

The Board of Directors of Norwegian Property ASA
Grundingen 6
0250 OSLO
Norway

Oslo, 7 January 2015

Assessment of the mandatory cash offer made by Geveran Trading Co. Ltd

1. Introduction

On 24 November 2014, Geveran Trading Co. Ltd. ("Geveran" or the "Offeror") announced that it on 21 November 2014 had acquired 25,633,104 shares in Norwegian Property ASA ("NPRO" or the "Company") at NOK 10 per share. The acquisition brought Geveran's total ownership in the Company up to 205,910,242 shares, representing 37.54% of the outstanding shares and votes in NPRO. In the announcement on 24 November 2014, the Offeror announced its intention to make a mandatory offer for the remaining shares within four weeks.

Geveran has according to the Norwegian Securities Trading Act section 6 launched a mandatory offer (the "Offer") for all of the remaining shares in NPRO. The cash offer is NOK 10 per share (the "Offer Price"). Detailed information about the offer is set out in an offer document ("Offer Document") from Geveran dated 17 December 2014. The cash offer is guaranteed by DNB.

The Board of Directors of NPRO (the "Board") has a duty under section 6-16 (1) of the Norwegian Securities Trading Act to issue a statement on their assessment of the Offer. The statement shall include an assessment of the impact of a potential completion of the Offer on the Company's interests and the impact of the Offeror's strategic plans (as stated in the Offer Document) for, inter alia, the Company's employees.

SEB Corporate Finance has been engaged by the Board to provide an independent assessment of the Offer from a financial point of view. SEB Corporate Finance's duties according to the engagement have not included advice on tax, legal or accounting issues and no advice given shall be construed as such.

SEB Corporate Finance has used widely accepted valuation principles and based its work on market conditions and publicly available information as per the date of this assessment. In addition, SEB Corporate Finance has received limited non-public information including, but not limited to, extracts from the property appraisals conducted by DTZ and Akershus Eiendom.

2. Methodology

The evaluation of the Offer is based on, inter alia:

- Review of the Offer Document
- Property portfolio valuation and trading multiples, including P/NAV, EBITDA yield and Cash Earnings Multiples (CEM)
- Discounted cash flow and dividend discount model valuation, based on annual and quarterly reports, financial projections and targets prepared by both the Company and by SEB Corporate Finance
- An assessment of research analysts' forecasts, valuations, analyst recommendations and target prices for NPRO

- A review of the Company's share price development
- An assessment of the Offer in view of historical bid premiums
- Evaluation of other factors and shareholder perspectives

In preparing this statement, we have relied on, and assumed, without independent verification, the accuracy and completeness of the information provided to us by the Company. We have relied upon and assumed the accuracy, completeness and fairness of all the financial and other information that was provided to the public by the Company.

With respect to the input provided to us by the Company, we have assumed that it has been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company as to the operating and financial performance of the Company.

We have not conducted any independent verification of the information contained in the Offer Document, but have assumed its accuracy and completeness, and that no information is misleading or withheld. We have not assumed any responsibility for making an independent evaluation of any of the individual assets or liabilities of NPRO or any of its subsidiaries. Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof.

The evaluations supporting the assessment contain subjective elements and reflect our reasonable best estimates based on the assumptions set out herein.

We have not evaluated any tax or legal issues related to the group companies or in relation to the Offer. Hence our assessment is based on financial, economic, market and other conditions as in effect in, and the information made available to us as in December 2014.

3. Impact on the Company

According to the Norwegian Securities Trading Act section 6-16, the statement from the Board shall contain the Board's assessment of the bid's significance for the Company, including any likely consequences of the Offeror's strategic plans on employment and the locations of the Company's places of business.

As described in the Offer Document, the Offeror, following the completion of the Offer, and assuming an outcome of the Offer which makes it possible, the Offeror intends to keep NPRO as a listed company with a broad ownership structure with itself as a large shareholder. Furthermore, the Offer Document states that there are currently no plans for reorganization of NPRO as a result of the Offer. The Offeror intends to continue its support to the Company's business concept which is to create value through growth from ownership, development and management of prime commercial properties located in the most attractive clusters in Oslo and in other key growth areas.

SEB Corporate Finance has not received any information to indicate that the Offeror's statement in any way is incomplete or incorrect, but we are unable to make any further assessment of the consequences of accepting the Offer.

