



NORWEGIAN
PROPERTY

1st quarter 2017

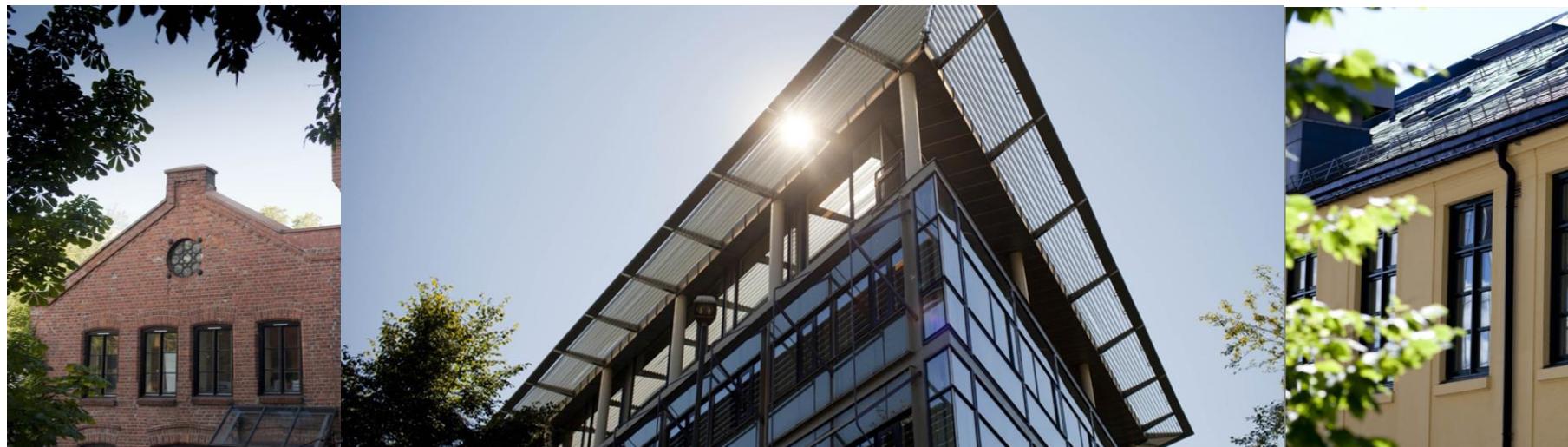
Oslo, 5 May 2017

Agenda

- Highlights
- Financial update
- Markets and operations
- Closing remarks
- Q&A session

Q1 in short:

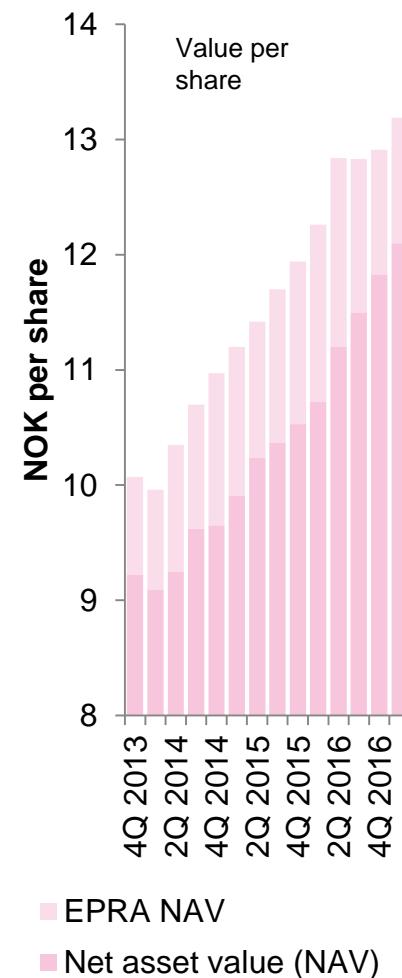
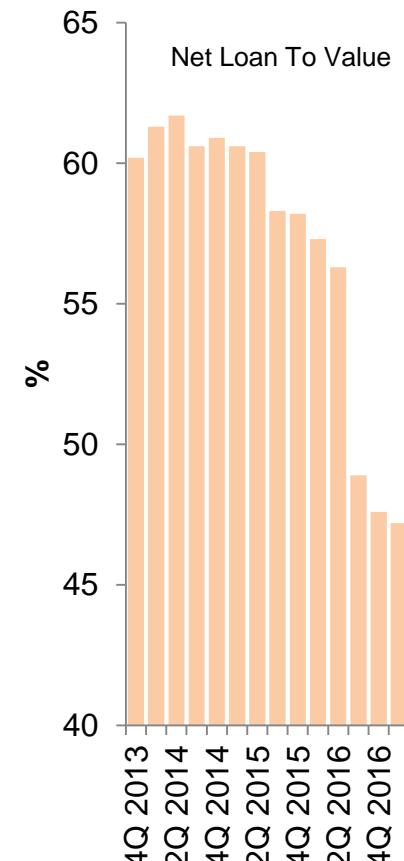
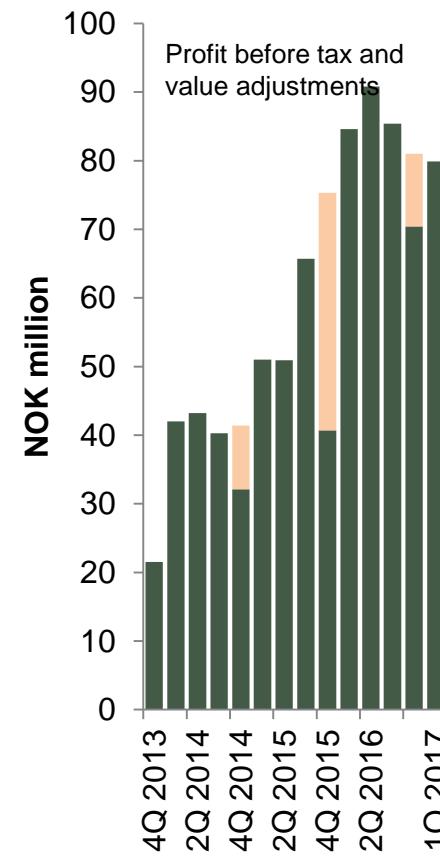
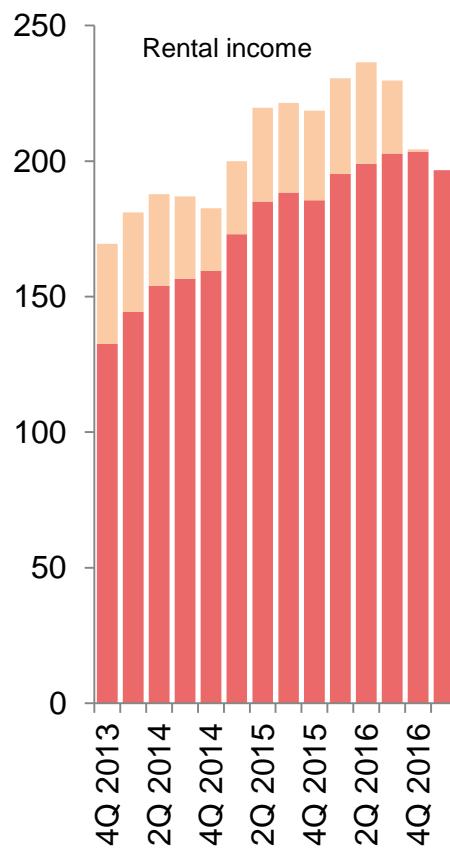
- Revenues NOK 196.6 million
- Earnings per share (EPS), NOK 0.39
- Dividend of NOK 0.07 per share for Q1
- New rental contracts reflecting positive rental markets
- Partnering for future development initiatives



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Financial highlights



*) Revenues related to sold properties; Skøyen-portfolio, Lysaker Torg 35, Maridalsveien 323, Strandsvingen 10, Stortingsgata 6 and Finnstadveien 44

