

Q3

Storm Real Estate ASA
July – September 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

	9M 2016	9M 2015
Total Comprehensive Income	-4.8	-14.0

Major items:

NOI from investment property	+3.8	6.9
Value change investment property	-1.8	-18.3
Value change real estate shares	-3.0	0.1
Other operating expenses	-1.8	-1.4
Return on funds and other liquid investments	0.0	-0.2
Borrowing costs	-1.6	-2.4
Currency gain / loss	+0.3	-1.1
Value change on contract- and interest derivatives	-0.6	-0.7
Taxes	+0,3	3.2

Return ratios

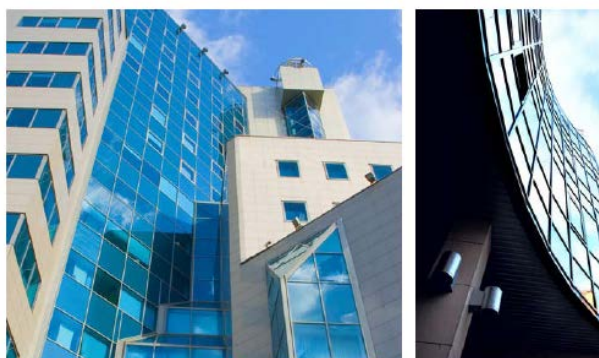
	Return on Equity ⁽¹⁾	Total Shareholder Return ⁽²⁾	NAV per share in NOK ⁽³⁾
Last year (1 year)	-30.7%	-42.3%	-66.4%
Last 3 years (annualised)	-33.3%	-10.3%	-32.0%
Last 5 years (annualised)	-16.0%	+3.4%	-17.1%

(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.



Financial information

(all following numbers are in USD)

Summary

- The group a near zero total comprehensive income million in Q3. The total comprehensive income for the first nine months was -4.8 million, compared with -14.0 million for the same period in 2015.
- Impairment of the carrying value of the investment property Gasfield totals 0.6 million in Q3 2016, according to valuations by independent valuer, Cushman & Wakefield. Year to date, impairments total -1.8 million (First nine months 2015: -18.3 million). In 2015 the group also owned the Grifon building in St Petersburg, which was sold in December 2015.
- After the closing date, the group have received notice from the anchor tenant in the Gasfield building, LLC Gazprom Tsentrremont, to terminate the lease. The relevant area constitutes 8,756 square metres, approx. 80% of the total lettable area of the Gasfield building. The tenant has requested to vacate towards the end of Q1 2017. The group is actively in the market for new tenants for the building.
- Revenues from the investment property in Russia were 1.6 million in the quarter, totalling 4.6 million year to date. This compares with 8.1 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 in both Q3 and year to date 2016. Storm Real Estate ASA had earlier this year sold their entire holdings in Storm Bond Fund.
- Borrowing costs were 1.6 million in the first nine months (2015: 2.4 million), including interest rate swaps. The company has over the last few years made significant downpayments on the bank loan in line with falling building valuations.

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 see Total Comprehensive Income as the most relevant profit measure for the group. In every quarter we present an explanatory statement of the fair value adjustment:

Change in value, million USD	9M 2016	9M 2015
Over income statement	-6.6	-11.6
Translation difference over Other Comprehensive Income	+4.8	-6.7
Sum value adjustments properties	-1.8	-18.3

Balance sheet

- The investment property Gasfield is recorded at 33.8 million. The building's valuation in accordance with valuation obtained from an independent valuer is 32.9 million. In addition, values of contract derivatives and land leases are recognised with 0.9 million.
- On the closing date, the group had a cash balance of 4.1 million and investments in bonds for 1.34 million. Available liquid assets were therefore 5.5 million.
- The group has made provisions of 4.3 million in deferred tax. 1.6 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. 2.8 million is deferred tax in Norway, primarily related to unrealized foreign exchange gains on intercompany loans to foreign subsidiaries.
- The group is in the process of undertaking an intra-group parent/subsidiary merger, which is expected to have a positive effect on equity. This is as a result of elimination of deferred taxes related to unrealized foreign exchange gains on intercompany loans between the merging companies. The process is expected to be completed in 2016, but is dependent on approval from Cyprus authorities.
- The group's equity ratio is 22.1%. The bank loan has a covenant of minimum 20% equity ratio.
- The Company's NAV per share in NOK 30 September 2016 is 3.84, after payment of dividend at NOK 3.80 per share earlier this year.

