

Consolidated statement of comprehensive income (EPRA Model)

In thousands of NOK	30/06/2017	30/06/2016	2016
Gross Rental Income	888 099	923 787	1 836 272
Land expenses (real estate)	-3 796	-4 661	-7 748
Non-recovered rental expenses	-66 598	-70 173	-128 556
Building expenses (owner)	-21 051	17 637	-8 649
<b>Net rental income</b>	<b>796 653</b>	<b>866 591</b>	<b>1 691 320</b>
Management, administrative and related income	37 760	49 914	87 500
Other operating revenue	3 223	4 135	10 412
Survey and research costs	-11	-29	-50
Change in the fair value of investment property	719 961	2 043 546	2 343 349
Payroll expenses	-66 769	-75 122	-154 661
Other general expenses	-30 483	-35 920	-77 577
Depreciation and impairment allowance on investment property	-133	-64 154	-280
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-11 410	-14 703	-29 268
Provisions	-	-4 484	276
<i>Proceeds from disposal of investment properties and equity investments</i>	<i>1 171 949</i>	<i>-4 204</i>	<i>1 967 628</i>
<i>Net book value of investment properties and equity investments sold</i>	<i>-1 040 155</i>	<i>-1 922</i>	<i>-1 801 106</i>
Income from disposal of investment properties and equity investments	131 794	-6 126	166 522
<b>Operating income</b>	<b>1 580 584</b>	<b>2 763 648</b>	<b>4 037 542</b>
Net dividends and provisions on non-consolidated investments	93	417	416
<i>Financial income</i>	<i>191 102</i>	<i>261 277</i>	<i>419 219</i>
<i>Financial expenses</i>	<i>-315 755</i>	<i>-384 281</i>	<i>-810 574</i>
Net cost of debt	-124 653	-123 004	-391 355
Change in the fair value of financial instruments	-3 640	-	-
Share of earnings in equity investment entities	99 981	178 040	253 579
<b>Profit before tax</b>	<b>1 552 365</b>	<b>2 819 101</b>	<b>3 900 183</b>
Corporate income tax	-320 952	-647 586	-814 859
<b>Net income of consolidated entity</b>	<b>1 231 414</b>	<b>2 171 515</b>	<b>3 085 324</b>
<i>Of which</i>			
<i>Group share</i>	<i>1 231 413</i>	<i>2 171 523</i>	<i>3 085 333</i>
<i>Non-controlling interests</i>	<i>-1</i>	<i>8</i>	<i>9</i>
<b>Average number of shares (in thousands)</b>	<b>29 303</b>	<b>29 303</b>	<b>29 303</b>
<b>Earnings per share - Group share</b>	<b>42</b>	<b>74</b>	<b>105</b>
In thousands of NOK	30/06/2017	30/06/2016	31/12/2016
<b>Net income of consolidated entity</b>	<b>1 231 414</b>	<b>2 171 515</b>	<b>3 085 324</b>
<b>Other comprehensive income items recognized directly as equity</b>			
Effective portion of profits and losses on cash-flow hedging instruments (IAS 39)	65 101	-37 238	70 412
Tax on cash-flow hedging instruments	-14 190	7 413	-19 395
Translation profits and losses	560 703	-459 267	-760 035
<b>Items that will be reclassified subsequently to profit or loss</b>			
Actuarial gains	-	-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Share of other comprehensive income items of equity method investees	-	-	-
<b>Total comprehensive income</b>	<b>1 843 028</b>	<b>1 682 423</b>	<b>2 376 306</b>
<i>Of which</i>			
<i>Group share</i>	<i>1 843 022</i>	<i>1 682 421</i>	<i>2 377 829</i>
Non-controlling interests	6	-17	-1 523
<b>Comprehensive earnings per share - Group share</b>	<b>63</b>	<b>57</b>	<b>81</b>