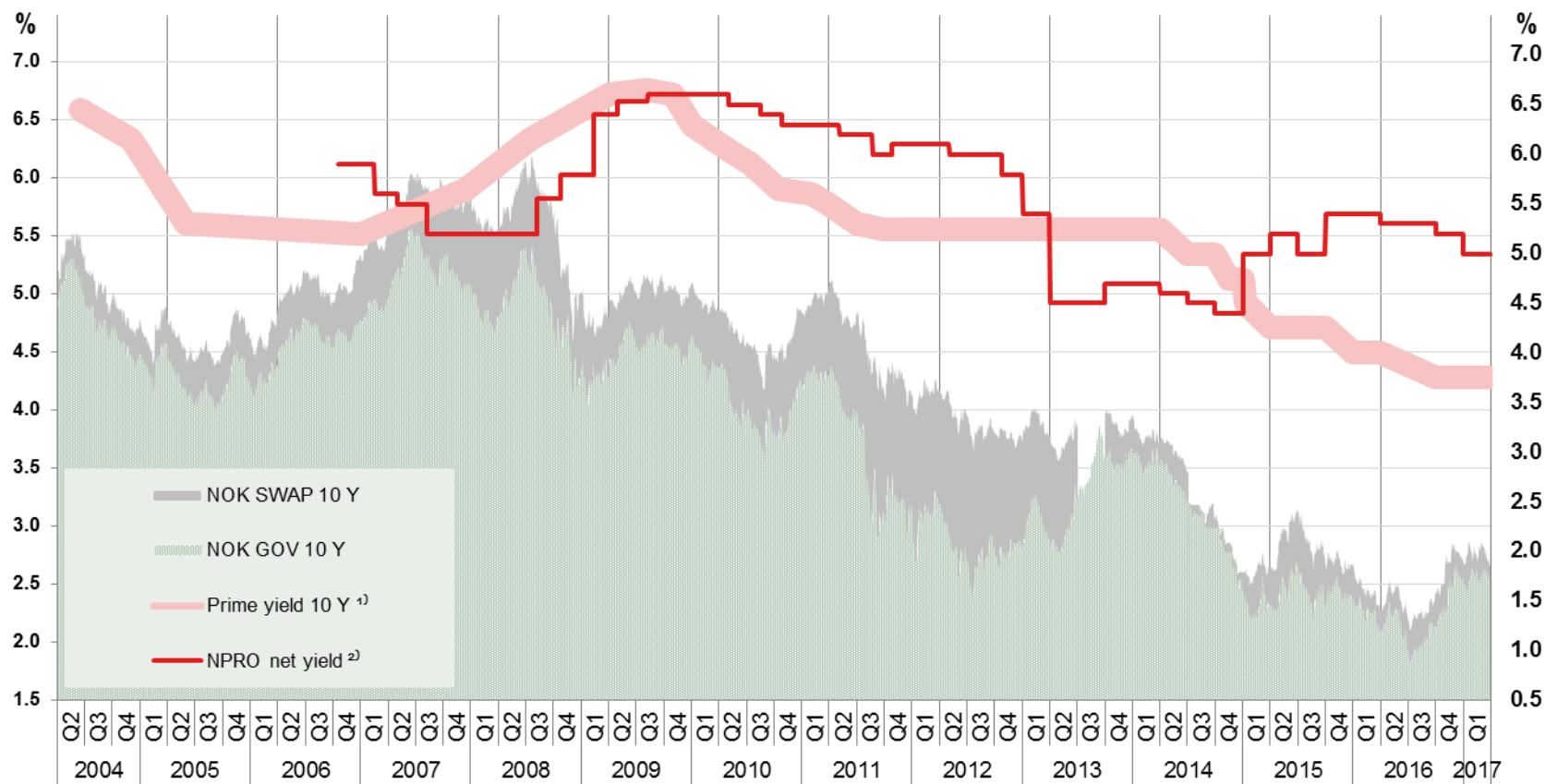
Income statement – Q1 2017

NOK million	Q1 2017	Q1 2016
Revenue ¹	196.6	230.5
Property-related operational expenses ²	(16.8)	(12.4)
Other property-related expenses	(13.6)	(14.4)
Administrative expenses	(12.5)	(14.9)
Operating profit before value adjustments	153.7	188.8
Change in market value of investment property	196.7	109.0
Operating profit	350.4	297.9
Realised financial items	(73.8)	(104.3)
Change in market value of financial derivative instruments	10.6	(39.1)
Net financial items	(63.2)	(143.3)
Profit before income tax	287.2	154.6
Income tax (not payable)	(75.1)	(54.8)
Profit for the period	212.1	99.8
Earnings per share (NOK)	0.39	0.18
Profit before income tax and value adjustments	79.9	84.6

¹ Adjusted for purchase and sale of properties, revenue is unchanged from Q1 2016 to Q1 2017

² Property tax introduced in Oslo in 2017

Yield spread



¹ Source: Akershus Eiendom

² NPRO net yield as summarised in slide; Portfolio valuation by area Q1-2017

Portfolio valuation by area Q1-2017

- External valuation conducted by Cushman & Wakefield and Akershus Eiendom
 - Positive fair value adjustment of NOK 196.7 million (1.4 per cent of portfolio value)
 - NOK 55.4 million: negative effect from properties with short term contracts or vacancies
 - NOK 252.1 million: positive effect on other properties, primarily from reduced discount factors

Area	Total space (m ²)	Duration (years)	Valuation		Gross rent per year		Net yield ¹ (%)	Space not generating revenue (%) ³	Adjusted vacancy ⁴
			NOK mill.	NOK/m ²	NOK mill.	NOK/m ²			
Oslo	CBD	128 428	6.8	9 968.7	77 621	396.5	3 088	3.7	16.4
	Skøyen ²	41 606	1.9	959.8	23 069	97.9	2 353	9.4	0.0
	Nydalen	89 563	4.1	1 768.9	19 750	122.7	1 370	6.4	4.6
	Other	79 090	2.2	977.4	12 358	125.9	1 592	11.9	0.0
Total Oslo Portfolio		338 687	4.9	13 674.8	40 376	743.1	2 194	5.0	8.0
Stavanger		92 730	2.7	665.9	7 181	33.0	356	4.6	74.3
Total office portfolio		431 417	4.8	14 340.7	33 241	776.1	1 799	5.0	23.8
Portfolio ex FB 35⁵								19.5	13.9

¹ For illustration; based on rents as of 31 March 2017 and estimated property expenses of 8 per cent; including effect of property tax

² Skøyen include Hovfaret 11 and Nedre Skøyenvei 24 and 26, properties agreed sold with take over in March 2019

³ Space not generating revenue comprise light areas (office, retail etc)

⁴ Taking into rental contracts signed, but not started as of 31 March 2017

⁵ Vacancy is calculated excluding Forusbeen 35 where a zoning process for conversion is initiated

Financial position

Interest bearing debt and hedging		31.03.2017	31.12.2016	31.12.2015
Total interest bearing debt	NOK million	6 973.6	6 767.2	9 519.7
Property value	NOK million	14 340.7	14 112.1	16 256.2
Net Loan to value ¹	Per cent	47.2	47.6	58.2
Cash and cash equivalents	NOK million	210.5	46.2	55.8
Unused committed credit facilities	NOK million	900.0	1 058.0	308.0
Average remaining duration, hedging	Years	4.3	4.1	4.3
Average interest rate (including margin)	Per cent	3.90	4.20	4.33
Average margin	Per cent	1.61	1.64	1.40
Average remaining duration, borrowing	Years	2.1	2.3	1.7
Hedging ratio	Per cent	63.8	63.3	60.9

- **Sale of holding of own bonds in January 2017;**

- NPRO 02 MNOK 126 corresponding to 72 basis points margin (appr. 1 year duration)
- NPRO 05 MNOK 291 corresponding to 106 basis points margin (appr. 2.75 years duration)

