Steen & Strøm AS

MINUTES FROM BOARD MEETING

A board meeting in Steen & Strøm AS was held on 24.04.2015 at the company´s headquarters at Støperigt. 1 in Oslo.

Present were:
Laurent J. J. Morel
Jean-Michel R. Gault
Patrick M. Kanters
Jean Marc Jestin
Alfonso Raphael Torres Villalba

The following issues were on the agenda:

1. Approval of the notice of the meeting
There were no comments on the notice of the meeting, and this was therefore approved.

2. Approval of annual report and accounts

Based on the administration´s proposal, the Board approved the Company's annual report and accounts. It was resolved not to distribute any dividends.

No other issues were on the agenda.

All decisions were unanimous.

The meeting was then adjourned.

Oslo, 24.04.2015

Laurent J. J. Morel

Patrick Michael Kanters

PROTOKOLL FRA STYREMØTE

Det ble den 24.04.15 avholdt styremøte i Steen & Strøm AS. Møtet ble avholdt på selskapets kontor i Støperigt. 1 i Oslo.

Tilstede var:
Laurent J. J. Morel
Jean-Michel R. Gault
Patrick M. Kanters
Jean Marc Jestin
Alfonso Raphael Torres Villalba

Til behandling forelå:

1. Godkjennelse av innkallingen
Det fremkom ikke bemerkninger til innkallelsen, og denne ble således godkjent.

2. Godkjennelse av styrets forslag til årsregnskap og årsberetning

I henhold til administrasjonens forslag, godkjente styret selskapets årsregnskap og årsberetning. Det skal ikke utbetales utbytte.

Intet mer kom til behandling.

Samtlige beslutninger var enstemmige.

Møtet ble deretter hevet.

Oslo, 24.04.2015

Jean-Michel R Gault

Jean Marc Jestin

Alfonso Raphael Torres Villalba

Steen & Strøm AS

ORDINARY GENERAL MEETING

The annual general meeting of Steen & Strøm AS was held on 24.04.2015 at the company´s headquarters at Støperigt. 1 in Oslo.

Present were:
Laurent Jean Jacques Morel, Jean-Michel Rene Gault, Patrick Michael Kanters, Jean Marc Jestin, Alfonso Raphael Torres Villalba, who by proxy represented all shareholders. Thus, 100 % of the shares were represented at the meeting.

The following issues were on the agenda:

1. Election of chairman
Terje Daaland was elected to preside over the meeting.

2. Approval of the notice of the meeting
There were no comments on the notice of the meeting, and this was therefore approved.

3. Election of a representative to sign the minutes together with the chairman
Bjørn Tjaum was elected to sign the minutes together with the chairman.

4. Approval of the Board's proposal regarding the annual report and accounts, including the distribution of dividend
The Board's proposal regarding the Company's annual report and accounts, including the auditor's report, was approved unanimously. It was resolved not to distribute any dividends.

ORDINÆR GENERALFORSAMLING

Det ble den 24.04.2015 avholdt ordinær generalforsamling for Steen & Strøm AS. Møtet ble avholdt på selskapets kontor i Støperigt. 1 i Oslo.

Tilstede var:
Laurent Jean Jacques Morel, Jean-Michel Rene Gault, Patrick Michael Kanters, Jean Marc Jestin, Alfonso Raphael Torres Villalba, som etter fullmakt representerte samtlige aksjonærer. Således var 100 % av aksjene representert.

Til behandling forelå:

1. Valg av møteleder
Terje Daaland ble valgt til å lede møtet.

2. Godkjennelse av innkallingen
Det fremkom ikke bemerkninger til innkallelsen, og denne ble således godkjent.

3. Valg av representant til å undertegne protokollen sammen med møtelederen
Bjørn Tjaum ble valgt til å undertegne protokollen sammen med møteleder.

4. Godkjennelse av styrets forslag til årsregnskap og årsberetning
Generalforsamlingen godkjente styrets forslag til årsregnskap og årsberetning. Det skal ikke utbetales utbytte.

5. Election of directors

The following members were elected to the Board of Directors of the company:

Laurent Jean Jacques Morel

Jean-Michel Rene Gault

Patrick Michael Kanters

Jean Marc Jestin

Alfonso Raphael Torres Villalba

6. Other issues that are the business of the general meeting pursuant to the law or Articles of Association

It was decided to pay the auditor's fee as per account rendered. There will be no directors' fees. No other issues where discussed.

Oslo, 24.04.2015

Terje Daaland
Chairman of the meeting
Møteleder

5. Valg av styremedlemmer

Følgende styre ble valgt:

Laurent Jean Jacques Morel

Jean-Michel Rene Gault

Patrick Michael Kanters

Jean Marc Jestin

Alfonso Raphael Torres Villalba

6. Andre saker som etter loven eller vedtektene hører under generalforsamlingen

Det ble vedtatt å dekke revisors honorar etter regning. Det blir ikke utbetalt styrehonorar. Ellers forelå ingen saker til avstemming.

Oslo, 24.04.2015

Bjørn Tjaum
Elected to sign the minutes
Medundertegner

STEEN & STRØM

ANNUAL REPORT 2014

Annual Report 2014

Steen & Strøm had a decrease in retail sales of 11.4 % and rental income of 9.3 % at its shopping centers in 2014, due to sale of four shopping centers in Norway (2013) and five shopping centers in Sweden (2014). On a constant portfolio basis Steen & Strøm saw a growth in retail sales of 2.1 % and rental income of 1.6 %. Low interest rate had a positive impact on the profit. The group had a pre-tax profit in 2014 of NOK 1 473.1 million (NOK 1 162.7 million). Value adjustments of investment properties were NOK 691.5 million (NOK 216.5 million).

In July 2014 Steen & Strøm completed the sale of five shopping centers in Sweden; MittiCity, Sollentuna, Mirum, Etage and Familia. The sales amount was SEK 3 250 million. The sale has accounting impact from July 1st 2014.

Shopping center investments amounted to NOK 686.0 million (NOK 883.0 million) in 2014, mainly on the new development project in Kristianstad and extention of Field`s in Cophenhagen. Book value of assets amounted to NOK 32.1 billion (NOK 33.1 billion) as of 31.12.2014, while group net interest-bearing debts at that time amounted to NOK 13.9 billion (NOK 16.6 billion). The book equity-to-assets ratio was 40.3 % (35.8 %).

Steen & Strøm has a solid financial foundation based on attractive shopping centers that are mainly rented by large retail trade operators.

Other highlights:

- Retail sales decreased by 11.4 % at shopping centers owned by Steen & Strøm. On a constant portfolio basis it was an increase of 2.1 %. On a constant portfolio basis it was an increase of 3.2 % in Norway, 1.4 % in Sweden and 0.6 % in Denmark.
- The shopping centers had a decrease in rental income of 9.3 % in 2014. On a constant portfolio basis it was an increase of 1.6 %. On a constant portfolio basis it was an increase of 3.3 % in Norway, 0.9 % in Sweden and 0.7 % in Denmark.
- Operating profit for the shopping centers was NOK 1 275.0 million (NOK 1 397.5 million).
- Value adjustments of the shopping centers and projects amounted to NOK 691.0 million in 2014 compared with NOK 216.5 million in 2013.
- The average interest rate on loans was 3.6 % in 2014 compared to 3.8 % in 2013.

Restated 2013 Financial statements

Due to the following changes in accounting principles, the 2013 financial statements have been restated. This has also an impact on some of the reported financial key figures.

- Adopting IFRS 11 regarding investments in partnerships; introduction of equity method.

- Recording of income and expenses related to operations on behalf of tenants; from gross to net booking.
- IAS 12 regarding deferred tax and deferred tax benefit is incorporated; from net to gross booking.

Explanation of the annual accounts

Steen & Strøm rent out premises at its shopping centers. The rent that the tenants are able to pay depends primarily on their retail turnover. Hence, the rental income for Steen & Strøm depends mainly on the development in the tenants retail turnover at the centers.

Due to the divestment of four shopping centers in Norway in November 2013 and five shopping centers in Sweden in July 2014, Steen & Strøm saw decrease in retail sales at its shopping centers in 2014 compared to 2013. However, on a constant portfolio basis it was an increase in retail sales. Forecasts for Norwegian, Swedish and Danish economies predict further growth in Scandinavian retail in 2015.

Operating income
Operating income amounted to NOK 1 731.8 million (NOK 2 082.9 million). Of this amount, rental income made NOK 1 536.4 million (NOK 1 693.2 million). The decrease came as a result of the divestment of shopping centers in Norway and Sweden. On a constant portfolio basis it was an increase in rental income of 1.6 %.

Most of the leasing contracts are based on the tenants retail turnover with a minimum guaranteed rent. The minimum guaranteed rent makes 94 % of the total rent in 2014. Leasing contracts are normally signed for a durations of 5 years. The average duration of remaining contracts is approximately 3 years.

Profit from sale of assets makes NOK 27.0 million (NOK 202.7 million)

Operating expenses
Operating expenses amounted to NOK 535.6 million (NOK 616.0 million). The decrease is primarily related to the divestment of shopping centers in Norway and Sweden.

Value adjustments
Value adjustment of investment properties was NOK 691,5 million (NOK 216.5 million). The increase is due to change in yield by NOK 847.5 million. Net impact of change in cash flow and indexation is a decrease of NOK 156.0 million. The valuation of the shopping centers is based on an average yield of 5.54% (5.71%). The valuation is made by external appraisers.

The shopping centers and projects has a book value of NOK 27.5 billion (NOK 28.7 billion) as of 31.12.2014.

Operating profit/loss
The group's operating profit was NOK 1 887.7 million (NOK 1 683.3 million) after value adjustments.

Financial expenses
Steen & Strøm's net financial expenses amounted to NOK 414.5 million (NOK 520.6 million), including income from other investments (equity method shares) of NOK 139.7 million (NOK 97.1 million).
Mainly due to the mentioned divestment of shopping centers, the net interest-bearing debt decreased by NOK 2.7 billion in 2014 to NOK 13.9 billion at 31.12.2014. The average interest rate was 3.6 % in 2014 and 3.8% in 2013.

Pre-tax profit
Pre-tax profits amounted to NOK 1 473.1 million (NOK 1 162.7 million). Before value adjustments and one-time effects the pre-tax profit amounted to NOK 754.7 million, which is NOK 11.2 million higher than 2013.

Cash flow
Net cash flow from operational activities was NOK 398.9 million (NOK 658.0 million), while net cash flow from investment activities was NOK 2 780.2 million (NOK 772.4 million). Net cash flow from financial activities was NOK -2 166.1 million (NOK -1 235.2 million). The increase in cash flow from investment activities is mainly due to the divestment of five centers in Sweden. The fund from the divestment is mainly used to pay off loans. Cash and cash equivalents increased by NOK 33.9 million in 2014 and amounted to NOK 581.6 million at 31.12.2014. The group has liquidity reserves through unused drawing rights and unmortgaged properties of approximately NOK 1.0 billion.

Balance sheet
Group assets as of 31.12.2014 were booked at NOK 32.1 billion (NOK 33.1 billion), of which investment properties amounted to NOK 27.5 billion (NOK 28.7 billion). The group gross investments on shopping centers and projects was NOK 565 million in 2014. The main investments were:

- Development project in Kristianstad	NOK 280.0 million
- Extention of Field`s	NOK 98.2 million

Book equity amounted to NOK 12.9 billion as of 31.12.2014, corresponding to an equity ratio of 40.3 % (35.8 %).

Shopping center operations

Steen & Strøm is responsible for operations of 34 shopping centers in Scandinavia. Of these, Steen & Strøm owns all or part of 12 centers in Norway, 6 centers in Sweden and 3 centers in Denmark. The strategy is to put great effort into prominent centers located in areas with growing population and retail sales. Further development of centers with growth potential is prioritized.

Shopping centers in Norway
Steen & Strøm fully owns 8, and partly owns 4 shopping centers in Norway.

The shopping centers saw an increase in retail sales of 3.2 % on a constant portfolio basis in 2014. The shopping centers had total operating revenues of NOK 502.5 million (NOK 580.3 million) in 2014. Operating profit amounted to NOK 433.7 million (NOK 501.6 million). The total operating revenues and operating profit is influenced by the divestment of four centers in November 2013. On a constant portfolio basis, the increase in operating revenues was 3.3 % in 2014. This increase is due to a general rise in rents at the centers.

Shopping centers in Denmark
Steen & Strøm Denmark is responsible for management of 16 shopping centers in Denmark. Danica owns 13 of these. Own shopping centers in Denmark saw an increase in retail sales of 0.6% in 2014.

Operating revenues for the 3 owned centers amounted to NOK 395.4 million (NOK 366.3 million). Before the impact of changes in currency, the increase of operating revenues was 0.7 % in 2014. Operating profit amounted to NOK 336.8 million (NOK 315.2 million).

An extension of Field's shopping center in Copenhagen, including a cinema is ongoing and will be inaugurated autumn 2015.

The contract with Danica regarding management of 13 shopping centers is terminated and will expire June 30th 2015. The direct financial impact of this is limited, and the organization will be adjusted accordingly.

Shopping centers in Sweden
Steen & Strøm owns 6 shopping centers in Sweden. The retail sales was influenced by the divestment of five centers in July 2014, and fell by 12.5 % in 2014. On a constant portfolio basis it was an increase of 1.4 %.
Operating revenues for the Swedish shopping centers amounted to NOK 638.4 million (NOK 746.6 million). On a constant portfolio basis and before the impact of changes in currency, the increase in operating revenues was 0.9 % in Sweden. Operating profit amounted to NOK 504.5 million (NOK 580.7 million).

The construction of a new shopping center in Kristianstad is ongoing and stage two opened in March 2015.

Shareholder concerns

Shareholder policy
Steen & Strøm's long-term goal is to ensure a competitive return on invested capital and equity. Assets are managed to give optimal long-term return.

Ownership structure
The shares in Steen & Strøm AS are held by Storm Holding Norway AS. Storm Holding is indirectly owned by the French shopping center group Klepierre (56.1%) and Stichting Depositary APG Strategic Real Estate Pool (43.9%). Klepierre has 178 shopping centers. The company is represented in 16 countries included Scandinavia and is Europe's second largest

shopping center company. APG is one of the world's largest pension fund managers, and manage assets for more than EUR 415 billion.

The Board of Directors of the company shall have between 5 and 7 members. The members are elected by the General Meeting.

There are no regulations in the Articles of Association or elsewhere that authorize the Board of Directors to buy back own shares or to issue new own shares or equity instruments.

Organization and environmental aspects

Employees
Steen & Strøm had 272 (365) employees at the end of 2014 and 12 (17) of these were employed in the parent company. In Norway 25 caretakers were transferred to a new employer following the outsourcing of that business. Employees working for the group are by gender 47 percent women and 53 percent men. The group's main office is located in Oslo. The group also has offices in Copenhagen and Stockholm in addition to the offices at the shopping centers.

Women are overrepresented in positions and departments like accounting, marketing and as shopping center secretaries, while men are overrepresented in corporate management, shopping center management, operations managers, development and rental. Normal work hours are about the same for all employees.

Steen & Strøm is an equal opportunity employer. The average yearly salary for women is lower than that for men. The main reason for this is that more are working at management level in the company. The board of directors has five male members. The executive management and the board of directors want to recruit women to new or available positions.

The group works constantly to avoid any kind of discrimination.

The Board of Directors consider the working environment to be good, and this is monitored on a regular basis.