The company's risk is considered very high. The situation in Russia is still very demanding. Large vacancy in the market combined with expiring leases could lead to a shortfall on future income. Following the notice of termination from the anchor tenant in the Gasfield building, future cash flow is dependent on sourcing new tenants.

Other business risks are otherwise mainly the same as those described in the company's annual report for 2015.

Oslo, 10 November 2016,

The Board of Directors, Storm Real Estate ASA

The Company's Investment areas

Earlier this year the company realized both shares in TK Development A/S and holdings in investment fund Storm Bond Fund, and distributed large parts of the proceeds as dividends to shareholders. The company is now a focused 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 nine months. The Russian Rouble has strengthened against the US Dollar with more than 25% since the lowest point in January. This gives higher revenues for foreign investors.
- Inflation rate is at 6.4% at the end of September 2016 compared with 15.6% a year earlier.
- Unemployment is down from 5.8% at the year end to 5.2% at the end of September 2016.

Real Estate Market

- 1.5 billion USD was invested in commercial properties in Q3 2016, totalling 4.0 billion USD for the year to date. For comparison, the invested volume for the whole of 2015 was 2.8 billion USD.
- Of the investments made this year, approx. 97% were made by domestic investors, and only 3% by foreign investors. No investments are recorded by foreign investors in Q3 2016.
- During the first nine months, 257,000 m² of office space was completed in Moscow, of which the vast majority are class B buildings.
- The vacancy in class B buildings is approx. 15.9%. For class A buildings the vacancy is approx. 24%. For the overall market the vacancy is 14.3%. Low access and constant demand caused a drop in the vacancy in the last two quarters.
- Registered rent levels showed a declining trend in the first nine months.
- It is a trend that tenants seek rental agreements in roubles instead of US dollar. More than 90% of observed rental agreements were contracted in roubles during the first nine 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

All numbers in 000 USD						
	Note	Unaudited Q3 2016	Unaudited Q3 2015	Unaudited 9M 2016	Unaudited 9M 2015	Audited 2015
Continuing operations:						
Rental income	3	1.579	2.546	4.587	8.136	10.365
Total Income		1.579	2.546	4.587	8.136	10.365
Property related Expenses	3	-260	-340	-786	-1.246	-1.710
Personnel Expenses		-63	-84	-334	-323	-451
Other Operational Expenses		-169	-274	-1.465	-1.073	-1.385
Total Operational Expenses		-492	-698	-2.585	-2.641	-3.546
Operating Profit (Loss) Before Fair Value Adjustments		1.087	1.848	2.002	5.494	6.819
Fair Value Adjustments on Investment Property	3	-6.412	2.972	-6.608	-11.578	-7.461
Total Operating Profit (Loss)		-5.325	4.820	-4.606	-6.083	-643
Finance Revenues	5	36	58	142	149	264
Finance Expenses	5	-195	-1.902	-2.165	-3.447	-3.746
Sale of subsidiary		0	0	0	0	-1.810
Currency Exchange Gains (Losses)	5	-124	389	-455	-14	351
Net Financial Gains (Losses)		-283	-1.454	-2.478	-3.312	-4.942
Earnings before Tax (EBT) continuing operations		-5.609	3.366	-7.084	-9.396	-5.584
Income Tax Expenses	7	164	-770	-483	-3.227	-2.339
Profit (Loss) for the Period from continuing operations		-5.772	4.136	-6.601	-6.169	-3.246
Discontinued operations:						
Profit (Loss) from discontinued operations	11	0	-1.368	-2.268	-1.056	-1.549
Profit (Loss) for the Period		-5.772	2.768	-8.869	-7.225	-4.794
Other Comprehensive Income:						
<i>Items that are reclassified from Equity to earnings in subsequent periods:</i>						
Translation differences, continuing operations		5.800	-9.020	4.034	-6.803	-11.993
Sum other income and expenses after tax, continuing operations		5.800	-9.020	4.034	-6.803	-11.993
Sum other income and expenses after tax, discontinued operations	11	0	0	0	0	0
Sum other income and expenses after tax		5.800	-9.020	4.034	-6.803	-11.993
Total Comprehensive Income for the Period		28	-6.253	-4.835	-14.028	-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)		-0,31	0,15	-0,48	-0,39	-0,26
Earnings per share (USD) from continuing operations		-0,31	0,23	-0,36	-0,34	-0,18
Total Comprehensive Income per share (USD)		0,00	-0,34	-0,26	-0,76	-0,92