¹ Net loan to value = net interest bearing debt divided by gross property value

Balance sheet

NOK million	31.03.2017	31.03.2016
Investment properties	14 340.7	16 375.1
Property, plant and equipment	48.3	45.0
Receivables	88.6	115.0
Cash and cash equivalents	210.5	24.8
Equity	6 633.7	5 878.7
Deferred tax	546.7	313.9
Long term interest bearing debt	6 508.5	4 513.5
Short term interest bearing debt	465.2	4 877.5
Market value financial derivatives (net)	283.1	704.7
Net other debt	250.9	271.6
Equity ratio (%)	45.1	35.5
NAV per share, book value of equity (NOK)	12.10	10.72
EPRA NAV per share (NOK)	13.19	12.26
EPRA NNNAV per share (NOK)	12.87	11.44

Cash flow – Q1 2017

NOK million	Q1 2017	Q1 2016
Cash flow from operating activities ¹	56.6	110.1
Cash received from sale of assets	-	29.9
Purchase of tangible assets	(33.5)	(40.2)
Cash flow from investment activities	(33.5)	(10.3)
Net change in interest bearing debt	207.0	(130.8)
Paid dividend	(65.8)	-
Net cash flow from financing activities	141.2	(130.8)
Net change in cash	164.3	(31.0)
Net cash at end of period	210.5	24.8

¹ Includes NOK 42.7 million in payments on termination of interest-rate derivatives in Q1 2017

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Market trends



:: AKER BRYGGE, OSLO:
VERKSTEDHALLENE::

Rental market Oslo

- Space vacancy 7 per cent
- Limited new office space supply near term
- Higher level of lease expiries in 2017-2019
- Residential prices trending upwards – very attractive levels for conversion of offices to residential
- Reduced vacancy - positive rental outlook

Rental market Stavanger

- Rental markets continue to be challenging
- Initial phase of recovery

Transaction market still strong

- Strong transaction markets, total volume in Q1-17 estimated to NOK 30 bn
- International investors 35% of buy side
- Prime yield 3.75%
- Swap-rates stabilising
- Still tight bank market; but bond market very competitive

New leases in Q1

Badehusgaten 37, Stavanger

- Faroe Petroleum Norge AS entering lease for 2 023 sqm
- Occupancy in Badehusgaten increased to 67%
- Increased interest as vacancy is reduced



**:: BADEHUSGATA 33-39:
LEASE CONTRACT ENTERED**

Sandakerveien 130, Nydalen

- Trygderetten entering 10 year lease for 2 287 sqm
- Increasing rents in Nydalen, low market vacancy



**:: SANDAKERVEIEN 130:
LEASE CONTRACT ENTERED**

Contracts in Q1-2017

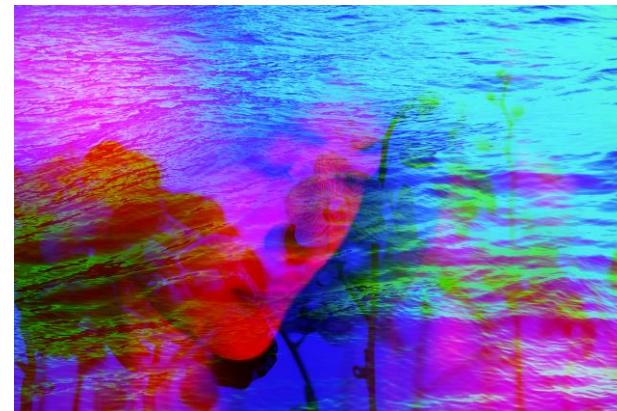
- Entered a total of 15 new contracts with annual gross rent of NOK 25.7 million

Retail Aker Brygge

Growth y/y from 2016: + 19.4%



- **Retail revenues full Q1-2017**
 - Retailer's total revenue on Aker Brygge
 - Q1 - 2016 NOK 280 mill.
 - Q1 - 2017 NOK 334 mill.
 - Growth y/y from 2016 + 19.4 %
 - Growth full year 2016/2015 + 11.8 %
- **Compared to +2.6 per cent; average in Q1-2017 for 60 largest shopping malls in Norway¹**



¹ Source: Kvarud Analyse

Pier x – Collaborative Venture Hub

- meeting demand for more flexibility at Aker Brygge

Since 2013 – success with Business Village

- 31 offices of different sizes
- Common reception, meeting facilities and social spaces
- Contracts; typically 1 – 3 years
- Pricing reflecting flexibility and service level



BUSINESS VILLAGE

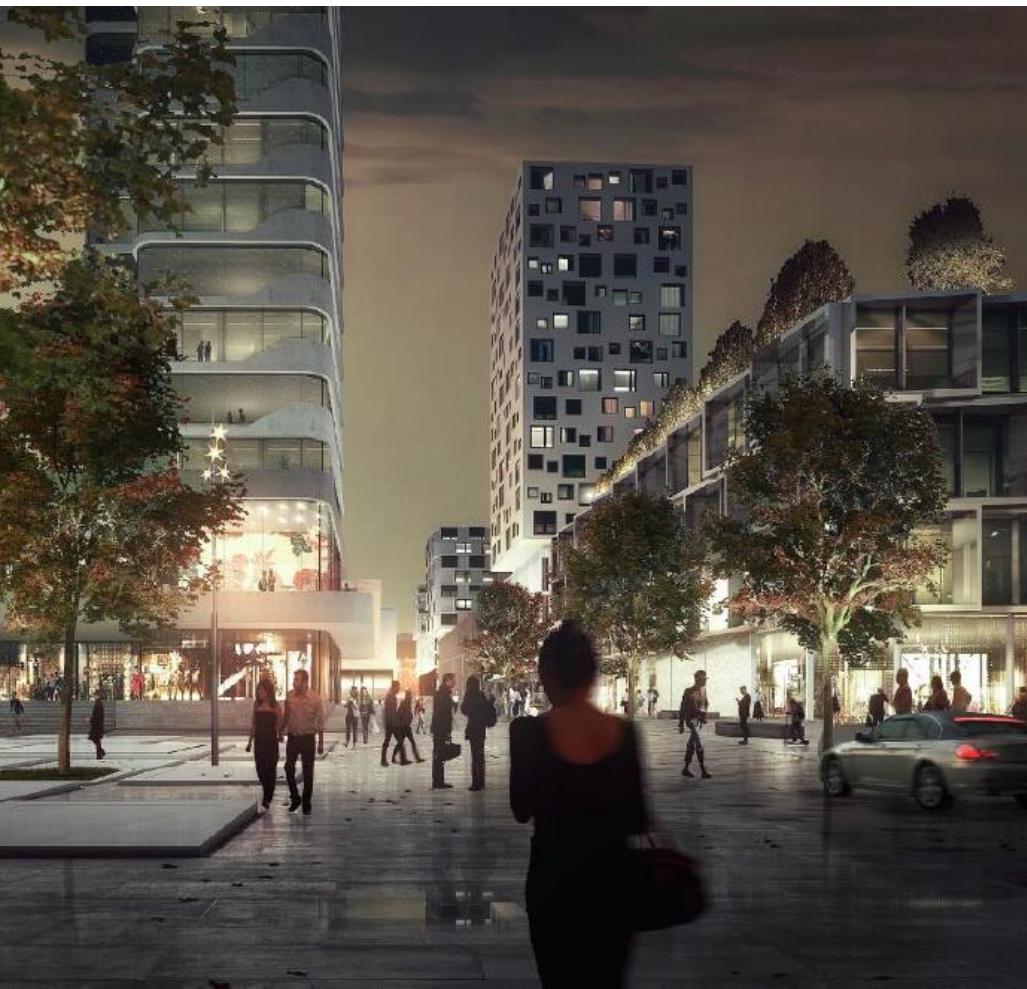
Introducing Pier X at Aker Brygge

- Collaborative upscale Venture Hub
- Offices, work spaces and social spaces
- Targeting investors, tech-companies, advisers and international partners
- Inspired by international successes like WeWork, Level39, RocketSpace and The Vault