Segment income statement

In thousands of NOK	Denmark		Norway		Sweden		Total	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016	30/06/2017	30/06/2016
Gross Rental Income	261 791	254 985	334 401	339 714	291 907	329 088	888 099	923 787
Land expenses (real estate)	(3 796)	(4 661)	-	-	-	-	(3 796)	(4 661)
Non-recovered rental expenses	(21 845)	(20 760)	(20 220)	(25 149)	(24 533)	(24 265)	(66 598)	(70 173)
Building expenses (owner)	(12 120)	26 778	9 596	3 482	(18 528)	(12 623)	(21 051)	17 637
<b>Net rental income</b>	<b>224 030</b>	<b>256 343</b>	<b>323 777</b>	<b>318 047</b>	<b>248 846</b>	<b>292 201</b>	<b>796 653</b>	<b>866 591</b>
Management, administrative and related income	7 875	9 357	19 196	27 582	10 689	12 975	37 760	49 914
Other operating revenue	89	708	1 701	3 366	1 433	61	3 223	4 135
Survey and research costs	(11)	(29)	-	-	-	-	(11)	(29)
Change in the fair value of investment property	116 998	505 742	255 029	586 808	347 933	950 996	719 961	2 043 546
Payroll expenses	(10 343)	(17 595)	(33 867)	(28 627)	(22 560)	(28 901)	(66 769)	(75 122)
Other general expenses	(4 186)	(6 777)	(19 490)	(21 632)	(6 807)	(7 511)	(30 483)	(35 920)
Depreciation and impairment allowance on investment property	-	-	(133)	(133)	-	(64 021)	(133)	(64 154)
Depreciation and impairment allowance on intangible assets and property, plant and equipment	(392)	(417)	(10 319)	(13 254)	(698)	(1 032)	(11 410)	(14 703)
Provisions	-	-	-	276	-	(4 760)	-	(4 484)
<i>Proceeds from disposal of investment properties and equity investments</i>	-	-	741 032	236	430 917	(4 440)	1 171 949	(4 204)
<i>Net book value of investment properties and equity investments sold</i>	-	-	(655 336)	(1 922)	(384 819)	-	(1 040 155)	(1 922)
Income from disposal of investment properties and equity investments	-	-	85 696	(1 686)	46 098	(4 440)	131 794	(6 126)
<b>Operating income</b>	<b>334 060</b>	<b>747 331</b>	<b>621 590</b>	<b>870 747</b>	<b>624 934</b>	<b>1 145 569</b>	<b>1 580 584</b>	<b>2 763 648</b>
Net dividends and provisions on non-consolidated investments							93	417
<i>Financial income</i>							252 065	323 843
<i>Financial expenses</i>							(376 718)	(446 847)
Net cost of debt							(124 653)	(123 004)
Change in the fair value of financial instruments							(3 640)	-
Share of earnings in equity investment entites							99 981	178 040
<b>Profit before tax</b>							<b>1 552 365</b>	<b>2 819 101</b>
Corporate income tax							(320 952)	(647 586)
<b>Net income of consolidated entity</b>							<b>1 231 414</b>	<b>2 171 515</b>

For management purposes, the Group is structured into business segments and geographic regions. There are in total three operating segments. These three operating segments are structured as follows:

- Denmark
- Norway
- Sweden

The management team monitors the operating results of each business segment independently as a basis for segment decision-making and performance evaluation. Group financial policy (including the impact of financial income and expenses), corporate activities and tax result calculation are handled at Group level, and are not allocated to the operating segments.

Consolidated statement of financial position (EPRA Model)