Absence due to illness was 2,1 % for the group. The board of directors considers the working environment in general to be satisfactory. There have been no injuries or accidents of any significance in the group.

Corporate Responsibility and Sustainability statement

Steen & Strøm has for many years managed a sustainability program with the vision of being one of the leaders within corporate responsibility in our industry. Shopping centres are important social players in the local areas and this gives the best possible basis for influencing both the environment and the society around in a positive direction. To meet this vision, Steen & Strøm has implemented ISO 14001 in all units and centres, and the final multisite certificate was signed by the certification partner SP Technical Research Institute of Sweden in May 2014.

The pollution from the group's activities is limited. However, Steen & Strøm has put a lot of effort into environmental issues and developed individual actions plans to improve the group's environmental performance level. Special focus is placed on reducing the energy consumption and to optimize waste management and source separation to achieve increased recycling rate.

Steen & Strøm is also investing large amounts in new and existing centres to create the best retail destinations for the future; therefor responsible decision making in relation to the development projects is highly needed. In major development projects we complies with the international classification system "BREEAM", aiming for level "very good" or higher.

In 2014, Steen & Strøm's participation in GRESB's annual benchmark once again increased substantially and was rated as the most sustainable shopping centre company in the world, awarded as the "Global Sector Leader" and "Green Star" and ranked as number 1 out of 115 actors within the pier: "Retail real estate companies". "Green Star" is the highest level of rating in the GRESB quadrant benchmark methodology.

Strategy

Environmental and social responsibility is defined as a strategic key element in Klépierre, which is Steen & Strøm's French parent company. This includes both the Klépierre Group and subsidiaries in all countries, as well as in the operation of each shopping centre in its own real estate portfolio and managed portfolio.
A comprehensive report on environmental and social responsibility describes the company's commitment to meet its goal of being among the leaders in environmental and social responsibility in the shopping centre industry. The report highlights key policies, target areas and action plans, as well as case studies that highlight focus areas within the Klépierre group and Steen & Strøm. The Annual Report for Sustainability can be read at the following internet site: Klépierre Financial Report 2014 item 5. [1]

Standards and continuous improvement

The environmental management system in Steen & Strøm complies with the ISO 14001:2004 standard. All Norwegian Steen & Strøm shopping centres also comply with the Norwegian Miljøfyrtårn (Eco-lighthouse) standard.

In 2007, Steen & Strøm implemented a program "Good Choice", to motivate employees, tenants, vendors and partners, to increased environmental performance and focus, which is still an important part of the force within sustainability.

Steen & Strøm AS organizes its environmental and social work according to the company's CR policy that identifies the following key areas:

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[1] http://www.klepierre.com/content/uploads/2015/03/KLEPIERRE_2014_UK.pdf

CSR policy

1. Adapt its business in order to offer safe and secure shopping centres.
2. Focus on reducing environmental risks, use resources more efficiently, and minimise its environmental impact with particular focus on energy, waste, transport and procurement.
3. Create vibrant meeting places, contribute to powerful shopping destinations and develop shopping centres with contemporary aesthetic qualities.
4. Cooperate with local initiatives and organisations.
5. Work to promote high-quality indoor environments by focusing on indoor climate and universal design.
6. Work to promote inclusive working environments.
7. Focus on goal-oriented, long-term corporate responsibility, and to ensure compliance with applicable laws, regulations and other requirements. The work will continually be improved, and the entire organisation will participate. Management will lead by example in the environmental field.
8. Ensure employees receive environmental and corporate responsibility training.
9. Show openness and enthusiasm, as well as inform and report on the environmental work, both internally and externally.
10. Facilitate participation by tenants, suppliers and partners so they can help to address shared environmental and corporate responsibilities.
11. Prefer tenants, suppliers and partners who already focus on environmental and corporate responsibility.
12. Make a positive contribution to society's economic development as an employer, taxpayer and purchaser of goods and services.

Organization

The company has a steering committee for CR (Sustainable Committee) consisting of the following management representatives: Managing Director (CEO), Country Manager in Norway, Country Manager in Sweden, Country Manager in Denmark and Head of HR. Group Quality Director is designated as the management representative to ensure compliance to the ISO 14001:2004 standard, as well as responsible within: corporate CR reporting, monitoring of the company's CR performance, follow up the working groups in each country and comply to external reporting requirements.

Within each country, there is a CR workgroup to ensure sustainable performance in the daily operation. This workgroup is led by a core team consisting of Country Manager, Property Management Director and CR Coordinator. All participants in the national management team are also present and full members of this workgroup, which holds its meetings in conjunction with the ordinary management team meetings. The purpose of this workgroup is to ensure that the monitoring of actions and key performance indicators is put on the agenda at an operational level.

Environmental focus

Steen & Strøm aims to actively reduce the environmental impact in both the near and distant surroundings. This is done by systematically analyse and mapping of each shopping centres environmental impact, definition of targets for the sustainable development and continuous improvements by individual action plans, measurement and reporting.

Management Reporting

The company has developed a framework for monitoring and reporting of environmental performance based on SharePoint (named Superview). The key performance indicators are based on a total of seven significant environmental aspects with the underlying action plans for corporate and national level, and individual plans for each shopping centre.

Steen & Strøm has identified the following priority areas and significant environmental aspects for measurement and reporting:

1. Energy (Reduce energy consumption, increased share of renewable energy)
2. Waste (Increased sorting and recycling)
3. Water (Reduce water consumption)
4. Transportation (Reducing environmental impact in general)
5. Shopping (Environmental and focus on environmentally friendly choice)
6. Tenants (Reducing environmental impact within coordination and agreements)
7. Project (BREEAM rating "Very good" or higher in new development)

In the following section, we describe some of the key targets for 2014. It should be noted that the objectives and results for the entire portfolio of shopping centres is set individually for each subsidiaries of the Steen & Strøm Group.

Key target areas

Within energy management, the company is working proactively to reduce energy consumption and increase the share of renewable energy. The company purchases green power in Norway and Sweden, and has an ambition to increase the share of green electricity in Denmark. There is an on-going proactive process to ensure that the company's energy monitoring system reveals possible savings potential in terms of energy consumption related to the operation of shopping centres.

Within waste management, the goal is to achieve the highest possible degree of sorting. The goals are set individually for each country and shopping centre, with an effectiveness of about 70 % recycling degree for the Norwegian shopping Centres by the end of 2015. In 2014, approximately 66 % of all waste was recycled (exclusive incineration). The total recovery rate for Steen & Strøm is 99 %.

Within procurement, the target is to gain 40 % of all purchases (related to the operation of shopping centres) from certified suppliers and contractors (ISO 14001, EMAS, Eco-lighthouse or similar standards). This goal has already been reached, and the goal will be revised to ensure further achievements.

Within water management, consumption should be optimized and reduced in comparison to 2010 by the end of 2015. In Norway, an important goal is to install water meters in tenant's areas with consumption equal to/or exceeding 10 m3 per year.

Within transport, one of the goals is to increase the number of charging stations/points for electric cars by the end of 2015. Approx. 110 charging stations exist by the end of 2014 and will increase significantly for the next years. By the end of 2020, 2 % of all parking spaces are desired to be prepared for electric and hybrid cars.

All shopping centres under development should achieve the BREEAM rating of level: "Very Good" or higher. The planned development of ØKERN SENTRUM in Oslo and VIVA in Odense will follow this classification standard.

Corporate governance

Steen & Strøm aims to comply with requirements from laws, regulations and general good business ethics. The company also tries to be open about economic conditions and other issues. Corporate governance for the group is built on systematic application of principles laid down in Norwegian recommendations in this field, and we try to harmonize as much possible with current international guidelines for good corporate governance.

Risk management and control

Risk management is a part of the Group system for risk management and internal control. The purpose of this system is to secure that there is a link between the overall strategy and goals, and the daily business, in a perspective where the main goal is to create values for the shareholders. Within 2015, Steen & Strøm will start the harmonization of procedures for risk and control in accordance to the Klépierre based framework. This includes coordination of methodology for 1st and 2nd level of controls, as well as internal audit on selected fields.

The Group has established a five year strategy, which is the basis for yearly plans and budgets. Group activities involve different kinds of risk; operational risk, market risk, credit risk, liquidity risk and risks related to floating/fixed interest rates. The Board of Directors set the goals and frameworks for how operational- and financial risk is managed.

The main driver of the operational business of the group is the development in retail spending. Based on public forecasts we have reason to believe that the growth will be stable in the Scandinavian markets. The shopping centre business share of the retail spending is stable. A further sustainable development is dependent on high standards for taking care of the environment. The Group has a very active approach in these issues.

The group's credit risk is primarily related to the ability of the tenants to pay rent. The group has more than 2000 rental contracts. Prominent, stable retail chains form the major group of our tenants. The tenants normally present some kind of security for the rent, and good routines have been established to follow-up and collect on rent due. The group loss on receivables is limited.

The liquidity risk is managed by always having liquid reserves in the form of liquid current assets, unused credit ceilings and unmortgaged properties. We try to limit liquidity risk that arises from the refinancing of group debts by scheduling maturity dates for loans at different times of the year and by having sufficient liquid reserves available to cover short-term refinancing needs.

To reduce the exposure to interest rate changes in the short-term interest market, the group has signed fixed interest agreements for approximately 58% of its loan portfolio.

Employees and working environment

Steen & Strøm's most important resource is its employees. The group aims to promote a healthy working environment for all employees. This is done by actively involving employees and follow-up in terms of employee satisfaction surveys.
The physical work environment is monitored through meetings of its working environment. Risk assessment has been prepared for each centre, as well as feedback from employees. The company strives to offer regular courses in safety, first aid and fire fighting for all relevant staff. The number of work-related accidents is in general very low. Further information is available in: Klepierre Financial Report 2014[2], item 5.1.2, 5.1.3 and 5.2.1.

Actions against corruption

Steen & Strøm has employee manual and ethical guidelines where regulations are incorporated to highlight the Groups attitude to prevent corruption, and in line with the Employment Protection Act, established procedures for whistle blowing.
Steen & Strøm has also established actions to reveal eventual corruption, this implies actions of control that are organized through internal control, ordinary audit and extended audit.

Financial reporting and process

Steen & Strøm AS has listed bonds, and due to that the external financial reporting is in line with the Oslo Stock Exchange regulations, in addition to general regulations.

Internal financial reporting is made on a monthly and quarterly basis where the results are assessed and analyzed against budgets and last year.

The number of board meetings was 6 in 2014, and financial statements were on the agenda.

The Group and parent company financial statements are prepared by the Group financial department. The financial statements are audited with a full report on a yearly basis, and with a limited audit on a semiannual basis. In addition to that there are also audits and control by externals on specific issues.

Routines for reporting and benchmarking will contribute to make irregular costs visible.

Investment properties are carried in the balance sheet at fair value (IAS 40). Value of investment properties makes 94 % of all Group assets, and is therefore the most important item in the accounts.

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[2] http://www.klepierre.com/content/uploads/2015/03/KLEPIERRE_2014_UK.pdf

The valuation of the investment properties is made by independent external appraisers, and the portfolio is split between two different appraisers; DTZ and Akershus Eiendom (cooperation with Jones Lang LaSalle).
The valuations are carried out according to the Red Book of Royal the Institution of Chartered Surveyors. The valuation method used is the discounted cash flow method (DCF).

Actions of control

Steen & Strøm organizes internal and external actions of control. Internal control actions comprise mainly ordinary internal control within the financial and operational fields. External controls actions comprise ordinary audit, extended audit, IT audit, risk analyses and insurance analyses.

Going concern

Steen & Strøm has ownership in 21 shopping centers. The financial statements have been presented under the assumption of going concern. It is the opinion of the board of directors that the financial statements and notes presented for the year give satisfactory information about the group's operations and financial position at the end of the year. The board of directors believes that the annual accounts give a true picture of company/group's assets, liabilities, financial position and profit/loss for the year. It is the board of directors' opinion that nothing of significance have occurred after the end of the year that would harm the company's reputation or change the group's financial position. In accordance with Section 3-3a of the Norwegian Accounting Act, we hereby confirm that conditions for going concern is fulfilled. The group has a shopping center portfolio of high quality, a strong financial position and employees with high competence within the shopping center business.

Steen & Strøm AS

Steen & Strøm AS had a profit for the year of NOK 55,1 million.

Future prospects

The market in general

In historical terms, consumer spending has been stable in Scandinavia. Following a lower growth in 2009 and 2010 due to the financial crisis, the growth has stabilized in 2014.

Steen & Strøm's market position

Steen & Strøm is Scandinavia's leading market operator in shopping center activities. The board of directors and company administration consider our market position to be a good reason to maintain a high level of activity, yet being responsible. Statistics for turnover show that customers appreciate the extensive modernizations, expansions and upgrades being carried out by Steen & Strøm at many of our shopping centers. We are also working actively to maintain a low level of vacancy, good marketing and a high level of commercial activity at all shopping centers.

Legal disputes

Steen & Strøm is not involved in any significant legal disputes that could be of significance for our economic position.

Thank you
The board of directors would like to thank all employees and customers for great efforts and positive contributions in 2014.

Oslo April 24th 2015

Laurent J J Morel
Chairman of the Board

Jean-Michel Gault
Member of the Board

Patrick M Kanters
Member of the Board

Jean-Marc Jestin
Member of the Board

Rafael Torres Villalba
Member of the Board

Bjørn Tjaum
Managing Director

Terje Daaland
Managing Director

CONSOLIDATED STATEMENTS FOR STEEN & STRØM

Consolidated Income Statement

Year ended 31. December

Figures in NOK 1000

	Note	2014	2013 RESTATED
Operating income and expenses			
Rental income	2, 19	1 536 371	1 693 152
Other operating income	2, 19	168 427	186 960
Gain sale of assets	8	26 954	202 743
Total operating income		**1 731 753**	**2 082 855**
Salaries	3	219 605	259 399
Depreciation	2, 8	39 207	34 272
Other operating expenses	2, 20, 21	276 809	322 370
Total operating expenses		**535 621**	**616 041**
Operating profit before fair value adjustments		**1 196 132**	**1 466 814**
Fair value adjustments on investment property	8	691 519	216 461
Operating profit after fair value adjustments		**1 887 651**	**1 683 275**
Financial income and expenses			
Income on other investments	24	139 734	97 068
Interest income	14	117 446	92 760
Other financial income	22	34 949	18 837
Interest expenses	22	-658 200	-722 648
Other financial expenses	22	-48 449	-6 593
Net financial expenses		**-414 520**	**-520 576**
Profit before tax		**1 473 131**	**1 162 699**
Tax cost			
Tax cost	17	382 088	148 559
Tax cost		**382 088**	**148 559**
Profit of the year		**1 091 043**	**1 014 139**
Allocation			
Minority		128	94
Shareholders		**1 090 914**	**1 014 045**
Profit per share - basic and diluted	6	37,23	34,61

Consolidated statement of other comprehensive income

	Note	2014	2013 RESTATED
Items that may be reclassified subsequently to profit or loss:			
Profit for the year		1 091 043	1 014 139
Currency translation etc.		245 554	933 179
Financial instruments		-163 191	179 950
		1 173 406	2 127 268
Item that will not be reclassified subsequently to profit and loss			
Pension	15	-4 733	10 654
Total comprehensive income for the periode, net of tax		**1 168 673**	**2 137 922**