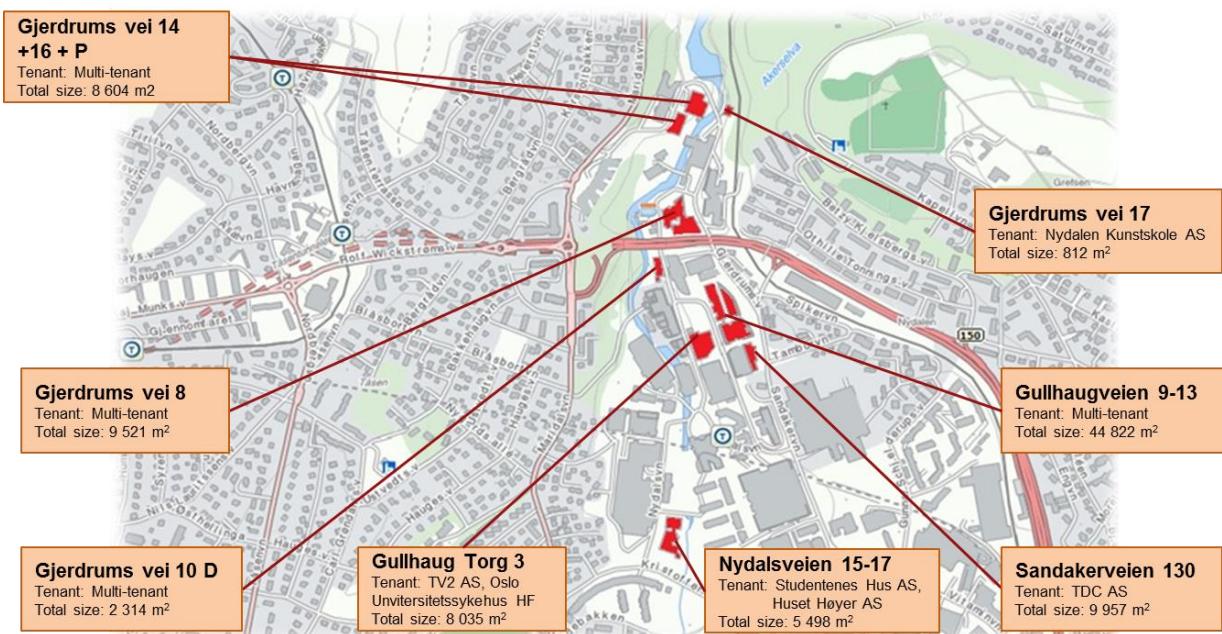
Nydalen

Exciting future for the area



- **Nydalen expanding footprint to include neighbouring areas**
- **Proximity to public transport allows for increased density (Nydalen East - category A development area – municipal master plan)**
- **Continued urbanisation with city centre qualities**

Nydalens Norwegian Property has a strong footprint



- 9 properties
- Appr. 90 000 sqm with additional development potential
- Limited vacancy
- Central and attractive locations

Gullhaug Torg 3, Nydalen

Co-operation with Avantor

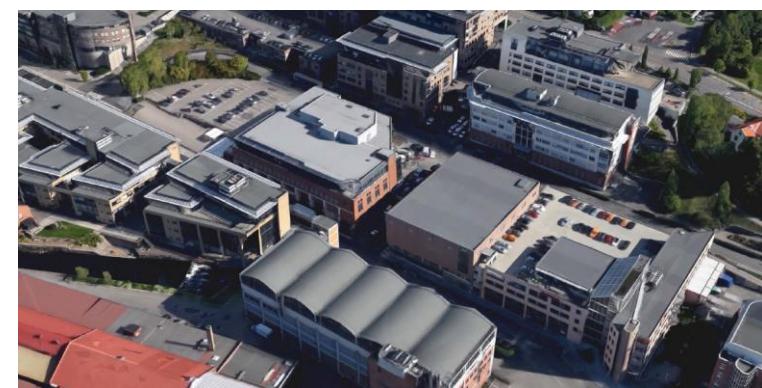
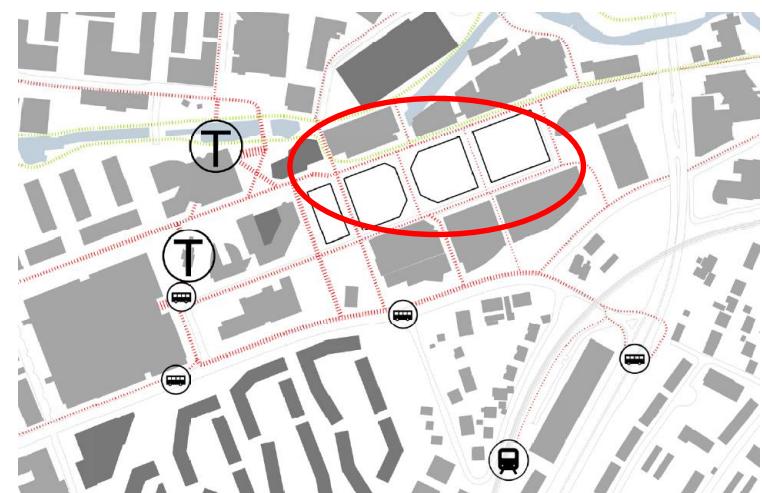
- Entered agreement with Avantor for joint zoning for Gullhaug Torg 3 (NPRO) and the neighbouring properties Gullhaug Torg 1 and 5 (owned by Avantor)

Zoning purpose

- Both commercial and residential with retail on the ground floor
- Potential for significant increase in space
- In accordance with Nydalen+ plan

Gullhaug Torg 3, today

- Total space appr. 8 000 sqm
- Mainly offices and TV-studios
- Plot; appr. 3 800 sqm



Snarøyveien 36, Fornebu

Main target: Convert to multi tenant building

- Main target to maintain use as office
- NPRO has successfully converted multiple single tenant buildings to multi tenants; in this area Lysaker Torg 35 (the previous IF headquarter)

Snarøyveien 36

- Central location on Fornebu close to new underground station to be established
- Appr. 40 000 sqm offices
- Indoor parking, good parking coverage
- Built in 2007, flexible structure
- Current lease expires in November 2019 ¹
- Plot 23 000 sqm



¹ Partial termination November 2017

Snarøyveien 36, Fornebu

Exploring alternative use

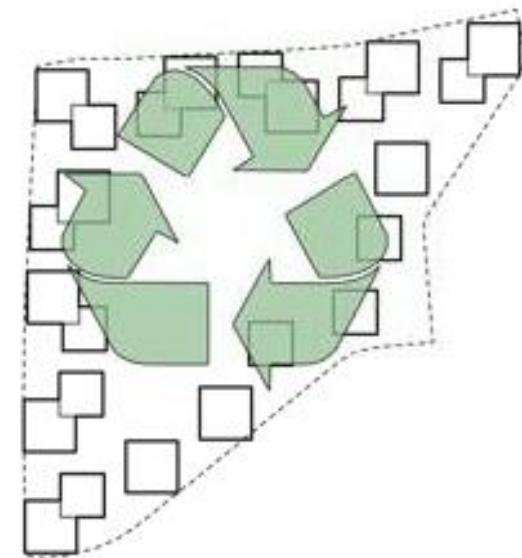
Alternative use: transformation to residential

Parallel process

- Co-operating with current tenant
- MAD Architects selected after architect competition
- Project adding many qualities to Fornebu
 - Opening axis in several directions
 - Adding urban qualities
- Focus on recycling of materials, including using current basement

Important criterias for evaluation

- Timing of residential zoning and projects
- Utilisation of plot
- Project calculations, including project costs
- Future market conditions for residential and offices







