



2<sup>nd</sup> quarter 2011

Oslo

23 August 2011



# Agenda

Highlights

Olav Line

Financial update

Svein Hov Skjelle

Markets and operations

Olav Line

Closing remarks

Olav Line

Q&A session

# HIGHLIGHTS

## Solid foundation for portfolio development

- Steady operations
  - EPS of NOK 0.25 in second quarter
- Attractive property portfolio
  - Positive value adjustments of 1.0 per cent
  - NAV increases to NOK 11.14
  - EPRA NAV of NOK 11.92
- Loan agreement finalized and first draw-down made
- Reconstruction and modernization of Aker Brygge initiated
- Renewed focus on corporate social responsibility



//NORWEGIAN PROPERTY RELOCATED TO BRYGGEGATA 9 AT AKER BRYGGE IN AUGUST 2011//



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**Financial update**

**Svein Hov Skjelle**

Markets and operations

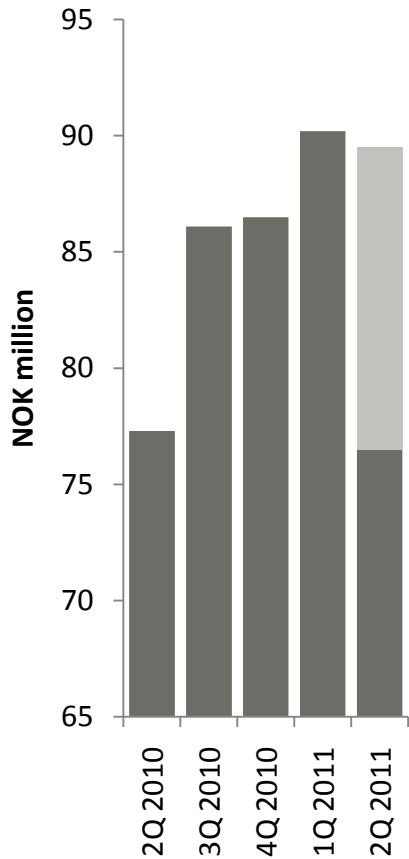
Olav Line

Closing remarks

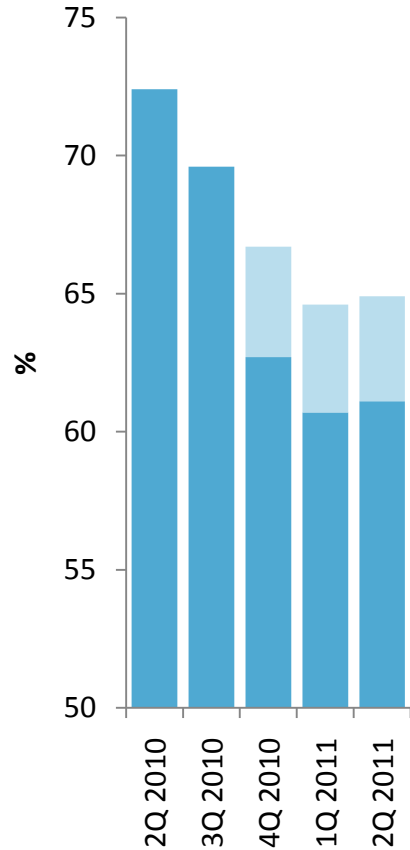
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Q&A session

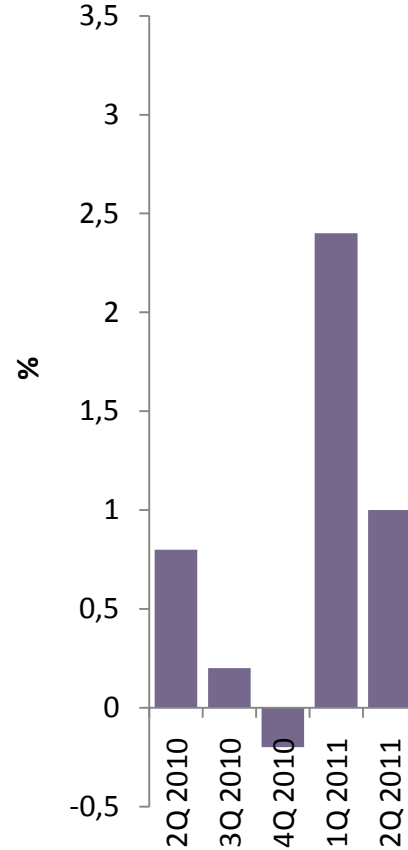
# Financial highlights



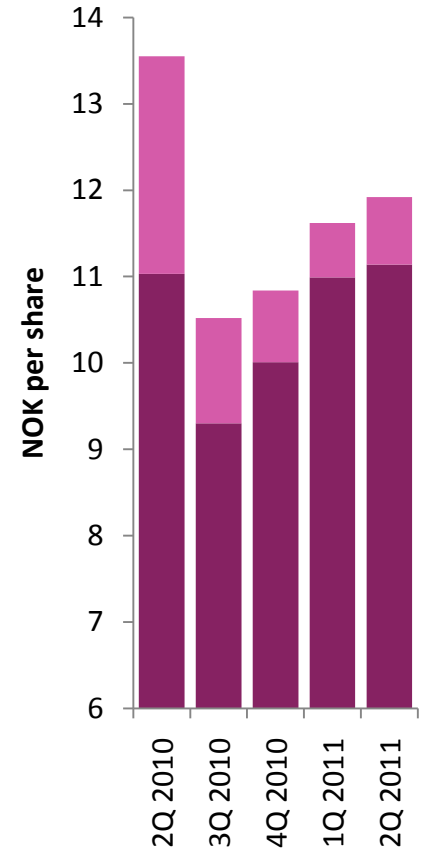
■ Profit before tax and value adj.  
 ■ Profit before tax and value adj. excl. one-off effects



