



NORWEGIAN
PROPERTY

NPRO 3Q 2016: PRELIMINARY RESULTS

Geveran Trading Co Ltd ("Geveran") has made a mandatory offer («Offer») to acquire all issued and outstanding shares in Norwegian Property ASA. The acceptance period for the Offer is to and including 20 October 2016 at 16:30 hours (CET).

Norwegian Property has its ordinary presentation of the Q3 results on 21 October 2016, following the end of the acceptance period for the mandatory offer. In order to secure that all relevant information is available, the Board is issuing this stock exchange release with some of the key figures for the third quarter 2016 based on the preliminary accounts. The data has not been audited.

Key P&L-numbers for the third quarter 2016:

- Profit before tax was NOK 260.7 million in the third quarter 2016 (improvement from NOK 76.5 million in the same quarter in 2015).
- Profit for the period (after tax) was NOK 195.7 million (NOK 71.2 millioner).

- Gross income was NOK 229.7 million in the third quarter 2016 (NOK 220.7 million in the same quarter in 2015), corresponding to a growth of 4.1%. Taking into account acquisition and sale of properties the comparable growth is 10.1% (the Skøyen-portfolio is included to the closing of the sale on 1 September 2016).
- Operating profit before value adjustments was NOK 185.9 million (NOK 170.6 million).
- Net ordinary financial items was NOK 100.5 million (NOK 104.9 million). At the end of the third quarter Norwegian Property has not completed the adjustment of the interest derivatives portfolio following the sale of the Skøyen-properties. Consequently the financial items for the quarter is negatively impacted by a higher average interest cost than earlier and the introduction of a temporary credit facility in connection with termination of an outstanding bond related to the sold properties.
- Net positive change in market value of investment property was NOK 78.3 million in the third quarter 2016 (NOK 118.6 million).

- Net positive change in market value of financial derivative instruments was NOK 97.0 million (negative with NOK 107.9 million). In the third quarter the company has terminated financial derivative instruments for a value of NOK 67.5 million.

As of 30 September 2016 key balance sheet items were (in parenthesis as of 30 September 2015):

- Gross interest bearing debt was NOK 7 414.2 million (NOK 9 358.5 million).
- Cash and cash equivalents was NOK 316.3 million (NOK 10.9 million).
- Net interest bearing debt (gross interest bearing debt less cash and cash equivalents) was NOK 7 097.9 million (NOK 9 347.6 million).
- Market value of the investment portfolio was NOK 14 529.9 million (NOK 16 038.3 million).
- Net LTV (Loan To Value) was 48.9% (58.3%).
- The company has a long term ambition of having a conservative financial risk profile. The long term goal is to have an LTV in the range 45 to 55 per cent.

Key figures per share for the third quarter 2016 (in parenthesis for the same quarter in 2015):

- Basic earnings per share (EPS) was NOK 0.36 (NOK 0.13)
- Book value of equity per share (NAV) was NOK 11.50 (NOK 10.37)
- EPRA NAV per share was NOK 12.83 (NOK 11.70)
- EPRA NNAV per share was NOK 12.22 (NOK 10.95)
- In the third quarter a dividend of NOK 0.05 per share was distributed

Financing and dividend

Prior to the Offer Geveran acquired a shareholding of more than 50% per cent of the company's share capital («Change of control»).

As a consequence of Change of control Norwegian Property is in the final stages of dialogues with the current counterparts of the current bank facilities with respect to continue and adjust existing facilities, including both drawn and undrawn facilities. The investors in the outstanding bonds have a right to cancel their commitment following a Change of control. At the end of the third quarter Norwegian Property had unutilised credit facilities of NOK 1 058 million and a cash position of NOK 316.3 million. The dialogue with the main banks also include a long term agreement for one of the group's main banking facilities that matures in December 2016 and additional credit facilities for potential reduction in the bond volumes. Medio October 2016 the sale of Stortingsgaten 6, with a property value of NOK 506.5 million, will be completed.

In connection with the changes and amendments to the borrowing agreements, net financial items will be charged with a one-off cost in the fourth quarter 2016.

The long term ambition of the company is to pay a dividend of 30 to 50% of operating profit before value adjustments and payable tax. The board will not propose any dividends as long as the bank and bond processes related to "change of control" are ongoing.

Letting

The company's letting situation is still characterised by low vacancy in the Oslo-portfolio (comprising 95 per cent of the property values as of the end of the third quarter) and a high vacancy in the Stavanger portfolio. The main changes in the third quarter are:

- Norwegian Property has, in line with previous stock exchange announcements, negotiated a lease contract with District Frogner in Oslo Municipality for rent of the Drammensveien 60 (approximately 11 000 sqm)
- UDI (The Norwegian Directorate of Immigration) has announced that the contract for lease and operation of temporary housing for refugees in Forusbeen 35 will not be extended beyond November 2016

The ordinary presentation of the results with detailed information will be carried out as originally planned on 21 October 2016. Before this date dialogue on financial information will be limited to the content in this stock exchange release.

Oslo, 13 October 2016

The Board of Norwegian Property ASA

This information is subject of the disclosure requirements according to §5-12 of the Norwegian Securities Trading Act ('Verdipapirhandelloven').

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