CONSOLIDATED STATEMENTS FOR STEEN & STRØM
Statement of Financial Position

Year ended December 31.		Figures in NOK 1000	
			RESTATED
Assets	**Note**	**2014**	**2013**
Non-current assets			
Fixed assets			
Investment property and projects	8	27 492 542	28 700 226
Equipment, furniture and other fixed assets	9	159 603	120 788
Total fixed assets		**27 652 145**	**28 821 014**
Financial assets			
Investment in shares	11	856	856
Equity method share investments	24	2 476 443	2 443 560
Deffered tax asset	17	450 659	367 202
Loan and other outstanding receivables	12	630 357	451 114
Total financial assets		**3 558 314**	**3 262 732**
Total non-current assets		**31 210 460**	**32 083 746**
Current assets			
Accounts receivable	13	134 840	76 435
Other outstanding receivables	10	193 806	284 352
Shares and financial instruments	11	0	66 500
Cash and cash equivalents	14	581 610	547 736
Total current assets		**910 255**	**975 023**
Total assets		**32 120 715**	**33 058 769**

CONSOLIDATED STATEMENTS FOR STEEN & STRØM

Statement of Financial Position

Year ended December 31.		Figures in NOK 1000	RESTATED
Equity and liabilities	**Note**	**2014**	**2013**
Equity			
Contributed equity			
Ordinary shares (30,402,116 shares @ NOK 1.91)	4, 5	58 134	58 134
Treasury shares	4	-2 198	-2 198
Share premium reserves		2 746 762	2 746 762
Total paid in equity		**2 802 698**	**2 802 698**
Retained equity			
Fair value and hedging reserves		6 117 447	4 674 518
Other equity		4 008 260	4 366 881
Total retained equity		**10 125 708**	**9 041 400**
Total equity allocated to shareholders		**12 928 406**	**11 844 097**
Minority interest		3 779	4 362
Total equity		**12 932 185**	**11 848 460**
Liabilities			
Non-current liabilities			
Pension liabilities	15	28 382	18 426
Borrowings to financial institutions	16	9 451 521	12 724 716
Bonds	16	3 710 270	2 040 000
Other long term liabilities	16	571 673	364 420
Deferred tax liability	17	2 944 093	2 569 565
Total non-current liabilities		**16 705 939**	**17 717 127**
Current liabilities			
Accounts payable		282 059	121 710
Other taxes and withholdings		61 925	59 476
Tax payable	17	1 152	3 576
Borrowings to financial institutions	16	1 922 929	2 953 639
Other short term debt	18, 22	214 527	354 782
Total current liabilities		**2 482 591**	**3 493 182**
Total liabilities		**19 188 530**	**21 210 309**
Total equity and liabilities		**32 120 715**	**33 058 769**

Oslo, April 24 2015

Laurent J Morel
Chairman of the board

Patrick M Kanters
Board Member

Jean Marc Jestin
Board member

Rafael Torres Villalba
Board Member

Jean-Michel R Gault
Board member

Terje Daaland
CEO

Bjorn Tjaum
CEO

Consolidated statement of changes in equity

2013	Note	Share capital	Threasury shares	Share premium	Property revaluation reserve	Retained earnings	Cash flow hedging reserve	Total	Minoriy	Total equity
Balance 1.1.2013		58 134	(2 198)	2 746 762	3 911 432	3 457 133	(352 376)	9 818 887	2 276	9 821 162
Profit for the year					163 197	850 941		1 014 139	(94)	1 014 045
Currency translation etc.					789 637	158 684	(17 322)	930 999	2 180	933 179
Cashflow hedging effects							179 950	179 950		179 950
Remesurment of pension						10 654		10 654		10 654
Total comprehensive income		58 134	(2 198)	2 746 762	4 864 266	4 477 412	(189 748)	11 954 629	4 362	**11 958 990**
Group contribution						(110 531)		(110 531)		**(110 531)**
Balance 31.12.2013		**58 134**	**(2 198)**	**2 746 762**	**4 864 266**	**4 366 881**	**(189 748)**	**11 844 097**	**4 362**	**11 848 459**

2014	Note	Share capital	Threasury shares	Share premium	Property revaluation reserve	Retained earnings	Cash flow hedging reserve	Total	Minoriy	Total equity
Balance 1.1.2014		58 134	(2 198)	2 746 762	4 864 266	4 366 881	(189 748)	11 844 098	4 362	11 848 459
Profit for the year					512 970	577 944		1 090 914	128	1 091 043
Currency translation etc.					1 086 688	(846 884)	6 462	246 266	(712)	245 554
Cashflow hedging effects							(163 191)	(163 191)		(163 191)
Remesurment of pension						(4 733)		(4 733)		(4 733)
Total comprehensive income		**58 134**	**(2 198)**	**2 746 762**	**6 463 924**	**4 093 209**	**(346 477)**	**13 013 354**	**3 779**	**13 017 133**
Group contribution						(84 949)		(84 949)		(84 949)
Balance 31.12.2014		**58 134**	**(2 198)**	**2 746 762**	**6 463 924**	**4 008 260**	**(346 477)**	**12 928 406**	**3 779**	**12 932 184**

Property revaluation reserve is related to investment property. When an asset is reclassified to investment property, the value that exceeds the book value will be recorded as a Property revaluation reserve. In addition this years fair value regulation on investment property adjusted for tax, will be recored in the same account.

STEEN & STRØM
Cash flow statement

	Note	2014	Restated 2013
Profit for the year		1 091 045	1 014 139
Tax expenses for the year	17	382 088	148 559
Paid tax for the year		-	3 350
Gain/Loss on sale of non-current assets	8,9	-26 954	-202 743
Income from other investments		-139 734	-97 091
Fair value adjustments on investment property	9	-691 519	-216 461
Depreciation on fixed assets	8	39 207	34 272
Changes in financial intruments		-60 329	-10 937
Changes in accounts receivables	13	-61 422	59 792
Changes in accounts payable		-157 393	-89 689
Changes in other taxes and withholdings		15 723	-8 525
Changes in other current assets and liabilities	18	8 179	23 352
Net cash flow from operating activities		**398 891**	**658 018**
Proceeds from sale of non-current assets	8,9	1 826 712	137 342
Payments on acquisitions of non-current assets	8,9	-706 027	-1 190 832
Proceeds/Payments on aqquisitions of financial investments		66 500	51 390
Proceeds from sale of shares etc.	11	582 271	1 354 800
Proceeds from borrowings	12	1 010 724	419 651
Net cash flow from investment activities		**2 780 180**	**772 351**
Proceeds from borrowings	16	1 901 592	2 294 045
Repayment of borrowings	16	-3 951 309	-3 375 726
Group contributions to owners (Net)		-116 368	-153 515
Net cash flow from financial activities		**-2 166 085**	**-1 235 196**
Net changes in cash		**1 012 986**	**195 173**
Cash at the start of the period	14	**547 736**	**276 990**
Effect of foreign exchange differences		**-979 113**	**75 574**
Cash at the end of the period	14	**581 610**	**547 736**

RESTATMENTS FOR STEEN & STRØM 2013
Consolidated Income Statement

As a consequense of adopting IFRS no 11 regarding investements in partnerships, Steen & Strøm has restated the accounts for 2013.

Steen & Strøm has in additon changed principle for recording income and expenses related to the operations of shopping centers on behalf of tenants. The marketing and service charge operations was previously recorded gross. Steen & Strøm has limited risk and are operating as an agent for these items. With this background the the presentation has been changed into net booking in the statutory accounts for the group.

Steen & Strøm has in 2014 restated booking of deferred tax from net booking of liability to gross booking. This is in accordance with IAS 12.

	2013 Reported	Restatements	2013 Restated
Operating income and expenses			
Total operating income	**2 881 521**	(798 666)	**2 082 855**
		-	
Salaries	290 832	(31 433)	259 399
Depreciation	33 285	987	34 272
Other operating expenses	967 327	(644 957)	322 370
Total operating expenses	**1 291 444**	(675 403)	**616 041**
		-	
Operating profit before fair value adjustments	**1 590 077**	(123 263)	**1 466 814**
Fair value adjustments on investment property	190 243	26 218	216 461
Operating profit after fair value adjustments	**1 780 320**	(97 045)	**1 683 275**
Financial income and expenses			
Net financial expenses	**-617 621**	97 045	**-520 576**
Net tax profit	**1 162 698**	-	**1 162 699**
Tax cost	**148 559**	-	**148 559**
Profit of the year	**1 014 139**	-	**1 014 139**
Allocation			
Minority	94	-	94
Shareholders	**1 014 045**	-	**1 014 045**

RESTATMENTS FOR STEEN & STRØM 2013
Statement of Financial Position

Year ended December 31.

Assets	2013 Reported	Restatements	2013 Restated
Non-current assets			
Fixed assets			
Investment property and projects	31 251 724	(2 551 499)	28 700 226
Equipment, furniture and other fixed assets	120 788	-	120 788
Total fixed assets	**31 372 513**	**(2 551 499)**	**28 821 014**
Financial assets			
Investment in shares	856	-	856
Equity method share investments	0	2 443 560	2 443 560
Deffered tax asset		367 202	367 202
Loan and other outstanding receivables	451 969		451 114
Total financial assets	**452 825**	**2 809 907**	**3 262 732**
		-	
Total non-current assets	**31 824 482**	**259 264**	**32 083 746**
Current assets			
Accounts receivable	76 435	-	76 435
Other outstanding receivables	269 100	15 252	284 352
Shares and financial instruments	66 500	-	66 500
Cash and cash equivalents	604 406	(56 670)	547 736
Total current assets	**1 016 441**	**(41 418)**	**975 023**
Total assets	**32 840 922**	**217 847**	**33 058 769**
Equity and liabilities			
Equity			
Contributed equity			
Ordinary shares (30,402,116 shares @ NOK 1.91)	58 134	-	58 134
Treasury shares	-2 198	-	-2 198
Share premium reserves	2 746 762	-	2 746 762
Total paid in equity	**2 802 697**	-	**2 802 698**
Retained equity			
Fair value and hedging reserves	4 978 321	(303 803)	4 674 518
Other equity	4 063 079	303 803	4 366 881
Total retained equity	**9 041 399**		**9 041 400**
Total equity allocated to shareholders	**11 844 097**		**11 844 097**
Minority interest	4 362		4 362
Total equity	**11 848 459**		**11 848 460**
Liabilities			
Non-current liabilities			
Pension liabilities	18 426	-	18 426
Borrowings to financial institutions	12 724 716	-	12 724 716
Bonds	2 040 000	-	2 040 000
Other long term liabilities	364 420	0	364 420
Deferred tax	2 334 016	235 549	2 569 565
Total non-current liabilities	**17 481 578**	**235 549**	**17 717 127**
Current liabilities			
Accounts payable	121 724	(14)	121 710
Other taxes and withholdings	61 126	(1 650)	59 476
Tax payable	3 576	-	3 576
Borrowings to financial institutions	2 953 639	-	2 953 639
Other short term debt	370 820	(16 038)	354 782
Total current liabilities	**3 510 885**	**(17 702)**	**3 493 182**
Total liabilities	**20 992 463**	**217 847**	**21 210 310**
Total equity and liabilities	**32 840 922**	**217 847**	**33 058 769**

Note 1 - Consolidation and accounting principles

General information

Steen & Strøm AS (the Company) is a limited liability company incorporated in Norway. The Company's principal offices are located at Støperigata 1, N-0118 Oslo

The consolidated financial statements for the accounting period of 1 January 2014 to December 31 2014 were authorized for issue in accordance with a resolution of the Board of Directors on April 24 2015.

1.1 Basis of preparation

The consolidated financial statements for the year 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Group's statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity are presented with comparable numbers for the prior year.

The consolidated financial statements have been prepared on a historical cost basis, except for following accounting items:

- Financial instruments at fair value (including financial derivatives and shares)
- Investment properties at fair value

In addition for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

The consolidated financial statements are prepared with same principles for same transactions and events under similar conditions.

1.2 Changing in accounting policy and disclosures

Steen & Strøm has adopted IFRS no 11 regarding investments in partnerships. As a consequence 2013 numbers has been restated.

In addition the group has changed principle for recording of income and expenses related to the operations of shopping centers on behalf of tenants. The marketing and service charges operation was previously recorded gross. In the restated accounts it has been recorded net.

Steen & Strøm has adopted this agent principle because it reflects the group's operations in a better way than using the principal approach.

Steen & Strøm's main area of operations is related to creating excellent shopping centers and letting out these facilities to tenants, not providing administrative services related to re-billing of marketing and service charges on behalf of tenants.

Deferred tax has according to IAS 12 been recorded gross. In the 2013 accounts it was recorded net. The comparable numbers for 2013 has been restated.

New and amended standards adopted by the Group

- *IFRS 10 - Consolidated financial statements*

The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group has assessed that the changes in IFRS 10 have had no impact on the consolidated financial statements.

- *IFRS 11 – Joint arrangements*

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 *Jointly Controlled Entities – Non-monetary Contributions by Venturer* has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there were three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 could be accounted for using the equity method of accounting or proportionate accounting.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of IFRS 11. The directors concluded that the Group's investments in Metro Senter, Åsane Storsenter and Økern Sentrum which was classified as jointly controlled entity under IAS 31 and were accounted for using the proportionate consolidation method, should be classified as a joint venture under IFRS 11 and accounted for using the equity method.

1. The change in accounting of the Groups investment in Metro Senter, Åsane Storsenter and Økern Sentrum has been applied in accordance with the relevant transitional provisions set out by IFRS 11. Comparative amounts for 2013 have been restated to reflect the change in accounting for the Group's investment in Metro Senter, Åsane Storsenter and Økern Sentrum. The initial investments as at 1 January 2013 for the purposes of applying the equity method is measured as the aggregate of the carrying amount of the assets and liabilities that the Group had previously proportionately consolidated (see Restatements for 2013 for further details).

- *IFRS 12 – Disclosures of interests in other entities*

IFRS 12 is a disclosure standard and is applicable to all entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard establishes disclosure objectives and specifies minimum disclosures that entities must provide to meet those objectives. The objective of IFRS 12 is that an entity should disclose information that helps users of financial statements evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial statements. The disclosure requirements set out in IFRS 12 are more extensive than those in the previous standards and the Group have extended the information in note 24. Apart from this, the changes in IFRS 12 have not had an impact on the financial statements.

- *IAS 32 – Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement". The amendments have not have any impact on the financial statements.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2014 and not early adopted

- *IFRS 9 – Financial Instruments*

IFRS 9 will replace IAS 39 and introduces new requirements for classification, measurement and de-recognition of financial assets and liabilities. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing "a fair value through other comprehensive income" measurement category for certain single debt instruments. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2018 on condition of EU approval.

- *IFRS 15 – Revenue Recognition*

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue and related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the considerations to which the entity expects to be entitled in exchange for those goods and services and introduces a 5-step approach for revenue recognition. The Group is yet to assess IFRS 15's full impact and intends to adopt IFRS 15 no later than the accounting period beginning on or after 1 January 2017 on condition of EU approval.

- *IFRS 11 Accounting for Acquisitions of Interests in Joint Operations*

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a Joint Operation that constitutes a business as defined a business in IFRS 3 Business Combinations.

Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied. The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016 on condition of EU approval.

- *IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances.

a) when the intangible asset is expressed as a measure of revenue or
b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 on condition of EU approval. The Group has anticipated that the application of these amendments will have no material impact on the Group's financial statements.

- *IAS 19 Defined Benefit Plans: Employee Contributions*

The amendments to IAS 19 clarify how an entity should account for contribution made by employees or third parties to defined benefit plans. The Group do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group's consolidated financial statements.