■ Net LTV incl. vendor financing  
 ■ Net LTV



■ Value adjustments



■ Net asset value (NAV)  
 ■ EPRA NAV

# Income statement

NOK million	2Q 2011	2Q 2010	YTD 2011	YTD 2010	2010
Gross rental income	252.5	261.4	506.2	524.0	1 025.1
Maintenance and property related cost	-25.0	-27.8	-47.6	-47.3	-95.8
Administrative and group expenses	-16.9	-18.7	-33.7	-32.6	-58.9
<b>Operating result before value adjustment</b>	<b>210.6</b>	<b>214.9</b>	<b>424.9</b>	<b>444.1</b>	<b>870.4</b>
Net financial items excluding derivatives	-134.1	-137.6	-258.3	-288.9	-542.7
<b>Profit before value adjustments</b>	<b>76.5</b>	<b>77.3</b>	<b>166.7</b>	<b>155.2</b>	<b>327.7</b>
Net gain on disposals	1.0	-4.1	1.0	11.8	9.4
Net gain/loss on value adjustments of investment properties	146.3	152.5	474.0	178.0	170.6
Change in market value of financial derivatives	-104.8	-82.7	36.4	-197.5	-69.9
<b>Profit before income tax for continued operations</b>	<b>119.0</b>	<b>143.0</b>	<b>678.0</b>	<b>147.5</b>	<b>437.8</b>
Income tax for continued operations (not payable)	7.6	-17.8	-57.1	-17.8	-86.7
<b>Profit for the period for continued operations</b>	<b>126.7</b>	<b>125.2</b>	<b>620.9</b>	<b>129.7</b>	<b>351.2</b>
Profit for discontinued operations	-	-64.7	-	-28.6	-810.8
<b>Profit for the period</b>	<b>126.7</b>	<b>60.5</b>	<b>620.9</b>	<b>101.1</b>	<b>-459.6</b>
Earnings per share (NOK)	0.25	0.12	1.25	0.21	-0.94

# Positive adjustment of property value

- Reduced yield, moderate increase in market rent levels
- Rent renewals and completion of Tingvalla enhance valuation of Aker Brygge properties
- Fair value adjustment of 1.0 per cent in the second quarter





# Portfolio valuation by area

- Net yield for total portfolio is 6.0 per cent based on current payable rent
- External valuation conducted by DTZ RealKapital and Akershus Eiendom
  - Market rent estimated to be 7.2 per cent (1Q: 3.2 per cent) higher than current payable rents
- Positive fair value adjustment of NOK 146.3 million (1.0 per cent)

Area	Total space(m <sup>2</sup> )	Space vacancy (%)	EPRA <sup>1)</sup> vacancy (%)	CPI adj. (%)	Duration (years)	Valuation		Gross rent per year		Net yield <sup>2)</sup> (%)	Gross market rent fully let <sup>3)</sup>	
						NOK mill.	NOK/m <sup>2</sup>	NOK mill.	NOK/m <sup>2</sup>			
Oslo	CBD	144 041	6.8	6.9	99.1	4.7	6 003	41 677	337	2 340	5.3	415
	Skøyen	107 671	6.6	8.8	100.0	5.7	2 932	27 233	196	1 821	6.3	191
	West	114 531	0.0	0.0	100.0	5.9	2 523	22 032	174	1 520	6.5	172
	Nydalen	107 964	12.8	12.5	99.3	6.6	1 807	16 740	115	1 064	6.0	138
	North / east	26 455	20.7	28.3	100.0	8.5	315	11 913	26	981	7.7	28
Stavanger	114 703	1.8	1.6	89.7	4.5	2 054	17 908	150	1 311	6.9	162	
<b>Total office portfolio</b>	<b>615 366</b>	<b>6.2</b>	<b>6.5</b>	<b>98.1</b>	<b>5.4</b>	<b>15 635</b>	<b>25 408</b>	<b>998</b>	<b>1 623</b>	<b>6.0</b>	<b>1 106</b>	

<sup>1)</sup> Market rent of vacant space divided by market rent of the whole portfolio

<sup>2)</sup> Based on gross rent and estimated operating expenses of 6%

<sup>3)</sup> Estimated fully let gross market rent, average of Akershus Eiendom and DTZ RealKapital



# Financial position

<b>Interest bearing debt and hedging</b>		<b>30.06.2011</b>	<b>30.06.2010</b>	<b>31.12.2010</b>
Total interest bearing debt	NOK million	10 240.9	11 108.0	10 294.6
Property value (gross of deferred tax at acquisition)	NOK million	15 635.4	15 018.0	15 062.4
Loan to value	Per cent	65.5	74.0	68.3
Net Loan to value <sup>1)</sup>	Per cent	64.9	70.2	66.7
Net Loan to value including vendor financing <sup>2)</sup>	Per cent	61.1	-	62.7
Cash and cash equivalents	NOK million	88.6	568.5	248.4
Vendor financing	NOK million	600.0	-	600.0
Unused committed credit facilities (short and long term)	NOK million	1 066.0	310.0	1 000.0
Average remaining duration, hedging	Years	4.9	4.6	4.1
Average interest rate (including margin)	Per cent	5.24	5.05	5.16
Average margin	Per cent	1.07	0.75	0.74
Average remaining duration, borrowing	Years	4.9	2.3	2.0
Hedging ratio (including cash and cash equivalents)	Per cent	82.1	88.7	94.0

1) Gross interest bearing debt less cash divided by gross property value

2) Gross interest bearing debt less cash and vendor financing divided by gross property value

# Debt refinancing secures investment capacity

Credit facilities of NOK 9 960 million established in the second quarter:

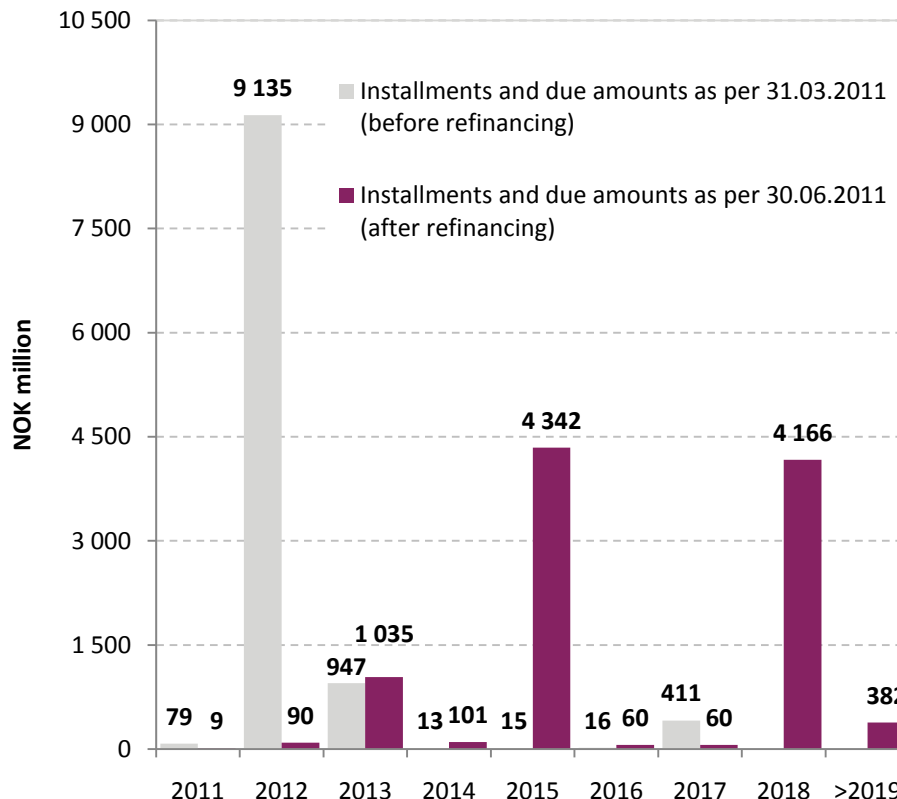
- Two equally sized credit facilities with seven and four years' maturity respectively
- Average margin: 1.25 per cent
- Average maturity for company debt increased to 4.9 years per 30 June 2011
- Average interest rate of 5.24 per cent as per 30 June 2011

New facilities secure refinancing of all loan maturities in 2011 and 2012:

- Syndicated facility maturing June 2012 has been cancelled and redeemed
- Refinancing of bonds maturing in March 2012 committed
- No debt maturing until 2013

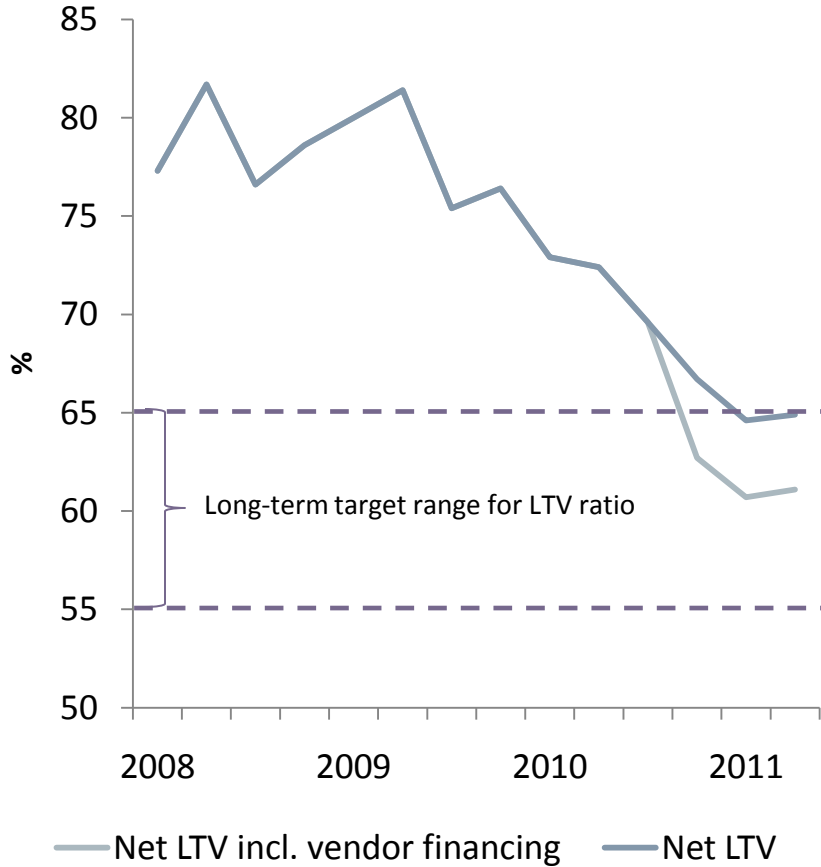
Funding capacity for future investments in the form of revolving credit facilities totaling NOK 1 116 million

Loan maturity profile before and after refinancing



# Managing debt and hedging portfolio

Net loan to value<sup>1)</sup>



Average interest rate<sup>2)</sup>



1) Gross interest bearing debt less cash divided by gross property value. Net LTV including vendor financing is also shown for 4Q 2010, 1Q 2011 and 2Q 2011

2) Comparable figures, excluding financing of Norgani Hotels AS historically



# Balance sheet

<b>NOK million</b>	<b>30.06.2011</b>	<b>30.06.2010<sup>3)</sup></b>	<b>31.12.2010</b>
Investment properties <sup>1)</sup>	<b>15 414.9</b>	23 730.4	14 862.5
Receivables	<b>600.0</b>	9.0	600.0
Deferred tax asset	<b>14.6</b>	-	70.0
Goodwill	-	527.3	-
<b>Cash and cash equivalents</b>	<b>88.6</b>	<b>634.6</b>	<b>248.4</b>
Equity	<b>5 556.0</b>	5 500.8	4 988.6
<b>Long term interest bearing debt</b>	<b>8 844.2</b>	<b>17 727.3</b>	<b>10 203.8</b>
<b>Short term interest bearing debt</b>	<b>1 396.7</b>	<b>233.9</b>	<b>90.7</b>
Market value financial derivatives (net)	<b>269.3</b>	723.8	300.6
Deferred tax liability	-	381.6	-
Net other debt	<b>51.8</b>	333.9	197.1
<b>Equity ratio (%)</b>	<b>34.2</b>	<b>21.8</b>	<b>31.4</b>
Net asset value per share (NOK) <sup>2)</sup>	<b>11.14</b>	11.03	10.01
Net asset value per share (NOK), EPRA <sup>2)</sup>	<b>11.92</b>	13.55	10.84