Consolidated Statement of Financial Position

All numbers in 000 USD	Note	Unaudited 30.09.2016	Audited 31.12.2015
Investment Property	3	33.753	38.950
Financial Investments	4	0	12.641
PP&E		19	20
Sum Fixed Assets		33.772	51.611
Financial investments	4	1.338	4.651
Other Receivables	10	314	387
Cash and Cash Equivalents	4	4.126	1.703
Total Current Assets		5.778	6.741
Total Assets		39.549	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		-70.291	-57.036
Total other equity		-70.291	-57.036
Total Equity		8.745	22.000
Loans From Credit Institutions	4	19.305	0
Deferred Tax Liabilities		4.314	4.513
Financial Derivative Liabilities	4	1.967	817
Other Long-term Liabilities		198	321
Total non-current liabilities		25.783	5.651
Trade Payables		38	58
Financial Derivative Liabilities		674	4.450
Loans from Credit Institutions	4	2.366	24.707
Other Short-term Payables	9	1.943	1.486
Total Current liabilities		5.020	30.700
Total Liabilities		30.804	36.351
Total Equity and Liabilities		39.549	58.352

Consolidated Statement of Cash Flow

All numbers in 000 USD	Unaudited 9M 2016	Unaudited 9M 2015	Audited 2015
Cash Flow from Operational Activities			
Earnings before Tax, continuing operations	-7.084	-9.396	-5.584
Earnings before Tax, discontinued operations	-2.268	-1.056	-1.549
Earnings before Tax	-9.352	-10.452	-7.133
<i>Adjusted for:</i>			
Depreciations	5	6	8
Value Adjustments on Investment Property	6.608	11.578	7.461
Financial Income	2.808	-86	87
Financial Expenses	2.190	3.321	3.490
Gain/Loss on disposal of subsidiary	0	0	1.810
Net Currency Gains	-728	1.024	1.337
Cash Flow Before Changes in Working Capital	1.530	5.390	7.061
<i>Changes in Working Capital:</i>			
Trade Receivables and Other Receivables	74	80	123
Trade Payables and Other Payables	547	-326	-577
Paid Taxes	-891	-2.139	-2.339
Net Cash Flow From Operating Activities	1.260	3.005	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	2.756	5.365
Sale of subsidiary, net of cash	0	0	12.615
Interest Received	115	220	248
Net Cash Flow From Investment Activities	14.107	1.623	15.049
Cash Flow From Financing Activities			
Repayments of Loans	-3.046	-3.643	-17.822
Changes in Other Long-term Liabilities	0	0	-663
Dividends Paid	-8.420	0	0
Interest Paid	-1.619	-2.458	-3.225
Net Cash flow From Financing Activities	-13.084	-6.100	-21.710
Net Change in Cash and Cash Equivalents	2.282	-1.473	-2.393
Carried Forward Cash and Cash Equivalents	1.703	3.922	3.922
FX movements on opening balance	141	469	174
Cash and Cash Equivalents on Closing Date	4.126	2.918	1.703
Of which restricted Cash and Cash Equivalents	238	372	238

Consolidated Statement of Changes in Equity

All numbers in 000 USD	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				-7.225		-7.225
Other Comprehensive Income					-6.803	-6.803
Sum	0	0	0	-7.225	-6.803	-14.028
30 September 2015	1.236	21.036	56.763	19.174	-73.452	24.757

	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				-8.869		-8.869
Other Comprehensive Income					4.034	4.034
Dividends				-8.420		-8.420
Sum	0	0	0	-17.289	4.034	-13.255
30 September 2016	1.236	21.036	56.763	4.316	-74.607	8.745