1.3 Consolidation

The consolidated financial statements include the financial statements of Steen & Strøm AS and entities controlled by Steen & Strøm AS (the Group). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control normally exists when the Group has more than 50% of the voting power through ownership or agreements. Non-controlling interests in subsidiaries are presented within Group's equity.

The Group applies the acquisition method to account for business combinations. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in associated companies where the Group has significant influence but not control, are accounted for using the equity method of accounting. Significant influence normally exists when the Group has 20% to 50% voting power through ownership or agreements.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint venture arrangements that involve a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group reports its interests in joint ventures using the equity method of accounting. Using the equity method, an investment in a joint venture is initially recognised in the financial statements at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture.

When the Group's share of losses of an associate or joint venture exceeds the Group's interest in the associate or the joint venture, the Group discontinues recognise its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Other investments are recognized in the consolidated financial statements in accordance with *IAS 39 – Financial instruments: Recognition and Measurement*. Supplementary information is given in Note 1.10 and 1.18

Intercompany transactions and related balance sheet items, including internal profit and unrealized gains and losses, are eliminated. Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

1.5 Accounts receivable and other receivables

Trade receivables are recognized and carried at original invoice amount less provision for impairment.

1.6 Hedging

At the inception of each hedge relationship the Group designates certain derivates as hedges of future cash flow related to a recognized asset or liability or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management, both at hedge inception and on an ongoing basis, of whether the derivates that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

(i) Cash flow hedge

The effective portion of changes in fair value of derivates that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The ineffective portion is recognized in the income statement.
When the forecast transaction that is hedged results in the recognition of an asset or liability, the gain and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

1.7 Fixed assets

Fixed assets and buildings, except of investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs as repairs and maintenance are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful life, as follows:

o Vehicles and machines	3-5 years
o Furniture, fittings and equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1.8 Leasing

(i) The Group as lessee

- Finance leases
  The Group has not entered into any finance leasing agreements

- Operational leases
  Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made are charged to the income statement on a straight-line basis over the period of the lease.

(ii) The Group as lessor

- Finance leases
  The Group has not entered into any finance leasing agreements

- Operational leases
  The Group presents assets leased to third parties as fixed assets in the balance sheet. Lease income is recognized on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are included in the carrying amounts of the leased asset and recognized on the same basis as lease income over the lease terms. Any rent reductions are recognized as cost in the period in which they are earned.

1.9 Investment properties

Investment properties comprise land and buildings for rent. Investment properties are initially recognized at cost and subsequently measured at fair value and changes in fair value are recognized in the income statement in the period in which they occur. Fair value is the estimated value of the asset in a transaction between independent parties, without any deduction for transaction costs.

Fair value represents an estimated sale value of the asset at the year end. The investment properties are valued twice a year by external valuers who use a cash-flow based model in the calculation of fair value. For further details, see Note 8.

Sale of subsidiaries where the main asset is an Investment Property is presented as gain (loss) sale of assets. The gain (loss) is calculated as the Fair Value of the received payments reduced for the Net Book Value of the assets and liabilities connected to the asset.

1.10 Financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the income statement.

The Group classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, and available for sale.

(i) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivates are also categorized as held for trading unless they are designed as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Financial assets are classified as at fair value through profit or loss when the financial asset is held for trading. These assets are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in the income statement.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivates that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets classified as available-for-sale are recognized at fair value at the year end, without deduction of the transaction costs related to sale.

For a description of accounting policies for impairment of financial assets, see Note 1.18.

The Group classifies its financial liabilities in the following categories: at fair value through profit and loss, and other financial liabilities.

(i) Financial liabilities at fair value through profit or loss
Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading. These liabilities are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in the income statement.

(ii) Other financial liabilities
Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the income statement.

1.11 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value money and the risks specific to the obligation.

1.12 Equity

(i) Debt and equity

Financial instruments are classified as debt or equity in accordance with the underlying economic reality.

Interests, dividends, gain and losses related to a financial instrument which are classified as debt, will be presented as cost or income. Payments to holders of the financial instruments which are classified as equity will be recognized directly through equity.

(ii) Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gains or losses are recognized in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Costs of equity transactions

Costs of equity transactions are recognized directly through equity (net of tax). Only costs of transactions related to equity transactions are recognized in equity.

(ii) Other equity

(a) Reserve for foreign currency translation

Foreign currency translation occurs in connection with currency differences in the consolidation of foreign companies.

Exchange differences on monetary items (debt or receivables) which are a part of company's net investment in a foreign unit are treated as foreign currency translation differences.

At disposal of a foreign entity, the foreign currency translation differences related to the unit, is reversed and recognized in the income statement in the same period as the recognition of the gain or loss related to the transaction.

(b) Hedging reserve

Fund for hedging include the total net change in fair value on a cash flow hedge, until the hedged cash flow occurs or is no longer expected to occur. See Note 1.6.

1.13 Revenue recognition

Revenues are recognized when it is probable that economic benefits from the transactions will flow to the Group and the revenues can be reliably measured. Revenues are measured at the fair value of consideration received, net of discounts and sales related taxes.

Rental income from investment properties is recognized using the straight-line method over the lease period. The termination a tenant's lease payment is recognized over the remaining lease term, or until the new tenant moves in. Income from guarantees is treated in the same way as terminations. See Note 1.8.

Interest income is recognized using the effective-interest method as it is earned.

Dividends are recognized when the shareholder's right to receive dividends is established by the General Assembly.

Costs

In the event of the Company releasing a tenant from the lease contract, the costs are expensed immediately.

1.14 Foreign currency translation

(i) Foreign currency transactions

Transactions in foreign currency are initially recognized in the functional currency at the exchange rate at the date of the transaction. Monetary assets in foreign currencies are translated to the functional currency at the Group's exchange rate at the reporting date. Non-monetary items that are measured at historical cost in foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using exchange rates determined on the fair value valuation date. All exchange differences are recognized in the income statement.

(ii) Foreign entities

Assets and liabilities of foreign operations, including goodwill and fair value adjustments, arising on consolidation, are converted to the presentation currency (NOK) using the Group's closing rate. Revenues and expenses of foreign operations are converted to the presentation currency using a weighted average exchange rate.

Translation differences arising from translation of net investments in foreign operations are classified as translation differences in equity. Translation differences in equity are recognized in the income statement on disposal of foreign operations.

1.15 Employee benefits

(i) Pension obligations

The Group companies provide their employees pensions which are defined as benefit plans. Pension assets are valued by actuaries every year. Pension obligations and pension expense are determined using a linear formula. A linear formula allocates the earning of future pension benefits linearly over the vesting period and considers earned pension rights of the employees during a period, as pension costs. Introduction of a new benefit plan or an improvement of the current benefit plan involves changes in the pension liability. These changes are expensed linearly until the effects of the changes are retained. The introduction of new arrangements or changes to existing arrangements that occur retroactively so that employees have immediately earned a paid-up (or change in paid-up) is recognized in the income statement immediately. Gain or loss related to reductions in, or termination of pension plans, is recognized in the income statement when it occurs. Actuarial gains or losses are amortized over the remaining average service period.

The present value of pension obligations depends on a number of factors. Any change in the assumptions affects the estimated pension liabilities and future pension costs. Pension obligations are calculated based on the present value of expected cash flows. The discount rate used is estimated on the basis of interest rates on Norwegian 10-year government bonds, with an estimated addition, to take into account the maturity. Company's right to repayment of some or all of the previous costs related to termination of a benefit plan, are recognized in the income statement when (and only when) the repayments are secure.

(ii) Incentive agreements with employees of the management team

For the Group's incentive agreements for employees of the management team, see note 3.

1.16 Borrowing costs

Borrowing costs are capitalized to the extent they are directly related to the purchase, construction or production of a fixed asset. Capitalizations of borrowing costs occur when interest costs accrue during the construction period of the asset. Capitalization of borrowing costs is made up to the time asset is ready for use.

1.17 Income taxes

Tax expense consists of current tax and changes in deferred tax. Deferred tax liability/tax asset is calculated on all differences between accounting and tax values of assets and liabilities with the exception of:

- temporary differences related to the initial recognition of goodwill, and
- temporary differences related to investments in subsidiaries, joint ventures or associates where the Group controls the timing of the reversal and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized when it is probable that the Company will have sufficient taxable profit to utilize the tax benefit. At each balance sheet date, the Group reviews any unrecognized deferred tax asset and the carrying value of deferred tax assets. The companies recognize previous unrecognized deferred tax assets to the extent that it's likely that the company can take advantage of the deferred tax asset. Likewise, the company will reduce its deferred tax assets to the extent that the company no longer is able to utilize the deferred tax asset.

Deferred tax liabilities and deferred tax assets are measured based on tax rates that are enacted or substantively enacted and are expected to apply when the related deferred tax or deferred tax asset is realized.

Deferred tax liabilities and deferred tax assets are recognized regardless of when the differences will be reversed. Deferred tax liabilities and deferred tax assets are recognized at their nominal value and are classified as non-current liability (non-current financial asset) in the balance sheet.

Current tax and deferred tax are recognized directly in equity as long as they relate to items that are recognized directly in equity.

Current tax and deferred tax liabilities/assets are measured using the tax rates enacted or substantively enacted on the balance sheet date and which are applicable to the obligation to be settled.

1.18 Impairment of assets

Impairment of financial assets
Financial assets carried at amortized cost are impaired when there is objective evidence that it is likely that the instrument's cash flows have been negatively affected by one or more events that occurred after the initial recognition of the instrument. The impairment amount is recognized in the income statement. If the reason for the impairment in a later period expires, and the loss can be related to an event occurring after the impairment was recognized, the previous impairment charge is reversed. The reversal shall not result in the carrying amount of the financial asset exceeding the amount of what the amortized cost would have been, if the impairment had not been recognized. Reversal of previous impairment is presented as income.

Financial assets classified as available for sale are written down when there is objective evidence that the asset is impaired. The cumulative loss recognized directly in the equity (the difference between the acquisition cost and current fair value less impairment previously recognized in profit and any amortization amount) is removed from the equity and recognized in the income statement.

If the fair value of a debt instrument classified as available for sale increases at a later period, and the increase can be related objectively to an event that occurred after the impairment was recognized, the impairment is reversed through profit and loss. Impairment losses related to an investment in an equity instrument are not reversed through profit and loss.

1.19 Operating segments

For management purposes the Group is organized into three operating segments areas in three countries. Financial information about operating segments is presented in Note 2.

1.20 Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated financial statements. Significant contingent liabilities, with the exception of contingent liabilities where the likelihood of a settlement is remote, are disclosed.

A contingent asset is not recognized in the consolidated financial statements, but disclosed if it likely that a benefit will accrue to the Group.

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition.

1.21 Subsequent events

New information on the balance sheet date that affects the company's financial position at the balance sheet date is recognized in the financial statements. Subsequent events that do not affect the Company's financial position at the balance sheet date, but which will affect the Company's financial position in a subsequent period, are reported if significant.

1.22 Critical accounting estimates and subjective judgements

Management has used estimates and assumption that affect assets, liabilities, revenues, expenses and disclosure of contingent liabilities. This is specially the case in assessment of investment properties.

Fair value of investment properties
Investment properties are measured at their fair value based on external, independent valuations.

Each half-year, an independent, external valuer values the properties. The valuations at 31 December 2014 were obtained from Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations are based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. The discount rate is based on interest on investments without risk and a mark-up based on an assessment of the risks related to the cash flows. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the valuers receive comprehensive details of the leases for the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and leases are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The valuers perform the valuations on the basis of the information they have received, yearly on-site visits, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the leases is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the segment (location, type of property, mix of tenants etc.)

For further details, see Note 8.

Note 2

Operating segments - Operating revenue and operating profit

The Group's business is divided into strategic operating segments that are organized separately. The different segments conduct different business activities, are targeted at different customer groups, and have different risk profiles.

The Steen & Strøm Group is divided into the following operating segments:

a. Shopping centers and projects
b. Commercial operation
c. Development

For financial reporting to management, the countries in which the Group operates are presented both collectively and separately for Norway, Sweden and Denmark. The table shows segments divided into geographical areas. The table also shows the relationship between the segment reporting and consolidated statements.

The Group's activities in Shopping centers and projects consists mainly of buying, selling and operating investment property, in addition to large scale real estate projects.

The Group's activities in Commercial operation concerns rental and centralized marketing of our shopping centers.
The Group's activities in Development includes fee based work in project development and real estate. This is conducted both internally and on assignment from other clients.

Other activities include the operation of our shopping centers on behalf of our tenants (joint costs and marketing). In addition, this includes the Group management's activities and several smaller companies without significant activities. Transactions between the different segments are not eliminated, but shown as gross figures for each segment in order to provide a fair view of the activity.

Norway

Operating segment	Shopping centers and projects		Commercial operations		Development		Total Norway	
	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13
Profit and loss account:								
Operating revenue, external	499 212	577 258	11 696	5 965	3 200	3 345	**514 108**	**586 568**
Operating revenue, internal	3 318	3 083	14 863	27 869			**18 181**	**30 952**
Operating expenses	-68 826	-78 767	-46 602	-42 347	-9 641	-22 274	**-125 069**	**-143 388**
Depreciation	-	-	-2 816	-3 465	-	-	**-2 816**	**-3 465**
Operating profit (loss)	**433 704**	**501 574**	**-22 859**	**-11 978**	**-6 441**	**-18 929**	**404 404**	**470 667**
Fixed assets	8 015 854	7 558 860	6 567	8 255			**8 022 421**	**7 567 115**
Unallocated assets								
Long-term debt	7 363	2 302 369					**7 363**	**2 302 369**
Investments in the period	40 002	461 828	1 084	4 981			**41 086**	**466 809**

Denmark

Operating segment	Shopping centers and projects		Ccommercial operations		Development		Total Denmark	
	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13
Profit and loss account:								
Operating revenue, external	395 422	366 256	64 208	63 039	15 716	12 360	**475 346**	**441 655**
Operating revenue, internal			12 231	12 509			**12 231**	**12 509**
Operating expenses	-58 384	-51 019	-66 296	-73 140	-22 100	-21 818	**-146 780**	**-145 977**
Depreciation	-240		-1 883	-2 671	-		**-2 123**	**-2 671**
Operating profit (loss)	**336 798**	**315 237**	**8 261**	**-263**	**-6 384**	**-9 458**	**338 674**	**305 516**
							-	**-**
Fixed assets	8 852 539	8 006 283	582	6 159			**8 853 121**	**8 012 442**
Unallocated assets							**-**	**-**
Long-term debt	3 826 427	4 099 900					**3 826 427**	**4 099 900**
Investments in the period	131 327	60 535	6 521	-			**137 848**	**60 535**

Sweden								
Operating segment	Shopping centers and projects		Ccommercial operations		Development		Total Sweden	
	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13
Profit and loss account:								
Operating revenue, external	638 419	746 555	1 804		346	28 149	640 569	774 704
Operating revenue, internal			27 697	42 466			27 697	42 466
Operating expenditure	-130 020	-154 951	-66 154	-46 740	-6 788	-54 543	-202 962	-256 234
Depreciation	-3 918	-10 944	-484	-410	-	-252	-4 402	-11 606
Operating profit (loss)	**504 482**	**580 660**	**-37 137**	**-4 684**	**-6 442**	**-26 646**	**460 903**	**549 330**
							-	-
Fixed assets	10 638 904	13 135 082	1 163	1 677			10 640 067	13 136 759
Unallocated assets							-	-
Long-term debt	6 718 560	9 153 161					6 718 560	9 153 161
Investments in the period	409 941	624 943	45	478			409 986	625 421