1) Net of deferred tax at acquisition

2) Number of shares : 498 596 832

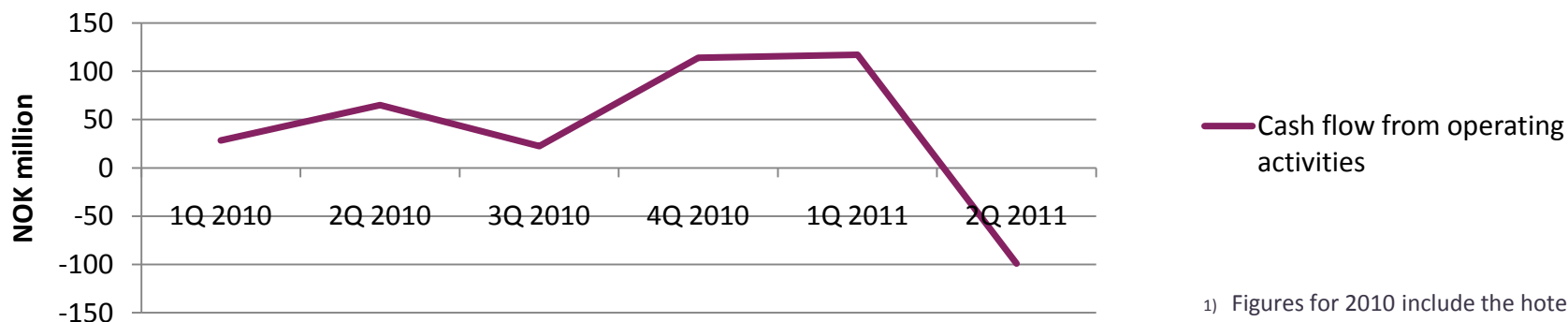
3) Figures per 30.06.2010 include the hotel business, Norgani Hotels, which was sold in 4Q 2010

# Tax effects in balance sheet

- Net deferred tax asset of NOK 14.6 million as of 30.06.2011
  - Capitalized 28 per cent deferred tax based on accumulated consolidated EBT for the period 2006-2010, including deferred tax on financial derivative instruments
  - Does not include any deferred taxes related to investment property
    - Deferred tax not capitalized at acquisition of investment property
    - Capitalisation on accumulated positive value adjustments after acquisition
    - Negative accumulated value adjustments reduces tax compensations from acquisitions
  
- Reduction in recorded value of investment property of NOK 193.8 million
  - Relating to tax compensation at acquisition of investment property
  
- Gross tax carry forward losses; approx. NOK 1.3 billion as of 30 June 2011
  
- Property tax value; NOK 8.9 billion as of 30 June 2011

## Cash flow

NOK million	2Q 2011	2Q 2010 <sup>1)</sup>	YTD 2011	YTD 2010 <sup>1)</sup>	2010 <sup>1)</sup>
<b>Cash flow from operating activities</b>	<b>-98.9</b>	<b>65.0</b>	<b>18.3</b>	<b>90.9</b>	<b>364.1</b>
Cash received from sale of assets	1.0	0.0	1.0	169.3	1 122.6
Purchase of tangible assets and subsidiaries	-67.7	-7.2	-105.3	-17.7	-68.0
<b>Cash flow from investment activities</b>	<b>-66.7</b>	<b>-7.2</b>	<b>-104.3</b>	<b>151.6</b>	<b>1 054.6</b>
Net change in interest bearing debt	62.1	-79.1	-23.9	-382.4	-1 944.5
Capital increases	-	-	-	526.2	526.2
Paid dividend	-49.9	-	-49.9	-	-
<b>Net cash flow from financing activities</b>	<b>12.3</b>	<b>-79.1</b>	<b>-73.7</b>	<b>143.9</b>	<b>-1.418.3</b>
Net change in cash	-153.3	-21.2	-159.8	386.4	0.4
<b>Net cash at end of period</b>	<b>88.6</b>	<b>634.6</b>	<b>88.6</b>	<b>634.6</b>	<b>248.4</b>



1) Figures for 2010 include the hotel business, Norgani Hotels, which was sold in 4Q 2010



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# Operational highlights

- 26 new contracts, renewals or extensions in the second quarter with total annual value of NOK 26.3 million
  - Comparable rental uplift 0.1 per cent
- Space vacancy increased from 5.5 per cent as of 31 March 2011 to 6.2 per cent as of 30 June 2011
  - Strategic vacancy at Aker Brygge and Skøyen accounts for 2.8 per cent
  - Structural vacancy at Tøyen accounts for 0.9 per cent
  - Ordinary vacancy in Nydalen accounts for 2.2 per cent
- Reconstruction and modernization of Aker Brygge announced
- Renewed organizational focus on corporate social responsibility