Forusbeen 35, Stavanger

Entering into partnership for development

Entered into agreement with Base Property

- Zoning and development of Forusbeen
- Target mixed use: residential, long stay rental apartments, retirement homes and commercial areas on ground floor

Zoning purpose

- Both commercial and residential with retail on the ground floor
- Potential for significant increase in space

Forusbeen 35

- Total space appr. 23 300 sqm, offices, storage and parking
- Plot appr. 23 100 sqm
- Built in 1986/1990
- Currently fully vacated



:: FORUSBEEN 35:
CENTRAL LOCATION FORUS, STAVANGER



:: FORUSBEEN 35:
CURRENTLY FULLY VACATED

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Summary

- Positive fundamentals in rental market
- Current and future vacancies are key priorities
- Focus on strengthening position in current key clusters and exploiting long term potential in properties
- Dividend of NOK 0.07 for Q1-2017



Jamie's Italian replacing Jacob Aall on Stranden in May 2017



TV2 starting daily broadcasting of God Morgen Norge from Aker Brygge in 2H-2017 (photo: Håvard Solem TV2)

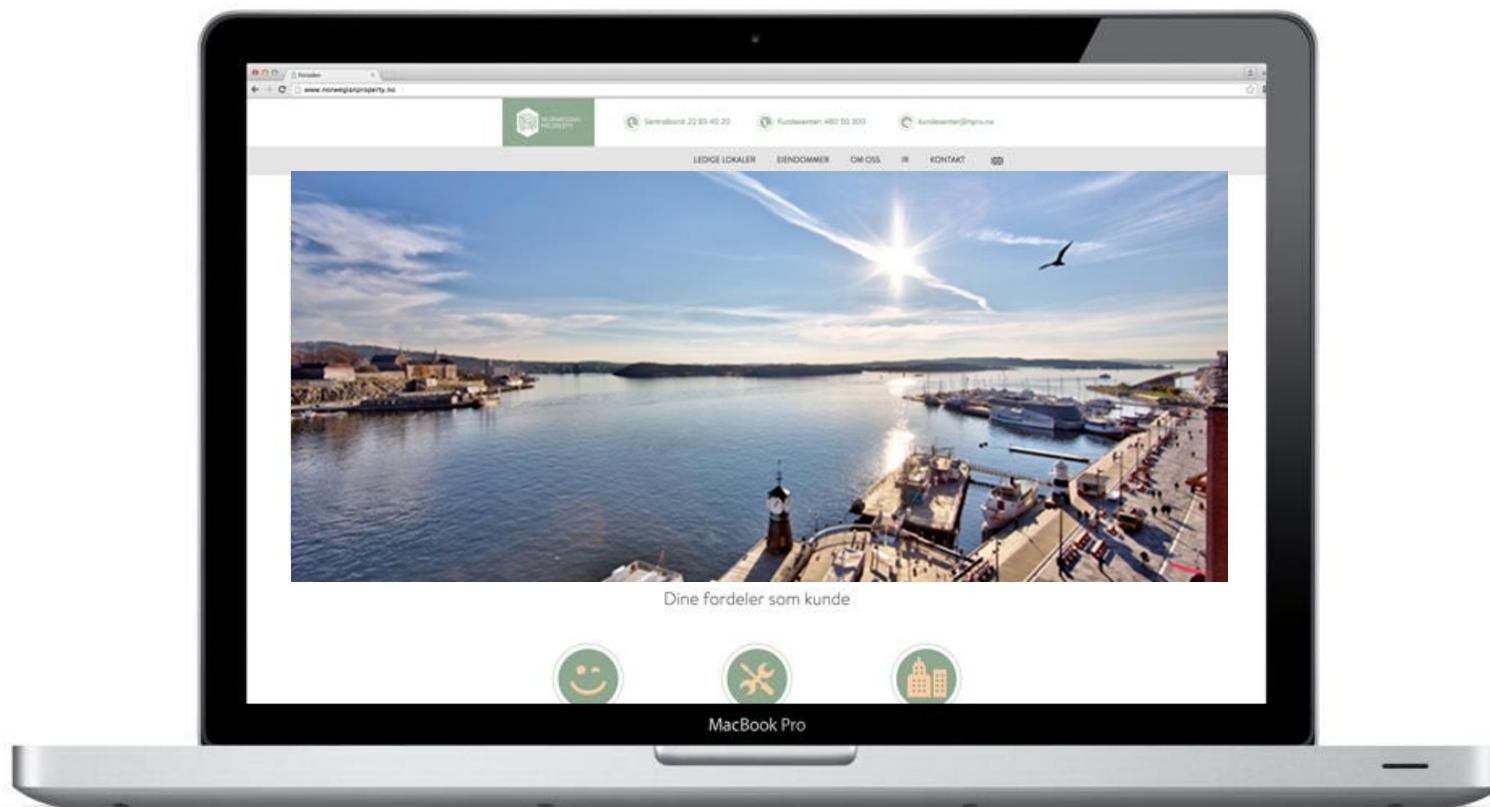


5 May 2017



Danske Bank

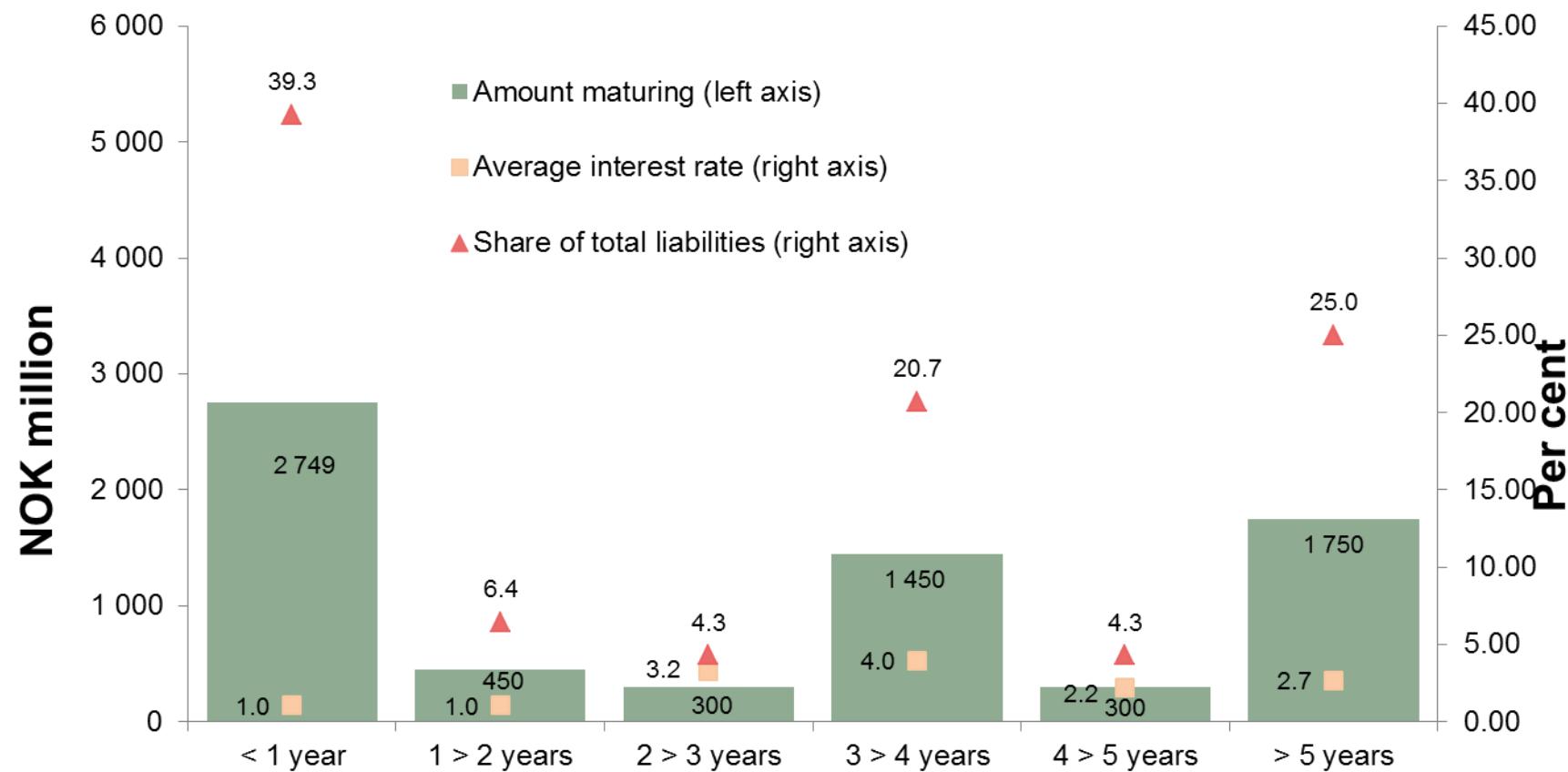
Q & A



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Maturity profile interest hedges Q1-2017