Total								
Operating segment	Shopping centers and projects		Ccommercial operations		Development		Total	
	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13
Profit and loss account:								
Operating revenue, external	1 533 053	1 690 069	77 709	69 004	19 261	43 854	1 630 023	1 802 927
Operating revenue, internal	3 318	3 083	54 791	82 844			58 109	85 927
Operating expenses	-257 230	-284 737	-179 052	-162 227	-38 529	-98 635	-474 811	-545 599
Depreciation	-4 157	-10 944	-5 183	-6 546	-	-252	-9 340	-17 742
Operating profit (loss)	**1 274 984**	**1 397 471**	**-51 735**	**-16 925**	**-19 268**	**-55 033**	**1 203 981**	**1 325 513**
Fixed assets	27 507 297	28 700 225	8 312	16 091			27 515 609	28 716 316
Unallocated assets							-	-
Long-term debt	10 552 350	15 555 430					10 552 350	15 555 430
Investments in the period	581 270	1 147 306	7 650	5 459			588 920	1 152 765

Operating segment	Service charges, eliminations and other operations		Group administration		Profit on sales		Total group	
	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13	31-12-14	31-12-13
Profit and loss account:								
Operating revenue, external	74 776	76 964		221	26 954	202 743	**1 731 753**	**2 082 855**
Operating revenue, internal	-108 109	-135 927	50 000	50 000			**-**	**-**
Operating expenses	33 835	63 429	-55 438	-69 577			**-496 414**	**-551 747**
Depreciation	-4 753	-9 319	**-25 114**	**-7 211**			**-39 207**	**-34 272**
Operating profit (loss)	**-4 251**	**-4 853**	**-30 552**	**-26 567**	**26 954**	**-9 707**	**1 196 132**	**1 496 836**
Fixed assets	24 189	15 609	112 347	41 462			**27 652 145**	**28 773 387**
Unallocated assets		-		47 627			**-**	**47 627**
Long-term debt	-2 793 941	-5 835 515	5 415 450	5 044 801			**13 173 859**	**14 764 716**
Investments in the period		102	116 141	15 925			**705 061**	**1 168 792**

	31-12-14	31-12-13
Reconciliation of net business to the official accounts		
Operating results pursuant to business reporting	1 196 132	1 496 836
Revaluation of investment property	691 519	216 461
Expensed maintenance and impairment of projects	-	-30 022
Operating results in accordance with official accounts	**1 887 651**	**1 683 275**

Note 3

Salary expenses, headcount, remuneration, etc.

Salary expenses	**2014**	**2013**
Salaries and fees	164 139	202 697
Social security taxes	29 989	35 649
Pension costs	18 517	18 360
Other benefits	6 960	2 693
Total	**219 605**	**259 399**

Headcount

The average number of employees in the Group was 302 (390) in 2014. As of 31.12.14, the Group had 276 employees.

Executive benefits

Bonus is determined on the basis of achieved results and an individual assessment of the employees.

Remuneration of senior executives

2014	Directors' fees	Salary	Bonus	Payment in kind	Periodic pension expenses	Total compensation
Group Management						
Terje Daaland - Chief Economy and IT officer and Joint Managing Director		2 178	895	153	191	**3 417**
Bjørn Tjaum - Chief Financial Officer and Joint Managing Director		2 155	1 103	156	137	**3 551**
Board of Directors						
Laurent J J Morel	0					
Jean-Michel R Gault	0					
Patrick M Kanters	0					
Jean Marc Jestin	0					
Rafael Torres Villalba	0					
Total compensation	**0**	**4 333**	**1 998**	**310**	**328**	**6 968**

As of 31.12.2014, TNOK 15.211 (TNOK 13.342) has been provisioned to cover the groups incentive scheme.
The provision is including public and social taxes.

Remuneration of senior executives

2013	Directors' fees	Salary	Bonus	Payment in kind	Periodic pension expenses	Total compensation
Group Management						
Terje Daaland - Chief Economy and IT officer and Joint Managing Director		2 179	1 293	185	179	**3 836**
Bjørn Tjaum - Chief Financial Officer and Joint Managing Director		2 173	1 187	156	134	**3 650**
Board of Directors						
Laurent J J Morel	0					
Jean-Michel R Gault	0					
Patrick M Kanters	0					
Marie-Théresè Dimasi	0					
Rafael Torres Villalba	0					
Total compensation	**0**	**4 352**	**2 480**	**342**	**313**	**7 486**

Auditing fees

Fees to the auditor of the accounts for 2014	Statutory Audit	Other Certification Services	Other Services	Total
Parent company	840	318	201	1 359
Subsidiaries in Norway	1 014			1 014
Subsidiaries abroad	883			883
Total	**2 737**	**318**	**201**	**3 256**

Note 4
Number of shares, shareholders etc.

The share capital of the parent company of the Group, Steen & Strøm AS, is NOK 58.133.335 (NOK 58.133.335), divided into 30.402.116 (30.402.116) shares with par value NOK 1,9121 (NOK 1,9121) per share.

The company has only one class of shares. As of 31.12.14 there is only one shareholder, and no foreign shareholders.

All shares are owned by Storm Holding Norway AS. Storm Holding Norway AS is owned by Nordica HoldCo AB, which in turn is owned by Klèpierre Nordica BV and Stichting Pensioenfonds ABP.

Treasury shares

The Company's value of treasury shares as of 31.12.14 is TNOK 2.197.310 (TNOK 2.197.310).

Note 5
Shares held by the CEO or members of the Board

None of the Company's employees or directors have shares in the Company.

Note 6
Earnings per share

Basic earnings per share is calculated as the ratio of net income accruing to ordinary shareholders and the weighted average number of ordinary shares.

	2014	**2013**
Financial results to shareholders	1 090 914	1 014 045
Weighted average number of shares (thousands)		
Ordinary shares on January 1	30 402	30 402
Newly issued shares	-	-
Effect of treasury shares	(1 099)	(1 099)
Average number of shares (thousands)	29 303	29 303
Basic earnings per share (NOK per share).	37,23	34,61
Diluted earnings per share (NOK per share).	37,23	34,61

Note 7
Risks associated with asset managment

The Group's objective regarding asset management is to secure continued operation in order to ensure sustainable returns for shareholders and other stakeholders, and maintain an optimal capital structure to reduce capital costs.

To improve the capital structure the Group may adjust the level of dividends to shareholders, repay capital to shareholders, issue new shares, or sell assets in order to repay loans.

Debt ratio on December 31st is shown below:

	2014	2013
Total loans	15 126 107	17 847 270
Cash and interest-bearing receivables	1 226 587	998 850
Net interest bearing debt	13 899 520	16 848 420
Total fixed assets	30 244 871	31 372 513
Debt ratio	46,0 %	53,7 %

Distribution of dividends

The Board proposes to give a dividend on TNOK 0 (TNOK 0) for 2014.
The proposal will be presented for a vote at the Annual General Meeting, to be held in April 2015.

Overview of dividends paid:	2014	2013
Dividend	0	0

Note 8
Investment property

Book values	**2014**	**2013**
Opening balance	28 700 226	27 213 021
Acquisition of new investment properties	0	275 697
Investments to existing investment properties	586 123	852 383
Disposals and demerger effects.	(3 021 539)	(2 030 232)
Recognized revaluation	691 519	216 461
Translation differences	536 213	2 172 896
As of 31.12	**27 492 542**	**28 700 226**

Itemization of recognized value adjustment:		
Index adjustment	380 770	272 130
Real growth and exchange rate changes	(536 775)	(94 097)
Change in discount rate	847 524	38 428
Recognised investment property revaluation	**691 519**	**216 461**

Annual revenues related to investment property amounted to TNOK 1.525.457 (TNOK 1.693.152) Direct costs related to real estate rental amounted to TNOK 246.308 (TNOK 284.759). All investment property generate rental income.

In 2014 Steen & Strøm sold Sollentuna Center, Mitt i City, Mirum, Etage and Familia to Olav Thon Gruppen.
The transaction resulted in a gain for the group on TNOK 34.552.

Steen & Strøm sold Torbyen Senter, Stovner Senter, Os Alle and Markedet to Sektor Portefølje II AS in 2013.
As a result of the sale the group recorded a gain for 2013 on TNOK 202.743.

Reconciliation of funds for fair value reserve

	2014	2013
IB fund for fair value reserve	4 864 266	3 911 432
Change in value	691 519	216 461
Tax expenses	(162 187)	(53 264)
Translation differences and reclassifications	1 070 326	789 637
EB fund for fair value reserve	**6 463 924**	**4 864 266**

In determining the value of investment properties the following average yields are used:

	2014	2013
Norwegian investment property	5,54 %	5,80 %
Swedish investment property	5,54 %	5,82 %
Danish investment property	5,39 %	5,78 %
Weighted average	5,51 %	5,80 %

Sensitivity

Overview of how the value of our investment properties could be affected by changes in cash flow and yield.

	Yield	Value	Change
Change in yield -0.50%	6,0 %	25 247 318	(2 245 224)
Value 31.12.2014	5,5 %	27 492 542	0
Change in yield + 0.50%	5,0 %	30 296 781	2 804 239

	Change in cash flow	Value	Change
Increased cash flow + 2%	30 297	28 042 393	549 851
Increased cash flow + 1%	15 148	27 767 467	274 925
Value 31.12.2014		27 492 542	
Reduced cash flow -1%	(15 148)	27 217 617	(274 925)
Reduced cash flow -2%	(30 297)	26 942 691	(549 851)

There are no significant contractual commitments to purchase, construct or develop investment property. The group is, however, committed to build 24,000 square meters of residentials in connection with the development of Emporia in Malmö.

Interest on building loans

Fixed assets include building loan interests in connection with the construction of certain assets. Capitalized interest in building loans amounted to TNOK 11.199 (TNOK 19.642). Interest on building loan interest rates in 2014 was 2.7 % (5.0%).

Ongoing construction contracts

Steen & Strøm has entered into several contracts for building and development of shopping centers. This is mainly on turnkey contracts.
The maturity structure of these contracts is as follows:

	2014	**2013**
Within 1 year	40 117	214 148
1 to 2 years	-	-
After 2 years	-	,
Total	**40 117**	**511 352**

Note 9
Fixed and intangible assets

2014	Office and IT equipment	Other tangible assets	Software	Total fixed and intangible assets
Acquisition cost as of 01.01	37 989	288 010	12 333	338 332
Acc. depreciation as of 01.01	32 212	185 332	0	217 544
Translation differences	37	105		142
Acquisition	45	3 898	116 141	120 084
Disposal	22 579	-64 783		-42 204
Acquisition cost as of 31.12	60 650	227 230	128 474	416 354
Acc. depreciation as of 31.12	43 411	197 213	16 127	256 751
Book value as of 31.12	**17 239**	**30 017**	**112 347**	**159 603**
Depreciation for the year	11 199	11 881	16 127	**39 207**
Depreciation method	Linear	Linear	Linear	
Depreciation schedule	5 years	5 years	8 years	

2013	Office and IT equipment	Other tangible assets	Software	Total fixed and intangible assets
Acquisition cost as of 01.01	33 809	280 010		**313 819**
Acc. depreciation as of 01.01	29 427	154 831		**184 258**
Translation differences	209	7 012		**7 221**
Acquisition	3 971	36 795	12 333	**53 099**
Disposal		-34 821		**-34 821**
Acquisition cost as of 31.12	37 989	288 010	12 333	**338 332**
Acc. depreciation as of 31.12	32 212	185 332		**217 544**
Book value as of 31.12	**5 777**	**102 678**	**12 333**	**120 788**
Depreciation for the year	2 785	31 487	0	**34 272**
Depreciation method	Linear	Linear	Linear	
Depreciation schedule	5 years	5 years	8 years	

Note 10
Other receivables

	2014	2013
Loans and receivables	151 549	58 491
Sales creditt	-	148 000
Prepaid expenses	9 068	32 087
Interests	8 340	6 404
Other trade receivables	24 849	39 370
Total other receivables	193 806	284 352

Note 11
Other investments

	2014	2013
Equity investment in Christiania Byggeselskap AS	460	460
Other shares and TC stakes	396	396
Total other investments	856	856
Investment in Sector Portefølje 2 AS	-	66 500

Note 12
Loans and other receivables

	2014	2013
Loan to parent companies	628 297	449 377
Prepaied security deposits	2 060	1 737
Total loans and other receivables	630 357	451 114

Loans to parent companies are calculated with an interest of 3 months NIBOR + 1%.

Note 13
Accounts receivable

	2014	2013
Accounts receivable	156 946	89 532
Provision for bad debts	- 22 106	- 13 097
Total	**134 840**	**76 435**

There is no single customer who represents a large share and therefore poses a material credit risk. The accounts receivable are spread across industries in different countries. The majority of the Group's rental contracts have deposit/bank guarantees that secure up to 3-6 months rent, including accounts receivable.

	2014	2013
IB provisions for bad debts	- 13 097	- 7 491
Provisions for bad debts for the year	- 22 666	- 7 841
Confirmed losses for the year	3 976	4 907
Reversed earlier alloaction and fx.	9 681	- 2 672
EB provisions for bad debts	**- 22 106**	**- 13 097**

When there is objective evidence of a loss of value, the difference between book value and present value of future cashflows is recognized as a loss.

Summary of accounts receivable - divided by age

	Total	Not due	< 30 days	30-60 days	60-90 days	>90 days
2014	**156 946**	83 063	47 893	2 816	5 088	18 085
2013	**89 532**	48 051	19 785	3 979	4 516	13 202

Note 14
Cash and cash equivalents

The average interest rate on bank deposits was 0,7% (0,9%).

The group has a group account scheme linked to the overdraft account.
Interest income and interest expenses on the accounts linked to this scheme are shown gross in the accounts.
The Group's credit balance or outstanding balance are shown net.

Restricted bank deposits

At 31.12.2014, restricted funds amounted to TNOK 3.197 (TNOK 34.634).

Note 15
Pensions

The Group has a defined benefit plan for certain groups of employees. The scheme carries rights to defined benefit contributions. The terms are 30 years of saving. The scheme provides 60% pension of the pensionable salary on 01.01 of the year of the recipient's 67th birthday, as well as benefits for spouse and children. All pension benefits are coordinated with expected contributions from the national insurance. As of 31.12.2014, the scheme had 64 (63) members.

In assessing the value of pension assets and measuring accrued liabilities, estimated values are used. These estimates are adjusted annually in accordance with the statment of the fair value and the actuarial calculation of the obligation.

Financial assumptions

	2014	**2013**
Discount rate	3,00 %	4,10 %
Expected wage adjustment	3,25 %	3,75 %
Expected return on plan assets	3,00 %	4,10 %
Expected pension increase	0,10 %	0,60 %
Expected adjustment of pension benefits	3,00 %	3,50 %
Expected turnover	2,50 %	2,50 %

The actuarial assumptions are based on common assumptions in the insurance industry with respect to demographic factors.