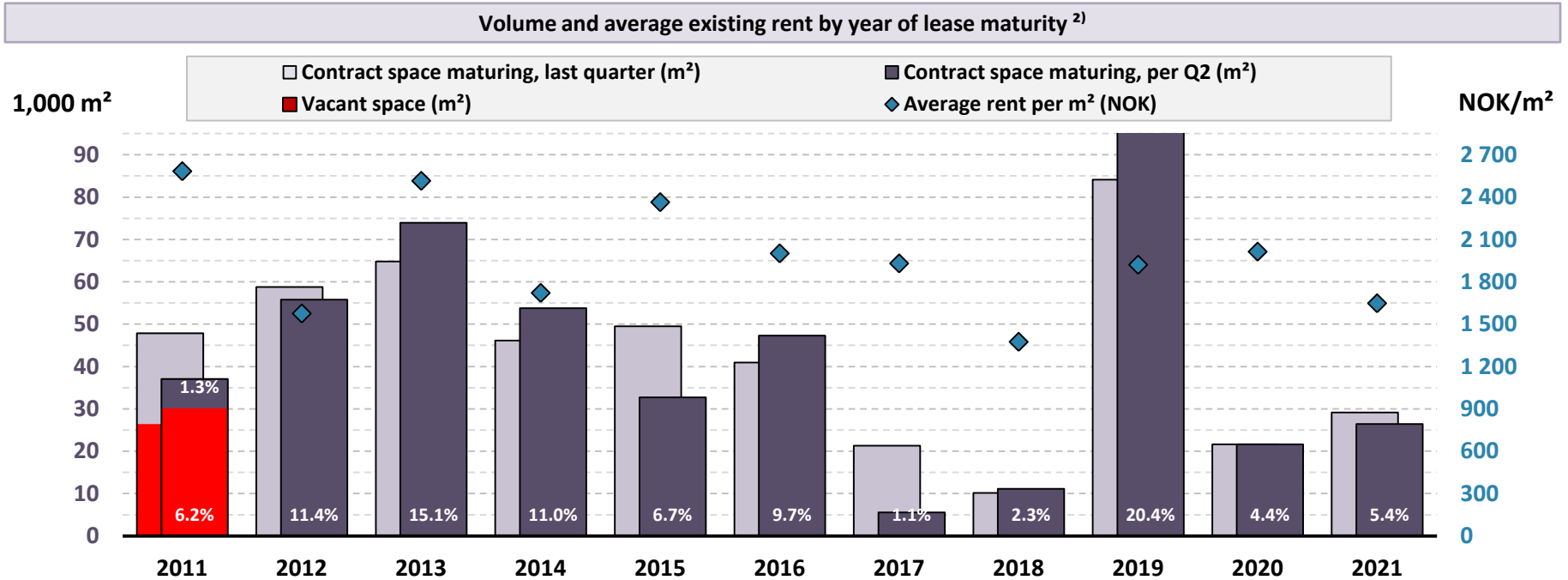


//AKER BRYGGE:  
THE MOST ATTRACTIVE OFFICE LOCATION IN OSLO GETS A FACELIFT//



# Diversified portfolio maturity

- 5.4 years duration of leases (1Q: 5.3 years)
- Space vacancy at 6.2 per cent (1Q: 5.5 per cent). EPRA vacancy rate at 6.5 per cent
- Average yearly rent of NOK 1 623 per m<sup>2</sup> (1Q: NOK 1 629 per m<sup>2</sup>) <sup>1)</sup>
- 98.1 per cent of lease rent is CPI adjusted (cash flow inflation hedged)



1) Entire portfolio, includes all types of spaces

2) Office space only



# STRATEGY FOR LONG-TERM VALUE CREATION

## Aker Brygge – the leading centre for business life and retail in Oslo



\* Indicates estimated project start

# ”Business as usual” during construction period



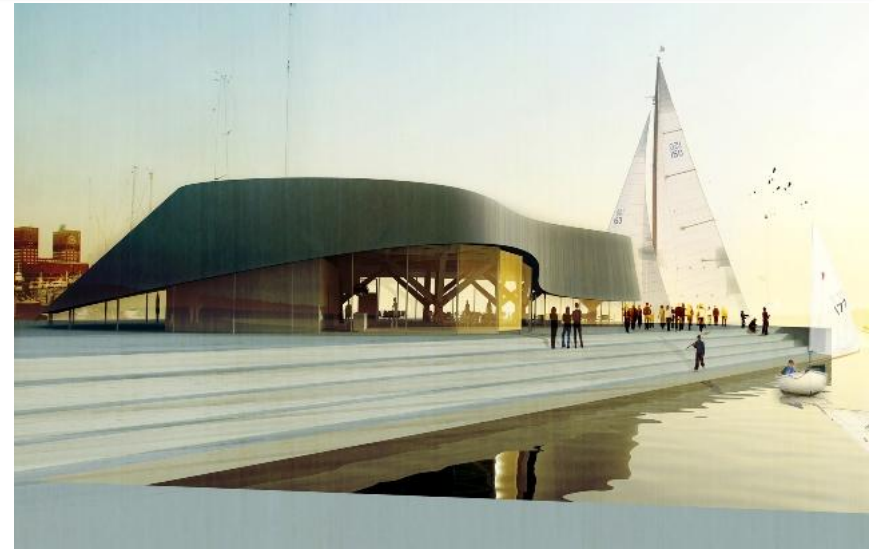
- Building phase divided into separate stages avoiding excessive vacancy
- At each stage, there will be activity at Aker Brygge and business as usual in areas not under renovation
- Areas under construction will be isolated in order to avoid disturbing neighboring areas
- Process will consider the wellbeing of Aker Brygge’s inhabitants, visitors and tenants

# Committed projects

	Size	Estimated investments	Status	Project start
Tingvalla restaurant complex	1 000 m <sup>2</sup>	NOK 50 million	<i>Onda by Pal &amp; Ness</i> opening September -11	2011
Energy central	N/A	NOK 30 million	Investment approved by BoD	2011
Kaibbygg I – Fokus bank	6 400 m <sup>2</sup>	NOK 80 million	Investment approved by BoD	2013



//AKER BRYGGE 2015:  
BRINGING THE SEA CLOSER TO THE PEOPLE //



//TINGVALLA:  
NEW RESTAURANT COMPLEX OPENING SEPTEMBER 2011//



# Aker Brygge 2015

	Size	Estimated investments*	Status	Estimated project start
<b>Outdoor areas:</b> Stranden Other	N/A		Application for general permission to be sent September -11	Step-by-step coinciding with building projects
<b>Snekker- and admin.bygget</b>	8 131 m <sup>2</sup>	10 000 NOK/m <sup>2</sup>	Application for general permission to be sent September -11	2012
<b>Verkstedhallene:</b> Verkstedhallen Maskinhallen	26 561 m <sup>2</sup> - In addition 5 200 m <sup>2</sup> are owned by others	10 000-15 000 NOK/m <sup>2</sup>	Application for general permission sent July -11	2012/2013 2013/2014
<b>Marina</b>	N/A	NOK 35 million	Application for general permission to be sent September -11	2013
<b>Terminalbygget</b>	18 104 m <sup>2</sup>	12 000-18 000 NOK/m <sup>2</sup>	Application for general permission sent July -11	2013/2014
<b>Kaibygge I:</b> Retail and facades (building D) Building A, B, C	31 798 m <sup>2</sup>	10 000-14 000 NOK/m <sup>2</sup>	Application for general permission to be sent September -11	2013 2013/2014
*All investment decisions are subject to:	Satisfactory return on investment; targeted return on equity of 12 per cent A foundation of long term leases with high-quality tenants			