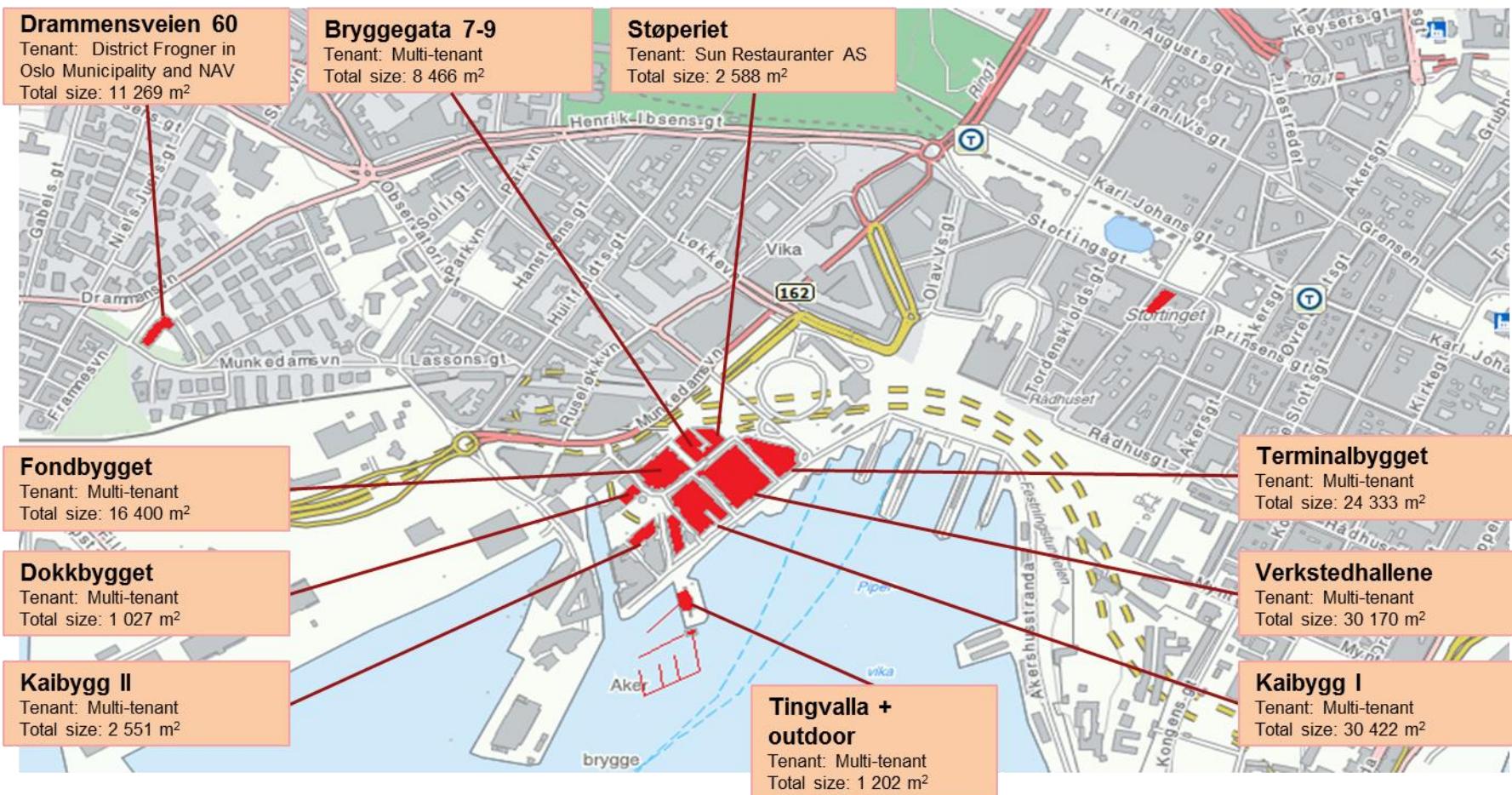
Overview and key figures



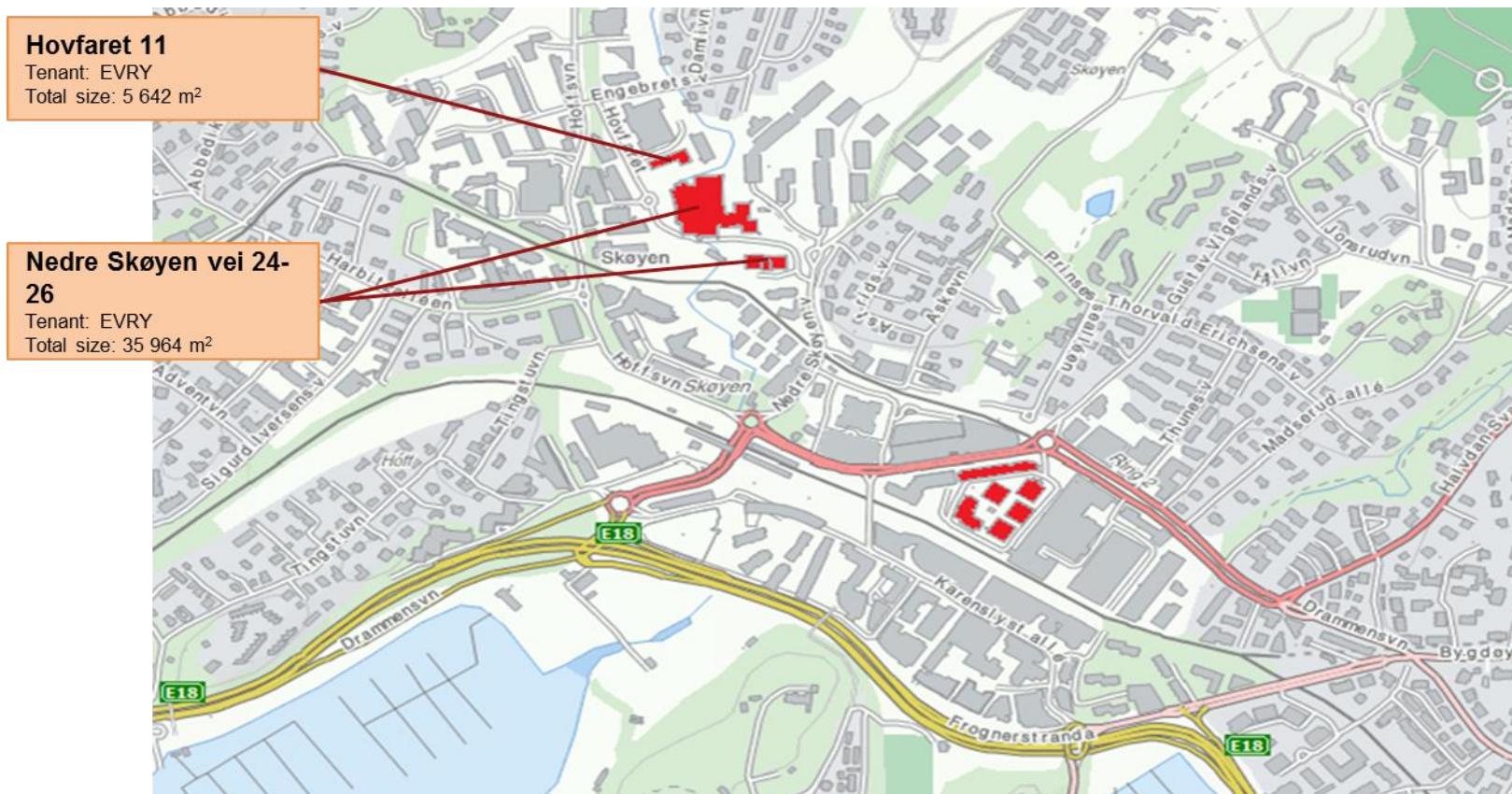
Key figures as of 31 March 2017		
Properties	no	32
Portfolio size (ex. new space in redev. Projects)	m ²	431 417
Average size per property	m ²	13 482
Gross rent per year (run rate)	NOK mill.	776
Operational expenses per year ¹	NOK mill.	62
Net rent per year (run rate)	NOK mill.	714
Average gross rent per m ² per year	NOK	1 799
Gross market value	NOK mill.	14 341
Average value per property	NOK mill.	448
Average value per m ²	NOK	33 241
Gross yield, actual	%	5.4
Net yield, actual	%	5.0
Duration	Years	4.8
CPI adjustment per 1 Jan 2016	%	99.8
Vacancy (space including strategic vacancy)	%	23.8