	2014	**2013**
Service cost:		
Current service cost	8 403	9 286
Past service cost and gain (loss) from settlements		-
Net intereset expense	677	709
Components of pension costs recognised in profit or loss	**9 079**	**9 995**

Remeasurement of net defined benefit liability:		
Return on plan assets (exl. amounts included in net interest expense)	1 091	5 908
Actuarial gains and losses arisining from changes in demographic assumptions	-	5 402
Actuarial gains and losses arisining from changes in financial assumptions	10 004	-20 607
Actuarial gains and losses arising from experience adjustments	-4 746	-5 946
Other	134	648
Components of pension costs regonised in other comprehensive income	**6 483**	**-14 595**

Total	**15 562**	**-4 639**

	2014	**2013**
Net pension liability		
Present value of funded defined benefit obligation	75 104	62 919
Fair value of plan assets	-51 073	-48 294
Social security taxes	4 351	3 801
Net pension liability	**28 382**	**18 426**

Reconciliaiton of pension obligation		
Opening pension liability	18 426	30 552
Pension costs recognised in profit or loss	9 079	9 995
Remeasurement gains and losses	6 483	-14 595
Premium Payments etc	-5 607	-7 526
Net recognised pension liability as of 31/12	**28 382**	**18 426**

Actual returns on pension plan assets for 2013 amounted to TNOK 2.277 (TNOK 2.022).
Scheduled payments on the Group's pension plans for 2015 amount to TNOK 4.600 (TNOK 7.475).

In addition to the defined contribution plan, the Group has an OTP plan in Norway. The amount paid in 2014 was TNOK 416 (TNOK 670). In Denmark and Sweden, defined contribution schemes are used, and in 2014 payments to these amounted to TNOK 9.438 (TNOK 8.365). The pension plans are in complience with requirements in each country.

Note 16

Long-term liabilities

	Effective interest rate	2014	2013
Swaps and deposits		571 673	364 420
Bonds	3,16 %	3 710 270	2 040 000
Liabilities to credit institutions	3,44 %	9 451 521	12 724 716
Total		**13 733 464**	**15 129 136**

	2014	2013
Mortgages:		
Liabilities secured by mortgages	**13 161 791**	**14 764 716**

	2014	2013
Book value of mortgaged assets:		
Investment property and projects	27 492 542	28 700 226
Other assets	-	8 706
Total mortgaged assets	**27 492 542**	**28 708 932**

Repayment plans, and renegotiation of long-term debt:

	2014	2013
Between 1 to 2 years	1 723 550	1 294 117
Between 2 to 5 years	5 355 583	5 831 232
More than 5 years	6 654 332	8 003 787
Total	**13 733 464**	**15 129 136**

Short-term interest-bearing liabilities

	Effective interest rate	2014	2013
Commercial papers	2,22 %	1 450 000	1 520 000
1. year repayment term debt	3,44 %	472 929	1 433 639
Total		**1 922 929**	**2 953 639**

	2014	2013
Mortgages:		
Liabilities secured by mortgages	472 929	1 433 639

Book value of mortgaged assets:		
Investment property and projects	27 492 542	28 700 226
Other assets	159 603	120 788
Total mortgaged assets	**27 652 145**	**28 821 014**

The Group is exposed to changes in interest rates based on the following pricing structure, taking into consideration fixed rate agreements, swap agreements and interest rate cap agreements;

	2014	**2013**
6 months or less	7 918 075	4 095 166
6-12 months	144 395	3 750 155
1-5 years	4 713 179	6 172 816
Over 5 years	2 880 743	4 064 638
Total	**15 656 393**	**18 082 775**

Recognized value of the Group's borrowings are as follows:

	2014	**2013**
NOK	7 041 801	8 212 279
SEK	4 505 652	5 716 047
DKK	4 108 940	4 154 449
Total	**15 656 393**	**18 082 775**

	2014	**2013**
Bank overdraft, remaining credit	897 025	710 236

Note 17

Tax

Tax expenses:

	2014	2013
Taxes payable	0	0
Change in deferred tax	382 088	148 559
Taxes expenses	**382 088**	**148 559**

	2014	2013
Profit before tax (including discontinued operations)	1 473 131	1 162 698
Tax calculated on profit before tax	369 866	305 803
Tax effect of tax benefits not booked prev. years	19 633	25 708
Effect of changes in tax rates	-3 673	-120 137
Non taxable elements	-6 874	-56 748
Other	3 136	-6 067
Tax expenses	**382 088**	**148 559**

Non taxable elements in mainly related to sale of shares.

Effective tax rate	**25,9 %**	**12,8 %**

Deferred tax - tax assets

	2014	2013
Deferred tax assets		
Current assets	2 344	873
Losses carried forward	345 584	310 136
Financial instruments	94 608	51 217
Other	8 124	4 975
Deferred tax assets	**450 659**	**367 202**

Deferred tax liabilities		
Tangible fixed assets and investment property	2 931 448	2 554 315
Gain and loss accounts	12 645	15 249
Deferred tax liabilities	**2 944 093**	**2 569 564**
Net deferred tax liabilities	**2 493 434**	**2 202 363**

Summary of losses carried forward

	2014	**2013**
No due date	1 512 045	1 473 843
Total carried forward	**1 512 045**	**1 473 843**

Deferred tax recognized directly against equity is as follows:

	2014	**2013**
Cash flow hedges	(58 749)	(48 421)
Total	**(58 749)**	**(48 421)**

Note 18
Other short term debt

	2014	2013
Liabilities for sale of gift certificates	49 269	58 470
Accrued expenses	13 030	17 265
Salary-related costs	51 532	66 412
Interest	46 382	45 982
Liablites related to sale transactions	-	44 750
Other	54 314	121 903
Total	**214 527**	**354 782**

Note 19
Operating income

	2014	2013
Total shopping center revenues	1 536 371	1 693 152
Management	132 500	132 500
Development	19 261	43 854
Other operating income	124 776	146 533
Gain from sale of investment property	26 954	202 743
Eliminations and miscellaneous	- 108 109	- 135 927
Total operating income	**1 731 753**	**2 082 855**

Note 20
Other operating expenses

	2014	2013
Rental expenses	31 032	31 348
Building maintenance	16 815	35 589
Owner's share of service charges	81 191	93 039
Municipal taxes, property taxes and insurance	22 344	16 628
Bad debts	17 105	4 841
Write down of projects	-	30 022
Management and other fees	80 409	109 450
Other administrative expenses	136 021	106 989
Eliminations and miscellaneous	- 108 109	- 105 536
Total	**276 809**	**322 370**

Note 21
Leases

The Group as lessee - operating leases

The Group has entered into several operating leases for machinery, offices and other facilities. Several of these leases have an extension option. The agreements do not contain restrictions on the company's dividend policy or financing opportunities.

Rent expense consisted of the following:

	2014	2013
Regular rental payments		
Vehicles and machinery	1 460	1 251
Facilities	29 571	30 097
Total	**31 031**	**31 348**

Future minimum lease payments related to non-cancellable leases fall due as follows:

	2014	2013
Within 1 year	31 031	31 348
1 to 5 years	83 849	99 067
After 5 years	292 486	285 210
Total	**407 366**	**415 625**

The rent expense is calculated based on agreements as of 31.12.2014.
The amounts are nominal, and the amounts relate to the period after 2014 will be adjusted along with changes in the consumer price index (CPI).
The retail space leased out by the company is rented out to the tenants of our shopping centers. See below.

Group as lessor - operating leases

The carrying value of assets leased under operating leases is as follows:

	2014	2013
Buildings	27 492 542	28 700 226
Total	**27 492 542**	**28 700 226**

Future minimum payments related to non-cancellable leases fall due as follows:

	2014	2013
Within 1 year	1 235 582	1 256 604
1 to 5 years	2 045 378	3 238 771
After 5 years	375 228	691 560
Total	**3 656 187**	**5 186 935**

The amounts are nominal, and the amounts relate to the period after 2014 will be adjusted along with changes in the consumer price index (CPI).

The group's rental contacts can be divided into the following categories:
1) Fixed rent
2) Minimum rent + percentage of tenants turnover
3) Percentage of tenants turnover

	Norway	Sweden	Denmark	Average
Percentage of rental rates that are fixed as of 31.12.2014 is:	96,8 %	97,8 %	97,9 %	97,0 %

Finance leases

The Group has no finance leases.

Note 22
Financial instruments - financial market risk

The procedures for managing risk are approved by the Board of Directors.

Interest rate risk

Interest rate risk arises in the short and medium term, following the part of the Company's debt which has a floating interest rate. The loan portfolio currently has a combination of floating and fixed rates, where long term rent agreements have been made for approx. 54% of the Group's loan portfolio.

The Group uses various types of interest rate derivatives to hedge against fluctuations due to changes in interest rate levels.
As of 31.12.2014, the Group had interest rate swaps valued at TNOK 6.811.807 (TNOK 8.574.141) where the Group receives a variable interest rate and pays a fixed interest rate.

The interest rate swaps are used to hedge against fluctuations due to changes in the level of interest rates. The secured loans and the swap agreements have the same terms and conditions. The swaps satisfy the requirements for hedge accounting under IAS 39, and changes in fair value are recognized directly through equity.

Overview of the Group's swap agreements:

Start Date	End Date	Amount (T Valuta)	Currency	Int. rate	Excess value (TNOK)
02.01.2006	04.01.2016	300 000	DKK	2,50 %	(12 843)
29.06.2012	30.12.2021	466 071	DKK	2,33 %	(57 087)
06.02.2006	05.02.2016	200 000	NOK	4,00 %	(8 180)
05.11.2006	05.11.2016	200 000	NOK	4,51 %	(13 540)
10.01.2011	10.01.2017	400 000	NOK	3,69 %	(34 073)
10.01.2012	10.01.2017	175 000	NOK	3,87 %	(15 855)
05.08.2009	05.02.2016	300 000	NOK	4,34 %	(11 787)
05.11.2012	07.11.2016	200 000	NOK	3,97 %	(11 389)
05.11.2012	05.11.2017	300 000	NOK	3,95 %	(25 313)
30.12.2010	30.12.2016	300 000	NOK	3,69 %	(15 447)
28.04.2014	28.01.2019	300 000	NOK	2,40 %	(15 000)
12.06.2014	12.03.2019	300 000	NOK	2,40 %	(15 001)
12.06.2014	12.03.2019	400 000	NOK	2,39 %	(19 833)
05.08.2014	05.08.2019	200 000	NOK	1,99 %	(6 912)
30.09.2014	30.09.2019	400 000	NOK	2,00 %	(13 994)
29.06.2009	28.12.2015	150 000	SEK	3,97 %	(5 324)
31.10.2011	31.10.2017	300 000	SEK	3,13 %	(22 476)
30.10.2011	30.10.2017	200 000	SEK	3,10 %	(14 785)
29.09.2012	29.09.2018	200 000	SEK	2,80 %	(16 652)
30.10.2012	30.10.2020	300 000	SEK	2,79 %	(34 727)
30.09.2011	30.09.2021	300 000	SEK	2,64 %	(33 339)
30.09.2011	30.09.2021	300 000	SEK	2,70 %	(34 380)
29.06.2012	30.06.2022	300 000	SEK	2,15 %	(24 539)
11.02.2013	09.11.2020	300 000	SEK	2,75 %	(32 927)
SUM					**(495 402)**

Average rate on interest-bearing loans in 2014 was 3,37% (3.73%).

Based on the financial instruments and interest rate swaps as of Desember 31, 2014, a general increase of 1% in interest rate levels will reduce profits by TNOK 72.019 (TNOK 66.556).

The Group has in 2014 expensed TNOK 147.850 (TNOK 166.899) for interest rate hedging.
Other movements in interest rate hedging that are not recognized through the income statement are itemized in the statement of equity.

Liquidity Risk
The Group's strategy is to at all times have sufficient cash, cash equivalents or credit facilities to be able to finance operations and investments for the next three years, in accordance with the company's strategic plan for the same period.

Foreign exchange risk
Changes in exchange rates involve both direct and indirect financial risk for the Company. The currency exposure is mainly limited to the equity portion of shopping center investments in Sweden and Denmark. Hedging is achieved by using the same currency for assets and liabilities in each country.

	2014	**2013**
Long-term receivables in foreign currency:		
TSEK	-	-
TDKK	-	-
Long-term debt in foregin currency:		
TSEK	4 790 699	6 938 856
TDKK	4 805 406	3 771 365
Exchange rate on the balance sheet date:		
SEK	94,05	93,26
DKK	116,95	111,26
Figures in Norwegian Kroner:		
Long-term receivables	-	-
Long-term debt	**10 125 574**	**10 667 198**

Recognized losses on realized foreign currency items amount to TNOK 27.068 (TNOK -13.499).

The Group's future expansions are planned to be financed with a combination of cashflow from operations and new loans.
The Group's future expansions depends therefore on a well-functioning finance market.

The Group has at the end of the year a net interest bearing debt of TNOK 13.899 (TNOK 16.639) The Group depends on a well-functioning finance market in order to maintain its operations. The financing of the Group is based on the long term debt agreements.

Note 23
Fair Value Measurements

This note provides information about how the Group determines Fair Values of various assets and liabilities.

Description of adapted methods for determining Fair Value on liabilites and assets measured at Fair Value in the balance sheet

Investment Property
Tthe Group has appointed DTZ and Akershus Eiendom as external appraisers for determining the fair value of the Group's investment property. The fair value was determined based on the income approach. The model is based on the actual tenant situation, long term predictions based on expected inflation and market developments. The shopping centers are appraised twice a year by the external appraisers.

Hedging items
Interest rate swaps are included in the balance sheet at fair value. The fair value of interest rate swaps is determined using implicit yield curves and obtained by financial institutions.

All accounting items measured at Fair Value has been categorized to assess valuation uncertainty. Level 1 includes investments where Fair Value have been determined based on quoted prices in active markets. Level 2 includes investments where Fair Value have been determined based on valuation modelling and market information. These invesments are more uncertain than Level 1. Investments in Level 3 is determined using valuation models that, in material aspect, uses input that is non observable market data which implies that there exist a considerable uncertainty in determining Fair Value.

Description on adapted methods for determining Fair Value on liabilities and assets measured at other than Fair Value in the balance sheet

Fair value of financial assets classified as "available for sale" are determined as the estimated sales value at the balance sheet date.

The carrying value of cash, cash equivalents and bank overdrafts approximates their fair value as these instruments have short maturities. Similarly, the book value of accounts receivable and accounts payable is close to fair value.

For other financial assets and liabilities, except the accounting items described above, fair value is calculated as the present value of estimated cash flows discounted at the rate applicable to similar liabilities and assets on the balance sheet date. This value is approximately equal to fair value.

The fair value of "held-to-maturity" investments is determined using available market prices.

	Level 1		Level 2		Level 3		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Investment Property	-	-	-	-	27 492 542	28 700 226	27 492 542	28 700 226
Total Investment Property	-	-			**27 492 542**	**28 700 226**	**27 492 542**	**28 700 226**
Financial derivates (liabilities)	-	-	-495	-281 940	-	-	-495	-281 940
Total financial derivates	-	-	**-495**	**-281 940**	-	-	**-495**	**-281 940**
Cash and bank equivalents			581 610	547 736			581 610	547 736
Other financial assets			328 646	427 287	630 357	451 114	959 002	878 401
Other financial liabilites			(496 586)	(476 506)	(15 865 026)	(18 164 252)	(16 361 612)	(18 640 758)
Total other financial assets and liabilites	-	-	**413 669**	**498 517**	**(15 234 669)**	**(17 713 138)**	**(14 821 000)**	**(17 214 621)**
Total	-	-	**413 174**	**216 577**	**12 257 873**	**10 987 088**	**12 671 047**	**11 203 665**

Determinging Fair Value of Investment Properties include a material level of assumptions, estimates and judgement and hence have been allocated to Level 3. See note 8 for a reconciliation of the Fair Value of Investment Properties. There have been no movements between different levels in the Fair Value hierarchy in 2014.