# STRATEGY FOR LONG-TERM VALUE CREATION

## Skøyen

	Size	Estimated investments*	Status	Estimated project start
<b>Drammensveien 134 (1-4)</b>	20 562 m <sup>2</sup> - Expansion potential of 7 500 m <sup>2</sup>	12 000-15 000 NOK/m <sup>2</sup>	Renovation planned. In process with planning authorities	2013-2014
<b>Nedre Skøyen vei 24-26</b>	35 966 m <sup>2</sup>		Contract with EDB Ergo expires in 2019. Exploring alternative use from 2019 or earlier. Feasibility study initiated	2019
<b>Hovfaret 11</b>	5 642 m <sup>2</sup>			
*All investment decisions are subject to:	Satisfactory return on investment; targeted return on equity of 12 per cent A foundation of long term leases with high-quality tenants			



//DRAMMENSVEIEN 134: ATTRACTIVE LOCATION//

# Majorstuen and Lysaker

	Size	Estimated investments*	Status	Estimated project start
<b>Lysaker torg 35</b>	21 933 m <sup>2</sup>	Minor investments required ("as is")	IF insurance vacates in May 2013. Dialogue with several potential tenants	2013
<b>Middelthuns gate 17</b>	33 319 m <sup>2</sup>	Sale of property considered, exploring market interest	Contract with Nordea expires in 2016. Feasibility study performed. Possible conversion from office to residential	
*All investment decisions are subject to:		Satisfactory return on investment; targeted return on equity of 12 per cent A foundation of long term leases with high-quality tenants		

//MIDDELTHUNS GATE 17:  
POSSIBLE CONVERSION FROM  
OFFICE TO RESIDENTIAL//





# Stavanger – positive outlook following recent oil discoveries

**- Stavanger sikret som oljehovedstad**

I et historisk perspektiv så er vi litt tilbake til "Ekofisk og Øi", sier Hallvard Ween i NHO Rogaland.

**Regionen er sikret som oljehovedstad**

De tre er i alt, sier regionleder i NHO Rogaland, Hallvard Ween.

Någe regionledere i Stavanger med de tre gigantkjellerne Avaldsnes og Aldous Major optar en krevende oppfølging som man kan se bli tilbake til i 70- og 80-årene.

"Rett til å bli forberedt"

Felle Lønn med sine 1,2 milliarder på oljehovedstaden er borte, de store oljehovedstaden ligger nemlig i utlandet, sier Ween, men etter mange år er det Stavanger.

De tre ligger rett opp i Rogaland og vil bli enda mer viktig som oljehovedstad. Kunne det bli en innflytelse på hele regionen i 1970- og 80-årene?

I et historisk perspektiv så er vi litt tilbake til "Ekofisk og Øi", som var helt grunnlaget for oljehovedstaden og oppbyggingen av regionen.

**Psykologisk erklæring**

Regionlederens oppgave er å sikre at det blir en psykologisk erklæring på regionen.

- Mange har prøvd å selge Stavanger som et oljehovedstad, men det har ikke skjedd. Nå er det klart at det er Stavanger som er oljehovedstaden. Det er ikke noe som skal skje i Stavanger, men som skal bli en utøvelse i historien.

- De tre er i alt som oljehovedstaden er borte som tidligere. Her de tre kan bli en realitet i 70- og 80-årene på den tiden. Og det er ikke noe som skal skje i Stavanger, men som skal bli en utøvelse i historien.

**Stavanger vil bli oljehovedstad**

Og så videre. Nå er det klart at det er Stavanger som er oljehovedstaden. Det er ikke noe som skal skje i Stavanger, men som skal bli en utøvelse i historien.

- Dette er i alt som oljehovedstaden er borte som tidligere. Her de tre kan bli en realitet i 70- og 80-årene på den tiden. Og det er ikke noe som skal skje i Stavanger, men som skal bli en utøvelse i historien.

**Stavanger vil bli oljehovedstad**

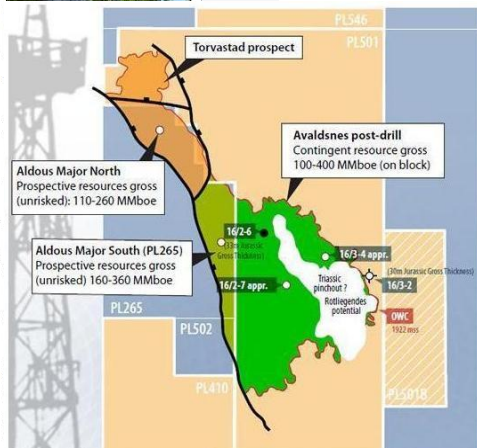
Og så videre. Nå er det klart at det er Stavanger som er oljehovedstaden. Det er ikke noe som skal skje i Stavanger, men som skal bli en utøvelse i historien.

*"With the new giant discovery Avaldsnes and Aldous Major, Stavanger will experience prosperity like in the 70's"*

Hallvard Ween, NHO Rogaland

*"No doubt Rogaland will become even more attractive as a place to establish business activities. The discovery will influence the whole industry in our county for a long time going forward"*

Hallvard Ween, NHO Rogaland



*"We now see a comeback of the middle North Sea area. As a result it will still be booming in Stavanger several decades ahead. Stavanger will remain the oil capital"*