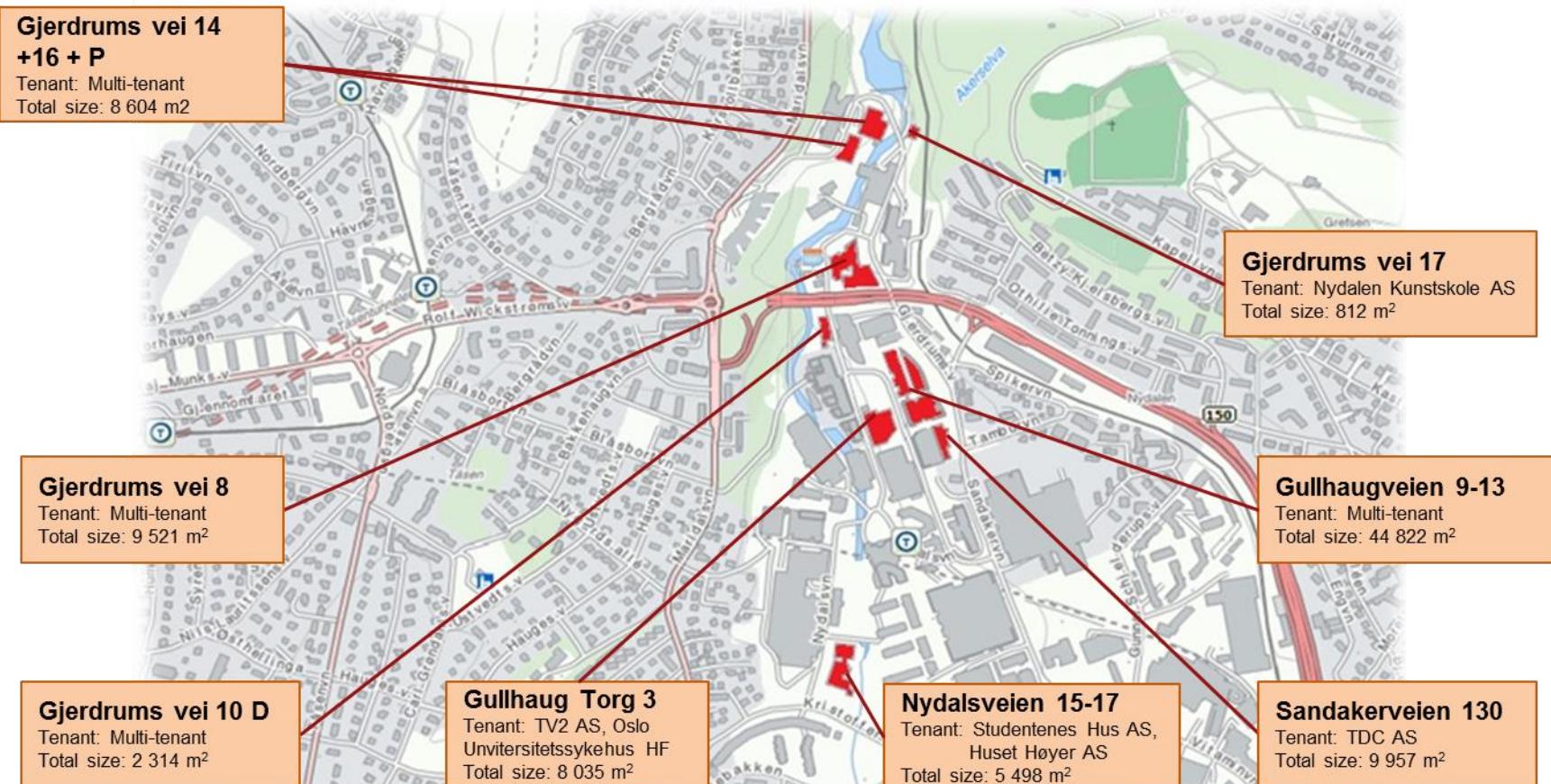
CBD



Skøyen



Nydalen



Stavanger

Maskinveien 32

- Office: 4 106 m²
- Total: 5 169 m²



Svanholmen 2

- Office: 2 846 m²
- Retail: 6 910 m²
- Total: 9 756 m²



Grenseveien 21

- Office: 27 966 m²
- Total: 27 966 m²



Badehusgaten 33-39

- Office: 18 871 m²
- Total: 21 089 m²



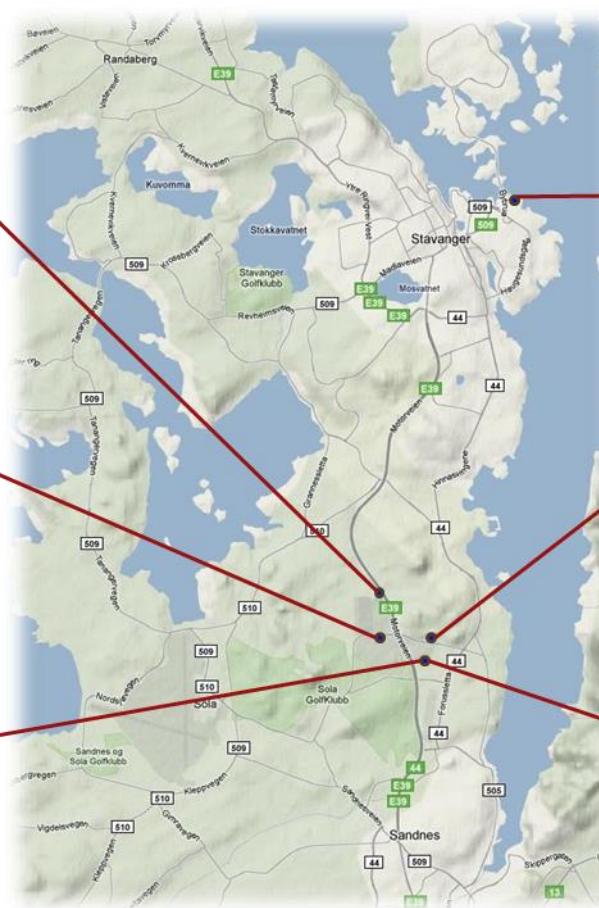
Forusbeen 35

- Office: 19 075 m²
- Total: 23 299 m²



Grenseveien 19

- Office: 5 451 m²
- Total: 5 451 m²



Property details Q1-2017

1/4

Property	Property facts						Rent facts				
	Space split						Space vacancy	CPI	Duration per Mar 2017	Run rate per Mar 2017	
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2					
OSLO/AKERSHUS	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million	
CBD											
Bryggegata 7-9	6 378	2 088	0	0	0	8 466	9.0	97.0	6.7	27.7	
Dokkbygningen	612	389	26	0	0	1 027	38.9	100.0	7.7	1.0	
Drammensveien 60	8 089	757	1 949	463	11	11 269	100.0	100.0	10.8	0.0	
Fondbygget	13 003	2 442	868	0	87	16 400	20.9	100.0	5.9	42.0	
Kaibygning I (Stranden 5)	20 959	6 483	2 222	0	758	30 422	1.0	100.0	7.2	112.1	
Kaibygning II	0	1 724	827	0	0	2 551	0.0	100.0	7.8	11.4	
Støperiet	0	2 032	0	0	556	2 588	0.0	100.0	2.3	4.8	
Terminalbygget (Stranden 1)	17 779	3 209	1 680	1 361	304	24 333	2.2	100.0	7.5	94.1	
Tingvallautstikkeren, uteareal og marina *	0	1 202	0	0	0	1 202	0.0	98.0	4.2	19.0	
Verkstedhallene (Stranden 3)	19 226	7 794	2 303	0	847	30 170	18.5	100.0	6.5	84.4	
Total CBD	86 046	28 120	9 875	1 824	2 563	128 428	16.4	99.7	6.8	396.5	
* Adjusted for normal seasonal short term contracts											

Property details Q1-2017

2/4

Property	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m ²	Space vacancy	CPI	Duration per Mar 2017	Run rate per Mar 2017
OSLO/AKERSHUS	m²	m²	m²	m²	m²	m²	%	%	Years	NOK million
Nydalen										
Gjerdrums vei 10 D	2 060	0	254	0	0	2 314	5.4	100.0	2.3	3.6
Gjerdrums vei 14, 16 and 16 P-house	5 363	0	976	2 265	0	8 604	5.7	98.0	3.1	9.5
Gjerdrums vei 17	812	0	0	0	0	812	0.0	100.0	4.9	1.1
Gjerdrums vei 8	7 726	0	633	1 162	0	9 521	4.5	100.0	4.5	15.6
Gullhaug Torg 3	7 981	0	54	0	0	8 035	0.0	100.0	4.0	15.7
Gullhaugveien 9 - 13	24 693	0	7 226	12 903	0	44 822	4.2	100.0	3.7	53.9
Nydalsveien 15	3 524	192	63	0	28	3 807	0.0	100.0	7.6	7.7
Nydalsveien 17	0	1 691	0	0	0	1 691	0.0	100.0	7.5	4.7
Sandakerveien 130	5 317	0	1 279	3 361	0	9 957	17.1	100.0	3.8	11.1
Total Nydalen	57 476	1 883	10 485	19 691	28	89 563	4.6	99.8	4.1	122.7

Property details Q1-2017 3/4

Property	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m2	Space vacancy	CPI	Duration per Mar 2017	Run rate per Mar 2017
OSLO/AKERSHUS	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
Skøyen										
Hovfaret 11	4 377	0	569	0	696	5 642	0.0	100.0	1.9	13.6
