Net asset value per 30.06.2016	0	6,835	1,882	8,717

Discontinued operations

The Company has in 2016 sold their entire investment in TK Development, which entirely constituted the reporting segment "real estate shares". In accordance with IFRS 5 this is presented as "discontinued operations".

Net profit from discontinued operations:

	6M 2016	6M 2015
Value change	-2,975	1,451
Currency fluctuations (*)	706	-1,139
Result before tax	-2,268	312
Tax cost	0	0
Net profit	-2,268	312
Other Revenues and Costs	0	0
Net profit, discontinued operations	-2,268	312
Earnings per share, discontinued operations.	-0.12	0.02

(*) The investment in TK Development A/S (DKK) were not hedged.

Statement from the Board and general manager

We confirm that the financial statement for the period 1 January to 30 June 2016 to the best of our knowledge, is prepared in accordance with *IAS 34 Interim Report* and that the accounts give a true and fair view of the Group's and Company's assets, liabilities, financial position and result of operations.

The Interim report gives, to the best of our knowledge, a fair overview of important events during the accounting period and their impact on the financial statements and a summary of significant transactions with related parties.

We confirm that, to the best of our knowledge, the interim report includes a fair review of the information mentioned in the Securities Trading Act section §5-6, fourth paragraph.

Oslo, 11 August 2016

The Board and general manager in Storm Real Estate ASA,

Stein Aukner
Chairman

Morten E. Astrup
Board member

Nini H. Nergaard
Board member

Kim Mikkelsen
Board member

Erik M. Mathiesen
General Manager