Jarand Rystad, Rystad Energy

Facsimile and quotations from Stavanger Aftenblad, 18 August 2011

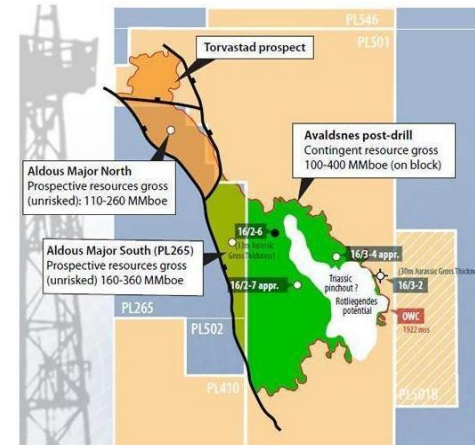
# STRATEGY FOR LONG-TERM VALUE CREATION

## Stavanger – positive outlook following recent oil discoveries

	Size	Status	Potential
<b>Grenseveien 21</b>	27 721 m <sup>2</sup>	Current contract with Statoil expires in June 2012, dialogue regarding future location	Future prospects being assessed. Current rent at moderate level, uplift potential
<b>Forusbeen 35</b>	21 424 m <sup>2</sup>	Current contract with Telenor expires in September 2014	Future prospects being assessed
<b>Badehusgaten 33-39</b>	21 528m <sup>2</sup> - Expansion potential: plot of 8 000m <sup>2</sup>	Current contract with Aker Offshore Partners expires in 2014, with cancellation clause	Evaluating both conversion into residential and development as office



//BADEHUSGATEN 33-39: EVALUATING BOTH CONVERSION INTO RESIDENTIAL AND DEVELOPMENT AS OFFICE //



//RECENT OIL DISCOVERIES GIVE RISE TO RENEWED OPTIMISM IN STAVANGER-BASED OIL INDUSTRY AND RELATED BUSINESSES //

# Framework for investments

- Investments will be value enhancing
  - Start-up projects based on new long term leases
  - Return as required in financial framework, targeted return on equity of 12 per cent
  - Increasing gross letting area
  
- Payable taxes in this period will be limited due to tax carry forward losses and tax amortisations
  
- NPRO will actively pursue asset rotation

Amounts in NOK million	Indicative investments *)
1H 2011	76.3
2H 2011	50-75
2012	300 – 450
2013	500 – 700
2014	400 – 600
2015	350 – 500
<b>Total (2012-2015)</b>	<b>1 550 – 2 250</b>

\*) Not including effects of acquisitions, disposals or expansion investments



# Sufficient investment capacity established

Investment capacity	
Repayment vendor financing from Norgani buyer	NOK 600.0 million
Unused credit facilities	NOK 1 066.0 million
Cash and cash equivalents	NOK 88.6 million
<b>Available funds at present</b>	<b>~ NOK 1 750 million</b>

Additional funding sources	
Profit before value adjustments (run-rate 2011)	~ NOK 330 - 350 million (annualized based on 1H 2011)
Payable taxes	Zero, due to large carry-forward losses
Loan amortizations	LTV-based; limited as long as LTV is below 70 %
Dividend payments	30-50 % of profit before value adjustments
Asset rotation	Possible sales of mature assets and non-strategic property

# New standards for sustainability reporting

- New strategy for corporate social responsibility
- Based on EPRA standards for sustainability reporting measuring resource consumption and emissions
- Internal infrastructure being developed for reporting of key figures in line with EPRA recommendations
- Aim to have new reporting standard in place by the end of 2011 in order to start reporting as from next year



//AMBITIOUS TARGETS FOR ENERGY CONSUMPTION, CO<sub>2</sub> EMISSIONS AND WATER CONSUMPTION//

# Ambitious goals to be achieved by 2015

	Resources	Customers/market	Surroundings/society	Employees/suppliers
Existing buildings	30 % reduction in energy consumption	Strengthen reputation	Forward-looking area development	No breach of ethical guidelines
	More than 30 % reduction in CO <sub>2</sub> emissions	Customers satisfaction index (CSI) exceeding 70	Active participation in trade organizations	High employee satisfaction
	Degree of source segregation exceeding 80 % in NPRO buildings	Environmental CSI exceeding 70	Show local social involvement	Ambitious HSE standards
	5 % reduction in water consumption in NPRO buildings	Proactive interaction with our customers No personal injury under our responsibility	Contribute to efficient transport solutions	Annual training courses and seminars Responsible supplier management
Newbuilds/rehabilitations	More than 80 % waste sorting at construction site			H-value* less than 5
	100 % water-borne heating			
	30 % reduction in energy consumption during construction projects			
	BREEAM category "Very Good" as a minimum and B-graded buildings. "Excellent" and A-graded buildings if possible			

\*) H-value indicates frequency of work-related accidents that cause absence from work