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 September 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 10 November 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

	30.09.2016	31.12.2015
Value as valued by an independent valuer:		
As at 1 January	34,700	69,900
Value Adjustment Investment *	-1,800	-19,000
Disposal Investment Property	0	-16,200
Value per Closing	32,900	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 **	25	-247
Changes in embedded derivatives contract ***	-3,422	4,054
Value per Closing	853	4,250
Carrying value 01.01	38,950	70,343
Carrying value per Closing date	33,753	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:

	9M 2016	9M 2015
Change in RUB over Income Statement	-6,608	-11,578
Translation Differences over Comprehensive Income	4,808	-6,722
Net Change in Fair Value	-1,800	-18,300

NOI from Properties	9M 2016	9M 2015
Rental Income	4,587	8,136
Direct Property Related Expenses	786	1,246
NOI from Properties	3,801	6,890

** 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).

Variables for Independent Valuations	30.09.2016	31.12.2015
Discount Rate	12.50%	12.50%
Yield (cap. rate)	11.50%	11.50%
Market rates, \$/sq.m	285	385

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:	30.09.2016	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 *	974	-2,653
Value at closing date	1,338	17,291

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

Investments in other currencies than USD was largely hedged against USD on the reported balance dates.

Other Financial Assets and Liabilities	30.09.2016	31.12.2015
Cash and Cash Equivalents	4,126	1,703
Financial Investments	1,338	17,291
Embedded Derivatives	-9	35
Interest Rate Swaps	-1,958	-1,401
Bank Loan	-21,670	-24,707
Embedded derivatives *)	-674	-4,054
Land plot lease agreements	-179	-154
Total Financial Assets and Liabilities	-19,025	-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 the investment property Gasfield, and is repaid in quarterly instalments. The loan started in September 2008.

The loan matures in September 2018 (nominal balance per 30.09.2016 was 21.734 USDk).

Amortisation for the loan is USD 591k per quarter until maturity, when the remaining balance is due.

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	1.338			1.338
Sum finansielle eiendeler målt til virkelig verdi	1.338	0	0	1.338

Financial liabilities measured at fair value	Level 1	Level 2	Level 3	Sum
Interest rate swaps	-1.958			-1.958
Forward currency contract	-9			-9
Embedded derivatives on leases	-674			-674
Land plot lease agreements	-179			-179
Sum financial liabilities measured at fair value	-2.819	0	0	-2.819

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	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
Financial assets				
Accounts receivable	5	3	5	3
Other receivables	309	384	309	384
Held-for-trading financial investments	1.338	17.291	1.338	17.291
Cash and cash equivalents	4.126	1.703	4.126	1.703
Sum	5.778	19.416	5.778	19.416
Financial liabilities				
Interest-bearing loans and borrowings	21.670	24.707	21.734	24.780
Trade liabilities	38	58	38	58
Derivative financial liabilities at fair value	-674	35	-674	35
Interest rate swaps and FX forward contracts	1.967	5.455	1.967	5.455
Land plot lease agreements	179	154	179	154
Other current liabilities	1.764	1.656	1.764	1.656
Sum	24.944	32.065	25.008	32.103

5. Finance income and costs

	9M 2016	9M 2015
Currency		
Currency Gain	632	348
Currency Loss	-381	-1,482
Net Currency Gain (Loss)	251	-1,134
Finance Revenues		
Interest Revenue	130	213
Other Financial Revenues	13	0
Sum	142	213
Finance Costs		
Interest Costs	-1,553	-2,441
Fair Value Adjustment, Derivatives	-557	-686
Fair Value Adjustment, Financial Investments	-2,950	-127
Other Finance Gains (Loss)	-79	-193
Sum	-5,140	-3,447
Net Finance Gains (Losses)	-4,746	-4,369

6. Shareholder information

The 20 largest shareholders as at 30.09.2016:

Shareholder	Type *	Country	Shares	%
SKANDINAVISKA ENSKILDA BANKEN AB	NOM	SWEDEN	3.200.998	
ACONCAGUA MANAGEMENT LTD		LUXEMBOURG	3.000.000	
J.P. MORGAN BANK LUXEMBOURG SA	NOM	UK	852.959	
STORM NORDIC FUND SICAV SIF		SWEDEN	800.000	
DEUTSCHE BANK AG	NOM	UK	709.759	
PACTUM AS		NORWAY	579.675	
BANAN II AS		NORWAY	476.338	
FINANSFORBUNDET		NORWAY	416.650	
AUBERT VEKST AS		NORWAY	373.304	
ØRN NORDEN AS		NORWAY	348.060	
TDL AS		NORWAY	182.250	
HYGGEN THORE		NORWAY	181.250	
MOTOR-TRADE EIENDOM OG FINANS AS		NORWAY	180.000	
LANGBERG INGRID MARGARETH		NORWAY	173.750	
STORM CAPITAL MANAGEMENT		UK	160.000	
ALBION HOLDING AS		NORWAY	155.250	
SVENSKA HANDELSBANKEN SA	NOM	NORWAY	150.000	
AAA MANAGEMENT SUPPORT AS		NORWAY	100.000	
STORM CAPITAL PARTNERS LTD.		LUXEMBOURG	98.855	
EUROPA LINK AS		NORWAY	72.078	
SUM 20 LARGEST			12.211.176	66,56%
OTHER SHAREHOLDERS			6.134.447	33,44%
SUM			18.345.623	100,00%

* NOM = Nominee accounts; financial institutions holding shares on behalf of clients.

The list is as per the shareholders registered in VPS as 30.09.2016

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

Shares controlled by board members:

		Shares	%
Morten E. Astrup	via Aconcagua Management Ltd, Storm Nordic Fund, Ørn Norden AS, Storm Capital Management Ltd and Storm Capital Partners Ltd	4.406.915	24,0 %
Kim Mikkelsen	via Strategic Investments A/S	3.200.998	17,1 %
Stein Aukner	via Banan AS and Aukner Holding AS	501.338	2,7 %
Sum		8.056.361	43,9 %

Shares held by management

Erik Mathiesen has an indirect holding in the company by investments in Storm Capital Management Ltd and Storm Capital Partners Ltd.

7. Tax Expenses

Tax Expense for period	9M 2016	9M 2015
Current Tax	863	1,093
Deferred Tax	-1,346	-4,320
Total Tax Expense for Period	-483	-3,227

8. Transactions with Related Parties

	9M 2016	9M 2015
Storm Capital Management Ltd.	323	472
Storm Capital Partners Ltd	0	123
Sum	323	594

9. Other current liabilities

	30.09.2016	31.12.2015
Taxes and duties due	291	457
Advance rents paid by tenants	790	857
Provision Management fee	716	0
Other	146	226
Sum	1,943	1,541

10. Other Current Receivables

	30.09.2016	31.12.2015
Taxes and Duties Payable	203	121
Other Current Liabilities	110	310
Sum	313	430

11. Segment information and Discontinued operations

	Property shares	Investment property	Other	Sum Group
Total comprehensive income 2016	-2,269	-928	631	-2,567
Assets	0	34,687	4,863	39,550
Liabilities	0	27,180	3,623	30,804
Net asset value per 30.09.2016	0	7,507	1,239	8,746

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:	9M 2016	9M 2015
Value change	-2,975	64
Currency fluctuations (*)	706	-1,120
Result before tax	-2,268	-1,056
Tax cost	0	0
Net profit	-2,268	-1,056
Other Revenues and Costs	0	0
Net profit, discontinued operations	-2,268	-1,056
Earnings per share, discontinued operations.	-0.12	-0.06

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

12. Events after the closing date

The group has received notice from the anchor tenant in the Gasfield building, LLC Gazprom Tsentrremont, to terminate the lease. The relevant area constitutes 8,756 square metres, approx 80% of the total lettable area of the Gasfield building. The tenant has requested to vacate towards the end of Q1 2017. The group is actively in the market for new tenants for the building.

The group is not in breach of its loan covenants as at the closing date. However, should the company experience a period of vacancy this could bring the company into breach of its loan covenants as and when that occurs.