In thousands of NOK	30/06/2017	31/12/2016
Goodwill	348 425	348 425
Intangible assets	87 716	97 385
Property, plant and equipment and work in progress	32 196	30 051
Investment property	33 878 876	32 206 048
Investment property under construction	1 525 918	1 356 519
Equity method securities	1 776 221	1 676 240
Other non-current assets	1 133 437	1 148 328
Non current derivatives	0	0
Deferred tax assets	106 984	107 017
<b>NON-CURRENT ASSETS</b>	<b>38 889 772</b>	<b>36 970 013</b>
Investment property held for sale	-	1 247 203
Inventory	-	-
Trade accounts and notes receivable	155 464	238 955
Other receivables	143 385	147 994
<i>Tax receivable</i>	69 715	98 073
<i>Other debtors</i>	73 670	49 922
Current derivatives	-	-
Cash and cash equivalents	567 940	145 704
<b>CURRENT ASSETS</b>	<b>866 789</b>	<b>1 779 857</b>
<b>TOTAL ASSETS</b>	<b>39 756 561</b>	<b>38 749 870</b>
Share capital	76 005	76 005
Additional paid-in capital	4 028 585	4 028 585
Legal reserve	-	-
Consolidated reserves	16 332 815	12 703 372
<i>Treasury shares</i>	(2 747)	(2 747)
<i>Hedging reserves</i>	(176 466)	(227 378)
<i>Other consolidated reserves</i>	16 512 028	12 933 497
Consolidated earnings	1 231 414	3 085 333
<b>Shareholders' equity, group share</b>	<b>21 668 819</b>	<b>19 893 295</b>
Non-controlling interests	126	120
<b>Minority interest</b>	<b>126</b>	<b>120</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>21 668 943</b>	<b>19 893 415</b>
Non-current financial liabilities	9 362 902	9 426 403
Long-term provisions	-	-
Pension commitments	-	-
Non current derivatives	242 168	314 943
Security deposits and guarantees	116 045	109 503
Deferred tax liabilities	4 520 930	4 293 693
<b>NON-CURRENT LIABILITIES</b>	<b>14 242 044</b>	<b>14 144 543</b>
Current financial liabilities	3 414 976	4 248 725
Bank facilities	-	0
Trade payables	210 938	190 005
Payables to fixed assets suppliers	15 637	20 493
Other liabilities	87 425	108 987
Current derivatives	-	-
Social and tax liabilities	116 597	143 702
Short-term provisions	-	-
<b>CURRENT LIABILITIES</b>	<b>3 845 574</b>	<b>4 711 913</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>39 756 561</b>	<b>38 749 870</b>


**STEEN STROM**  
 A SUBSIDIARY OF KLÉPIERRE  
**Consolidated cash flow statement**

	30/06/2017	2016
Net income from consolidated companies	1 231 414	3 085 324
Elimination of expenditures and income with no cash effect or not related to operating activities		
<i>Depreciation, amortization and provisions</i>	11 543	29 548
<i>Change in the fair value of investment properties</i>	-719 961	-2 343 349
<i>Capital gains and losses on asset disposals net of taxes and deferred taxes</i>	-131 765	-166 522
<i>Income taxes</i>	320 952	814 859
<i>Share of earnings in equity method investees</i>	-99 981	-253 579
<i>Reclassification of financial interests and other items</i>	234 794	500 264
<b>Gross cash flow from consolidated companies</b>	<b>846 996</b>	<b>1 666 545</b>
Paid taxes	-560	-6 974
Change in operating working capital	30 911	39 254
<b>Net cash flow from operating activities</b>	<b>877 347</b>	<b>1 698 825</b>
Proceeds from sale of investment properties	-	605
Proceeds from sale of other fixed assets	-	1 275
Proceeds from disposal of subsidiaries (net of cash disposed)	1 164 422	1 967 023
Payments on acquisitions of investment properties	190	-12 814
Payments in respect of construction work in progress	-71 068	-102 775
Payments on acquisitions of other fixed assets	-2 393	-25 554
Acquisitions of subsidiaries through deduction of acquired cash	-	-44 972
Movement of loans and advance payments granted and other investments	-	-474 623
Acquisition of businesses	-	-
<b>Net cash flow from investment activities</b>	<b>1 091 151</b>	<b>1 308 165</b>
Dividends paid to non-controlling interests	-	-1 501
Capital increase of parent company	-	-
Change in capital from subsidiaries with non-controlling interests	-	167 290
New loans, borrowings and hedging instruments	1 300 000	2 911 000
Repayment of loans, borrowings and hedging instruments	-2 548 000	-5 530 858
Interest paid	-234 794	-447 580
Other cash flows related to financing activities	-90 000	-104 786
<b>Net cash flow from financial activities</b>	<b>-1 572 794</b>	<b>-3 006 435</b>
<b>Net changes in cash</b>	<b>395 704</b>	<b>555</b>
Cash at the start of the period	145 704	172 268
Effect of foreign exchange differences	26 532	-27 120
Cash at the end of the period	567 940	145 704