Note 24

Equity method share investments	2012	Changes	Profit for the year	Dividend paid	2013	Changes	Profit for the year	Dividend paid	2014
Nordbyen Senter 2 AS	-	392	453		845	8	44		889
Nordal ANS	1				1		-		1
Økern Sentrum AS	146		(9)		137		(8)		129
Økern Eiendom ANS	65		(13)		52		(10)		42
Økern Sentrum ANS	489 434		7 376	(25 000)	471 810		20 453	(442)	491 821
Metro Shopping AS	719		(6)		713		58		771
Metro Senter ANS	673 753		27 219	(38 000)	662 972		33 113	(37 500)	658 585
Nordbyen Senter DA	591	268 159	10 068		278 818		19 528	(24 000)	274 346
Åsane Storsenter DA	1 031 052		50 798	(54 890)	1 026 960		66 580	(44 910)	1 048 629
Åsane Senter AS	218		(7)		211		(6)		206
Åsane Kulturutvikling AS	30		(29)		1		(6)		(5)
Åsane Hotelutvikling AS	30		(29)		1		(6)		(5)
Åsane Kontorutvikling AS	30		(29)		1		(6)		(5)
Åsane Storsenter Drift AS	(236)		1 276		1 041				1 041
Total equity method share investments	**2 195 831**	**268 551**	**97 068**	**(117 890)**	**2 443 560**		**139 734**	**(106 852)**	**2 476 443**

Statement of finacial positon	2012	2013	2014
Investment property	2 267 058	2 551 499	2 592 726
Other assets	80 383	41 418	45 389
Total assets	**2 347 441**	**2 592 916**	**2 638 115**
Equity	2 195 832	2 443 561	2 476 443
Long term debt			
Short term debt	151 609	149 355	161 672
Total equity and liabilites	**2 347 441**	**2 592 916**	**2 638 115**

Income statement	2012	2013	2014
Rental income	119 420	141 166	140 392
Operating expenses	(32 603)	(17 631)	(35 577)
Fair value adjustments	69 312	(26 615)	34 489
Fiancial expenses	(685)	148	430
Profit for the year	**155 444**	**97 068**	**139 734**

Note 25
Related parties and transactions

Intercompany receivables
Steen & Strøm AS is owned 100% by Storm Holding Norway AS. Storm Holding Norway AS in turn is owned by Nordica Holdco AB, which in turn is owned by subsidiaries of Klépierre and APG.

Steen & Strøm AS has a receivable of TNOK 196.159 (TNOK 248.456) on Storm Holding Norway AS.
In addittion the group also has a receivable vs. Nordica Holdco AB on TNOK 440.478 (TNOK 200.921).
The receivables are interest bearing at NIBOR + 1.0%.

Demergers and transactions
There has been no demergers in 2014.

Steen & Strøm sold 5 shoppingcenters to Olav Thongruppen AS in July 2014. The sold centers where Etage, Familia, Mirum Galleria, Mitt i City and Sollentuna Centrum.

Note 26
Litigation and claims

At the end of the year, Steen & Strøm was involved in the following material legal disputes:

Emporia – claim for bonus from Advansia

Advansia acted as construction manager for the Emporia development. The agreement with Advansia contained a bonus clause, under which Advansia claim that they are entitled to the full bonus of MSEK 17. Steen & Strøm accepts a bonus of MSEK 2.3, but has rejected the remainder of the claim of MSEK 14.6, which is based on (1) successful delivery of Emporia on time, and (2) delivery within the budgeted cost.

Steen & Strøm has also presented a counterclaim against Advansia.

Advansia has referred the bonus discussion to arbitration, however the arbitration court ruled in favour of Steen & Strøm, and dismissed the case. Advansia are now preparing a case for the ordinary Swedish courts.

Metro Senter – tax issue

In connection with the extension of Metro from 2005 to 2012, the local municipality imposed on Metro an obligation to construct a public road. The costs related to this was capitalized on the structure (a consequence of which is that the costs are subject to taxable depreciations).

In a recent tax audit, the tax authorities have concluded that the costs relating to the road works must be capitalized on land and not on structures. The consequence of this is that no depreciations can be made for the amount.

Consequently, the tax authorities have stated that the depreciations made for 2010 and 2011 can not be upheld. In total, this amounts to approx. MNOK 3 for Metro Senter ANS.

Steen & Strøm has started legal proceedings, however the case has been suspended awaiting the outcome of a similar case in Oslo.

Field´s – "Naturklagenævnet"

On 17th February 2011 the High Court of Eastern Denmark validated a decision from the Nature Protection Board of Appeal, which stated that the construction permission for Field´s did not comply with the local development plan. The party in this decision was the Municipality of Copenhagen, however Steen & Strøm has a right to appeal.

Steen & Strøm has thus taken the matter to court, and has claimes that the decision of the Nature Protection Board of Appeal is void, on several grounds. The court process is likely to take several years.

Note 27
Subsequent events

The group has not indentified any material subswquent events that will affect the accounts.

Note 28
Summary of consolidated companies

Company name	Country	Headquarter	Share as of 31.12.14	Share as of 31.12.13	Consolidation method	
Steen & Strøm AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Holding/shopping centre
Amanda Storsenter AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Farmandstredet ANS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Farmandstredet Eiendom AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Gulskogen Prosjekt & Eiendom AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Other
Gulskogen Senter ANS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Hamar Storsenter AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Hovlandbanen AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
KS Markedet	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Lille Eiendom AS	Norway	Oslo	66,0 %	66,0 %	Fully consolidated	Other
Markedet Haugesund 2 AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Other
Metro Shopping AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Other
Metro Senter ANS	Norway	Oslo	50,0 %	50,0 %	Equity method	Shopping centre
Nerstranda AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Nordal ANS	Norway	Oslo	50,0 %	50,0 %	Equity method	Other
Nordbyen Senter AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Other
Nordbyen Senter 2 AS	Norway	Oslo	50,0 %	50,0 %	Fully consolidated	Other
Nordbyen Senter DA	Norway	Oslo	50,0 %	50,0 %	Equity method	Shopping cenre
Nordbyen Senterforening AS	Norway	Oslo	74,2 %	69,2 %	Fully consolidated	Service charge
Steen & Strøm Mediapartner AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Other
Slagenveien AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Slagenveien 2 AS	Norway	Oslo	100,0 %	0,0 %	Fully consolidated	Shopping centre
SSI Lillestrøm Torv AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Stavanger Storsenter AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Steen & Strøm Norge AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Asset management
Steen & Strøm Senterservice AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Service charge
Storebrand Kjøpesenter Metro AS	Norway	Oslo	0,0 %	50,0 %	Equity method	Other
Torvbyen Utvikling AS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Torvhjørnet Lillestrøm ANS	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Vintebro Senter DA	Norway	Oslo	100,0 %	100,0 %	Fully consolidated	Shopping centre
Økern Eiendom ANS	Norway	Oslo	50,0 %	50,0 %	Equity method	Other
Økern Sentrum ANS	Norway	Oslo	50,0 %	50,0 %	Equity method	Shopping centre

Company name	Country	Headquarter	Share as of 31.12.14	Share as of 31.12.13	Consolidation method	
Økern Sentrum AS	Norway	Oslo	50,0 %	50,0 %	Equity method	Other
Åsane Hotellutvikling AS	Norway	Bergen	49,9 %	49,9 %	Equity method	Other
Åsane Kontorutvikling AS	Norway	Bergen	49,9 %	49,9 %	Equity method	Other
Åsane Kulturutvikling AS	Norway	Bergen	49,9 %	49,9 %	Equity method	Other
Åsane Storsenter DA	Norway	Bergen	49,9 %	49,9 %	Equity method	Shopping centre
Åsane Storsenter Drift AS	Norway	Bergen	49,9 %	49,9 %	Equity method	Service charge
Åsene Senter AS	Norway	Bergen	49,9 %	49,9 %	Equity method	Other
Bruun's Galleri A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Shopping center
Bryggen, Vejle A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Shopping center
Steen & Strøm Danmark A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Management
VIVA, Odense A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Shopping center
Fields Copenhagen I/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Shopping center
Field's Eier I A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Holding
Field's Eier II A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Holding
Steen & Strøm CenterDrift A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Other
Steen & Strøm CenterService A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Other
Steen & Strøm CenterUdvikling VI A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Other
Steen & Strøm Holding A/S	Denmark	Copenhagen	100,0 %	100,0 %	Fully consolidated	Holding
Steen & Strøm Holding AB	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Holding
Detaljhandelshuset i Hyllinge AB	Sweden	Stockholm	0,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Allum	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Borlänge Köpcentrum	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Centrum Västerort	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB CentrumInvest	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Holding
FAB Emporia	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Hageby Centrum	Sweden	Stockholm	0,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Lantmäteribacken	Sweden	Stockholm	0,0 %	100,0 %	Fully consolidated	Other
FAB Marieberg Galleria	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB P Brodalen	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB P Porthälla	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB P Åkanten	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Sollentuna Centrum	Sweden	Stockholm	0,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Uddevallatorpet	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Viskaholm	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
FAB Västra Götaland	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Other
FAB Överby Köpcentrum	Sweden	Stockholm	0,0 %	100,0 %	Fully consolidated	Shopping centre

Company name	Country	Headquarter	Share as of 31.12.14	Share as of 31.12.13	Consolidation method	
Lackeraren Borlänge AB	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Other
Mitt i City i Karlstad FAB	Sweden	Stockholm	0,0 %	100,0 %	Fully consolidated	Shopping centre
Mässcenter Torp AB	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
NorthMan Sverige AB	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
Partille Lexby AB	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
Steen & Strøm Sverige AB	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Other
Västra Torp Mark AB	Sweden	Stockholm	100,0 %	100,0 %	Fully consolidated	Shopping centre
Grytingen Nya AB	Sweden	Stockholm	64,8 %	64,8 %	Fully consolidated	Shopping centre

Annual report Steen & Strøm AS
for the period January 1 to December 31

Figures in NOK 1000

Operating income and expenses	Note	2014	2013
Other operating income	6	50 201	50 226
Gain from sales of assets	7	0	33
Total operating income		**50 201**	**50 259**
Salaries	1	26 118	41 309
Depreciation	7	24 964	7 212
Other operating expenses	13	37 815	26 017
Total operating expenses		**88 897**	**74 538**
Operating profit	6	**-38 696**	**-24 279**
Financial income and expenses			
Income from investments in subsidiaries		163 635	360
Interest received from group companies		62 415	275 147
Other interest income		94 988	15 621
Other financial income	16	126 239	319 467
Interest paid to group companies		-95 186	-3 924
Interest on borrowings	11	-275 369	-453 267
Reversal of write down of shares	9	21 900	0
Gain from sales of shares		0	953 854
Other financial expenses	16	-53 032	-57 451
Net financial income and expenses		**45 590**	**1 049 807**
Net profit before tax		**6 894**	**1 025 528**
Tax cost			
Tax cost on ordinary result	14	48 192	-32 778
Tax cost		**48 192**	**-32 778**
Profit for the year		**55 086**	**992 750**
Profit per share - basic and diluted	*2*	1,81	32,69
Comprehensive income			
Profit of the year		55 086	992 750
Statement of other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Hedging		-35 829	70 488
Item that will not be reclassified subsequently to profit and loss			
Pension		-1 193	3 703
Total comprehensive income for the period, net of tax		**18 063**	**1 066 941**

Annual report Steen & Strøm AS
Year ended December 31

ASSETS	Note	2 014	2 013
Fixed assets			
Intangible assets			
Deferred tax assets	14	366 790	304 908
Total intangible assets		**366 790**	**304 908**
Property, plant & equipment			
Company cabin	7	4 092	4 377
Cars, machinery and equipment	7	128 397	24 752
Total property, plant & equipment		**132 489**	**29 129**
Financial assets			
Investment in subsidiaries	9	6 520 982	6 410 015
Loans to subsidiaries	10, 16	2 566 943	3 729 867
Investments in joint ventures	8	1 480 876	1 504 800
Investments in shares	9	0	66 500
Other receivables	10, 16	636 635	448 795
Total financial assets		11 205 436	12 159 977
Total non current assets		**11 704 715**	**12 494 014**
Current Assets			
Receivables			
Trade receivables		528	710
Loans to group companies	10	180 352	8 508
Other receivables	10	13 295	48 838
Total receivables		**194 175**	**58 056**
Shares and other financial instruments			
Shares		855	460
Cash and cash equivalents			
Cash and cash equivalents	1	3 041 590	2 837 926
Total current assets		**3 236 620**	**2 896 442**
Total assets		**14 941 335**	**15 390 456**

Annual report Steen & Strøm AS
Year ended December 31

EQUITY AND LIABILITIES	Note	2014	2013
Equity			
Contributed equity:			
Ordinary shares (30.402.116 shares à NOK kr.1,91)	2	58 134	58 133
Treasury shares	3	-2 199	-2 198
Equity premium		2 746 456	2 746 456
Total contributed equity		2 802 391	2 802 391
Retained earnings:			
Other equity		1 297 084	1 279 020
Total earned equity		1 297 084	1 279 020
Total equity		**4 099 476**	**4 081 412**
Liabilities			
Non-current liabilities			
Bonds	11	3 723 981	2 040 000
Borrowings to financial institutions	11	2 082 058	4 048 095
Liabilities to group companies	10	0	50 000
Pension liabilities	15	12 296	10 049
Total non-current liabilities		5 818 335	6 148 144
Current liabilities			
Accounts payable		42 807	0
Other taxes &withholdings		1 879	2 326
Borrowings to financial institutions	11	3 259 031	3 065 869
Liabilities to group companies	10	870	235 646
Certificates and bonds and others debt	11	1 450 000	1 520 000
Other current liabilities	16	268 939	337 059
Total current-liabilities		5 023 525	5 160 900
Total liabilities		**10 841 860**	**11 309 044**
TOTAL EQUITY AND LIABILITIES		**14 941 335**	**15 390 456**

Oslo, April 24 2015

Laurent J J Morel
Chairman of the Board

Jean-Michel R Gault
Board Member

Patrick M Kanters
Board Member

Jean-Marc Jestin
Board Member

Alfonso R Torres Villalba
Board Member

Bjørn Tjaum
Managing Director

Terje Daaland
Managing Director

Statement of changes in equity

	Ordinary Shares	Treasury shares	Equity premium	Other equity	Total
Balance 01.01.2013	**58 134**	**-2 199**	**2 746 456**	**212 079**	**3 014 470**
Demergers				-	-
Capitial increase					-
Capital decrease					-
Profit of the year				992 750	**992 750**
Group contributions for 2012				-	-
Cashflow hedging effects and fx.				70 488	**70 488**
Pension				3 703	**3 703**
Balance 31.12.2013	**58 134**	**-2 199**	**2 746 456**	**1 279 021**	**4 081 412**
Balance 01.01.2014	**58 134**	**-2 199**	**2 746 456**	**1 279 021**	**4 081 412**
Demergers					-
Pensions				-1 193	-1 193
Capitial increase					-
Profit of the year				55 086	55 086
Group contributions for 2013					-
Cashflow hedging effects and fx.				-35 829	-35 829
Balance 31.12.2014	**58 134**	**-2 199**	**2 746 456**	**1 297 084**	**4 099 476**

STEEN & STRØM AS	2014	2013

Cash flow statement

Profit for the year	55 086	992 750
Tax expenses for the year	-48 192	32 778
Paid tax for the period	0	0
Gain/Loss on sale of non-current assets	0	-953 887
Depreciation on fixed assets	24 964	7 212
Write-down/reversal of write-down on financial assets	-21 900	0
Changes in accounts receivables	182	14 842
Changes in accounts payable	42 807	-1 931
Changes in other taxes & witholding	-447	1 558
Changes in other current assets & other liabilities	-504 714	183 652
Change in pension	1 054	0
Net cash flow from operating activities	**-451 160**	**276 974**
Proceeds from sale of non-current assets	150	1 311 623
Payments on acquisitions of non-current assets	-128 474	-9 255
Payments on acquisitions of other assets	-27 909	-341 981
Payments on convertion of intercompany debt	-136 744	-2 146 771
Payments/proceeds from borrowings	941 080	0
Change in other investments	67 365	0
Net cash flow from investment activities	**715 468**	**-1 186 384**
Proceeds from borrowings - non current	1 683 981	4 271 809
Payments on borrowings - non current	-1 966 037	-3 762 154
Proceeds from current borrowings	-70 000	576 516
Changes in bank overdraft	193 162	1 003 848
Proceeds from dividends	98 250	127 870
Net cash flow from financial activities	**-60 645**	**2 217 890**
Net changes in cash	**203 663**	**1 308 479**
Cash at the start of the period	**2 837 926**	**1 529 446**
Net changes in cash	**203 663**	**1 308 479**
Cash at the end of the period	**3 041 590**	**2 837 926**

NOTES TO FINANCIAL STATEMENTS 2014

All amounts in NOK 1.000, unless otherwise specified

Accounting Principles
See notes on the group's principles.