4. Assessment and evaluation of the Offer Price

Based on our assessments and the valuation methods as described herein, we conclude that the Offer Price from Geveran at NOK 10 is, as per the date hereof and from a financial point of view, below the fair value range of the NPRO shares. The assessment of the Offer is based on various generally accepted valuation methods including property portfolio valuation, various trading multiple assessments, discounted cash flow model, dividend discount model, evaluation of equity research target prices and historic offer premiums. Particular emphasis has been put on the property portfolio valuation (NAV) and trading multiples, including P/NAV, EBITDA yield and CEM.

NPRO's reported EPRA NAV¹ per Q3 2014 was NOK 10.7 per share. The Offer Price thus reflects a discount of 7% according to the latest reported EPRA NAV. The reported EPRA NAV has increased over the last quarters, and our assessment is that there has been a positive development in the EPRA NAV also in Q4 2014. Furthermore, we believe that this positive trend will continue in the short- to mid-term driven by e.g. decreasing vacancy rates, increasing rental income, improved cash flow and continued low yield levels.

According to Factset, and based on seven equity research analysts covering NPRO, the median target share price for NPRO is NOK 11. The Offer Price thus reflects a discount of 9% to the consensus target share price.

The Offer Price represents a premium of approximately 2%, 8% and 12% to the Company's volume weighted average share price ("VWAP") for the 3 month, 6 month and 12 month periods preceding the announcement of the Offeror's intention to make a mandatory offer on 24 November 2014, respectively. Based on NPRO's closing share price of NOK 10.05 on 21 November 2014, being the last day the share was traded before the announcement of the Offeror's intention to make a mandatory offer for the remaining shares, the Offer Price represents a 0.5% discount. Hence, we note that the Offer Price does not reflect any offer premium, which has typically been seen in successful Norwegian public takeovers.

5. Reservations

This statement is prepared on the basis of the mandate as financial advisor for the Board of NPRO in connection with the offer described above, and we acknowledge that this statement will be made public together with the Board's own statement. We have endeavored to get a correct impression of NPRO's operations and financial position, but have not performed any independent review or due diligence investigation of the Company or its operations.

This statement is not intended to be and shall not constitute a recommendation to the shareholders of NPRO as to whether to accept the Offer from Geveran or not, and each shareholder remains solely responsible for his/her own decisions.

Evaluations of the nature contained in this assessment will always contain elements of uncertainty, and although reasonable care and efforts have been exerted, we do not accept any legal or financial liability related to this assessment or for any consequences resulting from acting to or relying on statements made in this assessment.

We recommend shareholders to carefully study the Offer Document and draw their own conclusions. Furthermore, we recommend shareholders to seek advice from professional advisors with respect to tax consequences and other conditions of accepting the Offer. We undertake no responsibility with regards to any decisions based on the Board's statement and our assessment of the mandatory offer made by the Offeror.

Our assessment is based on the work and assumptions described above. We have assumed and relied upon, without independent verification, the accuracy and completeness of the information reviewed by us for the purposes of this statement. A major part of the information has been provided by NPRO, and we have assumed that this information is true and complete and that essential information has not been concealed, misrepresented or withheld. We cannot and will not provide any assurance that the content of the information that we have based our statement on is correct or complete, and cannot give any guarantees or assurances with regards to the content.

We assume that NPRO is not involved in any legal disputes, and we are not informed of any other possible, future legal disputes or allegations regarding liability, which in our opinion, in both cases, would be of material importance for the evaluation of the Company's financial situation. Further we assume that all corporate decisions and resolutions have been taken by the relevant corporate bodies and in accordance with relevant legislation.

¹ EPRA NAV is based on the standard calculation method from the European Public Real Estate Association

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As financial advisor to the Board in connection with the Offer, SEB Corporate Finance will receive a fixed fee for our services upon delivery of this statement. In the ordinary course of our trading and brokerage activities, SEB or its associated companies, may at any time hold long and short positions, and trade or otherwise effect transactions, for our own account or the account of customers, in debt or equity securities of NPRO. Furthermore, employees of SEB and related parties could own shares in NPRO and could from time to time buy and sell NPRO shares. In addition, regulatory requirements in certain jurisdictions require research to disclose, amongst other things, the fact that the publisher has received remuneration from the company covered (or entities associated with it) in respect of investment banking activities, and/or the fact that it has been involved in underwriting or placing its securities, in the previous 12 months. In the event that SEB publishes research on NPRO, NPRO agrees to any such required information being disclosed in the research. Any dispute arising out of, or relating to, this presentation shall be governed by the laws of Norway and shall be subject to the exclusive jurisdiction of the Norwegian courts.

Yours sincerely,
SEB Corporate Finance