Nedre Skøyen vei 24	3 630	0	1 215	0	0	4 845	0.0	100.0	1.9	14.7
Nedre Skøyen vei 26	20 211	0	696	4 631	5 581	31 119	0.0	100.0	1.9	69.5
Total Skøyen	28 218	0	2 480	4 631	6 277	41 606	0.0	100.0	1.9	97.9
Other										
Oslo Airport Gardermoen	0	0	0	0	20 976	20 976	0.0	100.0	2.7	29.5
Snarøyveien 36 (prev. Aker Hus) *	40 786	0	0	17 328	0	58 114	0.0	100.0	2.1	96.4
Total Other	40 786	0	0	17 328	20 976	79 090	0.0	100.0	2.2	125.9
TOTAL OSLO / AKERSHUS	212 526	30 003	22 840	43 474	29 844	338 687	8.0	99.8	5.0	736.1
* Tenant has terminated part of space with effect from November 2017										

Property details Q1-2017 4/4

Property	Property facts						Rent facts			
	Space split									
Property	Offices	Retail / restaurant	Warehouse	Indoor parking	Other	Total m ²	Space vacancy	CPI	Duration per Mar 2017	Run rate per Mar 2017
STAVANGER	m ²	m ²	m ²	m ²	m ²	m ²	%	%	Years	NOK million
CBD										
Badehusgata 33-39	18 871	0	256	1 962	0	21 089	55.6	100.0	4.4	12.4
Forus/Airport										
Forusbeen 35	19 075	0	0	4 224	0	23 299	100.0	NA	0.0	0.0
Grenseveien 19	5 451	0	0	0	0	5 451	100.0	NA	0.0	0.0
Grenseveien 21	27 966	0	0	0	0	27 966	100.0	NA	0.0	0.0
Maskinveien 32	4 106	0	405	658	0	5 169	0.0	100.0	1.0	8.6
Svanholmen 2	2 846	6 910	0	0	0	9 756	3.1	100.0	2.2	12.0
TOTAL STAVANGER	78 315	6 910	661	6 844	-	92 730	74.3	99.9	2.7	33.0
GROSS TOTAL	290 841	36 913	23 501	50 318	29 844	431 417	23.8	99.8	4.8	776.1

Largest shareholders as of 31 Mar 2017

#	Name	Share (%)	Number of shares	Account type	Nationality
1	GEVERAN TRADING CO L	57.6	315 969 937		CYP
2	FOLKETRYGDFONDET	13.5	73 951 642		NOR
3	NIAM V PROSJEKT AS c/o Langham Hall UK	12.3	67 437 425		NOR
4	The Bank of New York c/o BNYMSANV RE SANV	4.3	23 730 241	NOM	NLD
5	State Street Bank an A/C WEST NON-TREATY	1.0	5 494 450	NOM	USA
6	CEK HOLDING AS	0.6	3 255 807		NOR
7	State Street Bank an SSB, : ISHARES EUROP	0.4	2 199 229	NOM	IRL
8	State Street Bank an A/C CLIENT OMNIBUS F	0.4	2 038 258	NOM	USA
9	VANGUARD TOTAL INTER A/C VANGUARD BBH LEN	0.4	1 921 295		USA
10	KLP AKSJENORGE INDEK	0.3	1 804 712		NOR
11	TR PROPERTY INVESTME S/A TR PROPERTY INVE	0.3	1 641 484		GBR
12	J.P. Morgan Bank Lux JPML SA RE CLT ASSET	0.3	1 608 501	NOM	LUX
13	KAS Bank N.V. S/A CLIENT ACC TREAT	0.3	1 505 620	NOM	NLD
14	NIKI AS	0.3	1 500 000		NOR
15	J.P. Morgan Securiti A/C CLEARING ACCOUNT	0.3	1 479 785	NOM	USA
16	MATHIAS HOLDING AS PER MATHIAS AARSKOG	0.3	1 400 000		NOR
17	Skandinaviska Enskil SEB AB, UCITS V - Fi	0.2	1 164 000	NOM	FIN
18	State Street Bank an SSBTC A/C UK LO. BR.	0.2	1 129 189	NOM	USA
19	VANGUARD GLBL REIT I BROWN BROTHERS HARRI	0.2	1 073 969		USA
20	SANDEN A/S	0.2	1 000 000		NOR
Total 20 largest shareholders		93.2	511 305 544		7/20 NOR

Disclaimer

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