Shares in subsidiaries and group
Shares in subsidiaries and joint ventures are stated using the cost method in the company accounts.
Group contributions from subsidiaries are recognized in the year the group contribution has been approved.
Group contribution given in current year is added to the cost price related to investment in subsidiaries decision to be made by the General Assembly.

Note 1
Payroll expenses, number of employees, remuneration etc..

Salaries	**2014**	**2013**
Salaries and wages	15 642	31 927
Social security tax	3 916	4 358
Pension costs	2 537	2 460
Other benefits	4 023	2 564
Total	**26 118**	**41 309**

Number of employees
The average number of employees in Steen & Strøm AS in 2014 was 16 (18).

Remuneration of Directors and Group Management
See note 3 of the consolidated financial statements.

Audit fees
See note 3 of the consolidated financial statements.

Restricted funds
Of the company's cash and cash equivalents TNOK 562 (31.182) amount to restricted funds.

Note 2

Earnings per. share and dividend

Earnings per. Share

Average number of outstanding shares in 2014 was 30.402.116 (30.402.116).

Earnings per. share amounts to 1,81 (32,69) calculated for a profit of TNOK 55.086 (992.750).
Earnings per. share is calculated on the basis of net shares outstanding. Outstanding shares are 29.303

Capital changes

No dividend was paid to the shareholders in 2013.

It is proposed a dividend payment of TNOK 0 (0) for 2014.

Note 3

Number of shares, shareholders ETC

See note 4 of the consolidated financial statements.

Note 4

Shares owned by the CEO or members of the Board

See note 5 of the consolidated financial statements.

Note 5

Treasury shares

See note 4 of the consolidated financial statements.

Note 6
Operating segments

(NOK 1.000)	Shopping centers and projects		Other activities		Total	
	2014	2013	2014	2013	2014	2013
Operating revenue	-	-	50 201	50 259	50 201	50 259
Operating expenditure	-	-	88 897	74 538	88 897	74 538
Operating profit (loss)	-	-	**(38 696)**	**(24 279)**	**(38 696)**	**(24 279)**
Fixed assets	-	-	132 489	29 129	132 489	29 129
Long-term debt	-	-	5 818 335	6 148 144	5 818 335	6 148 144
Investments in the period	-	-	128 474	9 255	128 474	9 255

Due to reorgainizing and internal sales, Steen & Strøm no longer have any shopping center in its balances.

Note 7

Fixed assets and investment properties

Vehicles, furniture and office equipment, software and machinery.

	2014	2013
Acquisition cost as of 01.01	88 349	80 425
Acquisition	128 474	9 255
Disposal	51 107	1 331
Acquisition cost as of 31.12	165 716	88 349
Acc. depreciation as of 31.12	37 320	63 597
Book value as of 31.12	**128 397**	**24 752**
Depreciation for the year	24 679	6 927
Depreciation for the year	3- 8 years	3- 5 years

Company Cabin

	2014	2013
Acquisition cost as of 01.01	6 698	6 698
Acquisition cost as of 31.12	6 698	6 698
Acc. depreciation as of 01.01	2 321	2 036
Acc. depreciation as of 31.12	2 606	2 321
Book value as of 31.12	**4 092**	**4 377**
Depreciation for the year	285	285
Depreciation of property	4 %	4 %

For more information on valuation of investment properties and principles used, see note 8 of the consolidated financial statements.

Note 8

Shares in associated companies/joint ventures

Associated companies/joint ventures in the statutory accounts, recorded at cost method.

Company	Ownership 31.12	Value 01.01	Acquisiton/Disposal 2014	Value 31.12
Metro Senter ANS	50,0 %	578 250	-37 500	540 750
Nordbyen Senter DA	50,0 %	268 750	-24 000	244 750
Åsane Storsenter DA	49,9 %	354 550	37 575	392 125
Økern Sentrum ANS	50,0 %	303 250	-	303 250
Total		**1 504 800**	**-23 925**	**1 480 875**

Note 9

Other investments

Company	Ownership	Value 31.12
Fresch Approach AS	28,0 %	-
Gumøy Golf AS	7,8 %	-
Total		-

	2014	2013
Book value of investments in subsidiaries	6 520 982	6 410 015

All subsidiaries are valued at cost.

I 2014 theres has been a write down of investments in subsidaries of TNOK 17.000 and a reversal of write down of investments in subsidaries of TNOK 34.900 due to impairment tests.

For a list of all subsidiaries of Steen & Strøm AS, see the consolidated financial statements note 27.

Note 10
Intercompany receivables and payables

Current assets and current liabilities	**2014**	**2013**
Current receivables from group companies	180 352	8 508
Current receivables from parent company	-	-
Total current	180 352	8 508
Long-term receivables from group companies	3 203 578	3 729 867
Other receivables	8 537	448 795
Total receivables	3 392 467	4 187 170
Current liabilities to group companies	870	235 646
Long-term liabilities to group companies	-	50 000
Total liabilities	870	285 646

Receivables due after one year	**2014**	**2013**
Other long term assets	3 203 578	3 729 867
Other receivables	0	448 795
Total long-term assets	**3 203 578**	**6 294 633**

Long-term receivables/liabilities to group companies have a maturity of 3 years.

Other receivables	**2014**	**2013**
Receivables from parent	0	0
Other	0	48 838
Total other receivables	0	48 838

Note 11

Liabilities

Long term interest bearing borrowings	**Effective interest rate**	**2014**	**2013**
Bonds	3,16 %	3 723 981	2 040 000
Borrowings to financial institutions	3,44 %	2 082 058	4 048 095
Total		**5 806 039**	**6 088 095**

Current borrowings

1. year repayment term of credit	3,44 %	390 000	1 053 342
Certificates	2,22 %	1 450 000	1 520 000
Borrowing to financial institutions	3,44 %	2 869 031	2 012 527
Total		**4 709 031**	**4 585 869**

Repayment plans, and renegotiation of long-term debt:

Between 1 and 5 years	4 815 400	4 434 313
More than 5 years	990 639	1 653 782
Total	**5 806 039**	**6 088 095**

The table excludes intercompany loans. Secured debt includes also collatoral of other Group companies' assets. See note 26 for a complete listing of subsidiaries in the group.

Note 12
Guarantees

Steen & Strøm AS is by ownership solely responsible for the debts of the following companies.

	Total debt	SST Share	Ownership
Gulskogen Senter ANS	4 061	4 020	99,0 %
Markedet KS	1 973	1 951	98,9 %
Økern Senter ANS	11 458	5 729	50,0 %
Åsane Storsenter DA	3 523	1 758	49,9 %
Nordbyen Senter DA	2 609	1 305	50,0 %
Metro Senter ANS	4 985	2 493	50,0 %
Torvhjørnet Lillestrøm ANS	2 759	28	1,0 %
Total	31 368		

Note 13
Breakdown of other operating expenses

	2 014	2 013
Rental space	7 605	7 782
Management and other fees	7 145	6 337
Other operating expenses	19 143	6 872
Other administrative costs	3 922	5 026
Total	**37 815**	**26 017**

Note 14

Calculation of deferred tax / deferred tax assets and changes in deferred tax /deferred tax assets

	2014	2013
Temporary differences		
Fixed assets	-2 602	-1 166
Long-term liabilities	-8 369	-85 681
Long-term receivables	315 717	287 745
Accruals	-4 381	0
Pension assets / liabilities	-12 296	-10 049
Shares in partnerships	-882 937	-890 947
Shares in partnerships adjustments in 2014	-140 745	55 197
Taxable profit and loss account	28 507	35 975
Accrual of interest rate swap	20 695	8 631
Other differences	-196 937	-147 855
Net temporary differences	-883 347	-748 150
Losses carried forward	-475 134	-325 940
Changes in loss carried forward in 2012 due to income on Partnerships	0	-55 197
Basis for deferred tax / tax assets	**-1 358 482**	**-1 129 287**
27% deferred tax / deferred tax assets	-366 790	-316 200
Change in tax rate (from 28% to 27 %)	0	11 293
Total deferred tax assets (-)/ liabilities	**-366 790**	**-304 907**

Explanation of the tax charge		
27% tax on profit before tax	1 861	287 148
Permanent differences on shares	-6 180	-267 177
Change in valuation allowance for MF shares	-5 913	127
Permanent differences - Other differences (27%)	43	-52 994
Income tax expense	***-10 189***	***-32 897***

Tax expense on ordinary profit for the year:

	2014	2013
Analysis of tax charge:		
Taxes payable	-10 189	-32 897
Change in deferred tax	-51 695	81 418
Change in tax rate (from 28% to 27 %)		11 293
Change in deferred taxes due to demerger	0	0
Other changes	0	0
Effect of group contribution	0	0
The tax effects recognized in equity	13 693	-27 037
Income tax expense, income	**-48 191**	**32 778**

	2014	2013
Basis for tax payable		
Profit before tax	6 894	1 025 528
Write-downs on shares	-21 900	0
Change in pension plan	0	453
Income from partnerships	140 745	47 055
Difference from the sale of shares	0	-953 853
Revenue from the company within the exemption method	-163 635	-350
Unrealized foregin exchange gains	0	0
Other permanent differences	161	333
Basis for this year's tax	-37 735	119 166
Change in temporary differences	-103 790	-236 654
Received group adopted this year	0	0
Taxable income	**-141 525**	**-117 488**
Use of tax loss carryforwards	0	0
Basis for tax payable	**-141 525**	**-117 488**

Note 15

Pensions

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law.
The Group has a defined benefit plan for certain groups of employees. The scheme carries rights to defined benefit contributions. The terms are 30 years of saving. The scheme provides 60% pension in relation to the pensionable salary on 01.01 of the year of the recipient's 67th birthday, as well as benefits for spouse and children. All pension benefits are coordinated with expected contributions from the national insurance. As of 31.12.2014, the scheme had 13 (15) members.

The company also has an additional plan, this scheme is funded from operations. This gives employees full entitlement beyond the limit of 12G described in the above scheme. Both schemes are managed by Storebrand and the obligation is calculated using the same principles and assumptions.

The valuation of pension funds and measurement of accrued liabilities are measured in estimated values. These estimates are adjusted annually in accordance with the statement of the pension fund actual value and the calculated value of the obligation.

Financial assumptions

	2014	**2013**
Discount rate	3,00 %	4,10 %
Expected wage adjustment	3,25 %	3,75 %
Expected return on plan assets	3,00 %	4,10 %
Expected pension increase	0,10 %	0,60 %
Expected adjustment of pension benefits	3,00 %	3,50 %
Expected turnover	2,50 %	2,50 %

The actuarial assumptions are based on common assumptions in the insurance industry with respect to demographic factors.

Amounts recognised in comphrehensive income in respect of these defined benifit plans are as follows

	2014	**2013**
Service cost:		
Current service cost	2 125	2 380
Past service cost and gain (loss) from settlements	-	-
Net intereset expense	412	321
Components of pension costs recognised in profit or loss	**2 537**	**2 700**
Remeasurement of net defined benefit liability:		
Return on plan assets (exl. amounts included in net interest expense)	208	796
Actuarial gains and losses arisining from changes in demographic assumption:	-	1 842
Actuarial gains and losses arisining from changes in financial assumptions	3 100	(7 128)
Actuarial gains and losses arising from experience adjustments	(1 867)	(751)
Other	194	166
Components of pension costs regonised in other comprehensive income	**1 633**	**(5 075)**
Total	**4 171**	**(2 375)**

	2014	**2013**
Net pension liability		
Present value of funded defined benefit obligation	26 561	22 127
Fair value of plan assets	(15 260)	(13 263)
Social security taxes	995	1 184
Net pension liability	**12 296**	**10 049**
Reconciliaiton of pension obligation		
Opening pension liability	10 049	14 569
Effect of transition to IAS 19R to be booked 1.1.2013		
Pension costs recognised in profit or loss	2 537	2 700
Remeasurement gains and losses	1 633	(5 075)
Premium Payments etc	(1 923)	(2 145)
Net recognised pension liability as of 31/12	**12 296**	**10 049**

Note 16
Financial instruments - financial market risk

For a comprehensive description of the Group's strategy, see Note 23 of the financial statements for the Group.

The company has, as of 31.12.2014 recorded a debt of NOK 224.106 (175.741) related to financial instruments.

Summary of receivables and debts in foreign currency:

	2014	**2013**
Long-term receivables		
TSEK	3 463 985	3 777 715
TDKK	-	-
Long-term debt		
TSEK	500 000	809 600
TDKK	-	209 522
Exchange ra Exchange rate on the balance sheet date		
SEK	96,26	93,26
DKK	-	111,26
Figures in Norwegian Kroner		
Long-term receivables	**3 334 432**	**3 523 097**
Long-term debt	**481 300**	**988 147**

Assets and liabilities are recorded at exchange rates per. 31.12.2014. This means that changes in exchange rates compared with last year's exchange rates. 31.12.2013 appear in the accounts as a loss / gain.

Steen & Strøm AS has in 2014 had a net gain on foreign currency of TNOK 91.027 (258.673). Of this amount -7.388 (17.568) is realized

Remaining lines of credit are TNOK 850.000.

Note 17
Related parties

See note 24 of the consolidated financial statements.

Note 18
Litigation and claims

See note 25 of the consolidated financial statements.

Note 19
Subsequent events

See note 26 of the consolidated financial statements.

Deloitte.

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To the Annual Shareholders' Meeting of Steen & Strøm AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Steen & Strøm AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company and the financial statements of the group comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Steen & Strøm AS and of the group as at December

31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and in the statements on Corporate Governance and Corporate Social Responsibility and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, April 24, 2015
Deloitte AS

Bjørn Prestegard
Bjørn Prestegard
State Authorised Public Accountant (Norway)