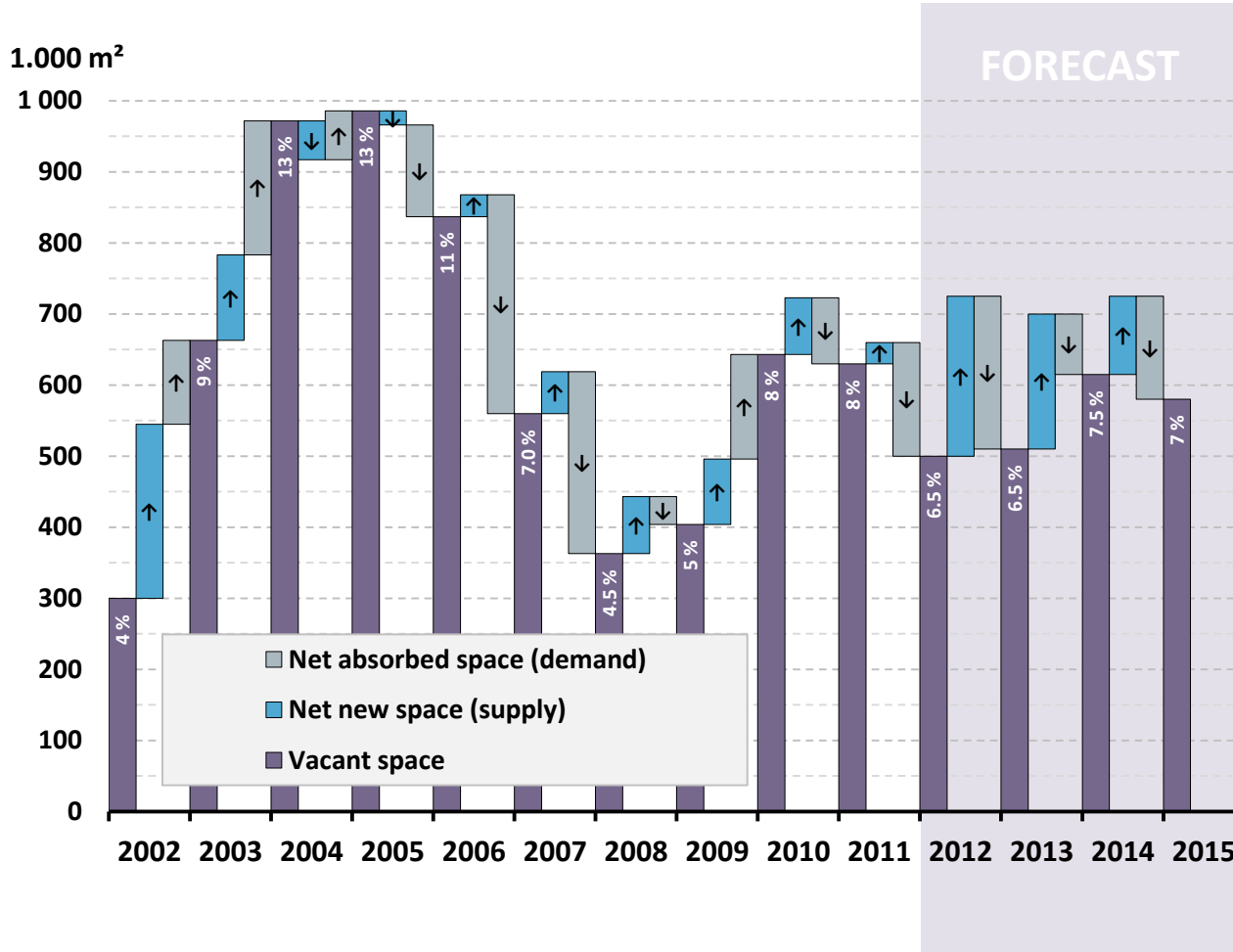
# New energy central based on sea water

- Investment of NOK 30 million in new energy central for Aker Brygge
  - Short pay-back time on investment
- Energy central based on heat pump technology and cooling from sea water
  - Environmental gains from reduced energy consumption and CO<sub>2</sub> emissions
- Energy consumption reduced from approx. 4 200 000 kWh/year using traditional solutions to around 1 400 000 kWh/year with optimized energy central
  - Annual energy savings in excess of 40 kWh per m<sup>2</sup>
- Estimated reduction of CO<sub>2</sub> emissions of 75 per cent



//ENERGY CENTRAL BASED ON HEAT PUMP TECHNOLOGY AND COOLING FROM SEA WATER. ENVIRONMENTAL GAINS FROM REDUCED ENERGY CONSUMPTION AND CO<sub>2</sub> EMISSIONS //

# Market recovery more moderate than previous cycle



Oslo market may in the short-term be affected by the terror incident in Oslo, in which several of the government buildings were ruined

Analysts estimate a total need for new/temporary offices of about 30 000- 40 000m<sup>2</sup>

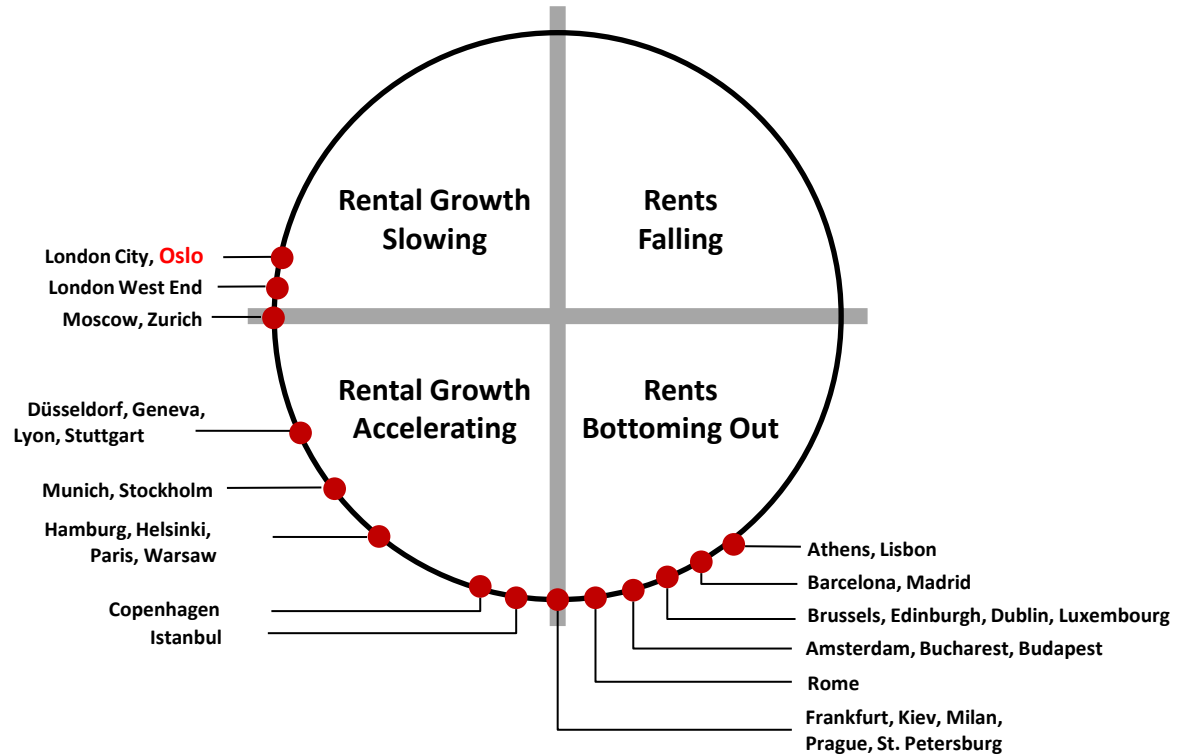
Vacant space in the market will be reduced, with a positive effect on total vacancy

Volatile markets create uncertainty related to demand for office space going forward

Source: Akershus Eiendom (April 2011)

# Moderate rental growth in Oslo CBD

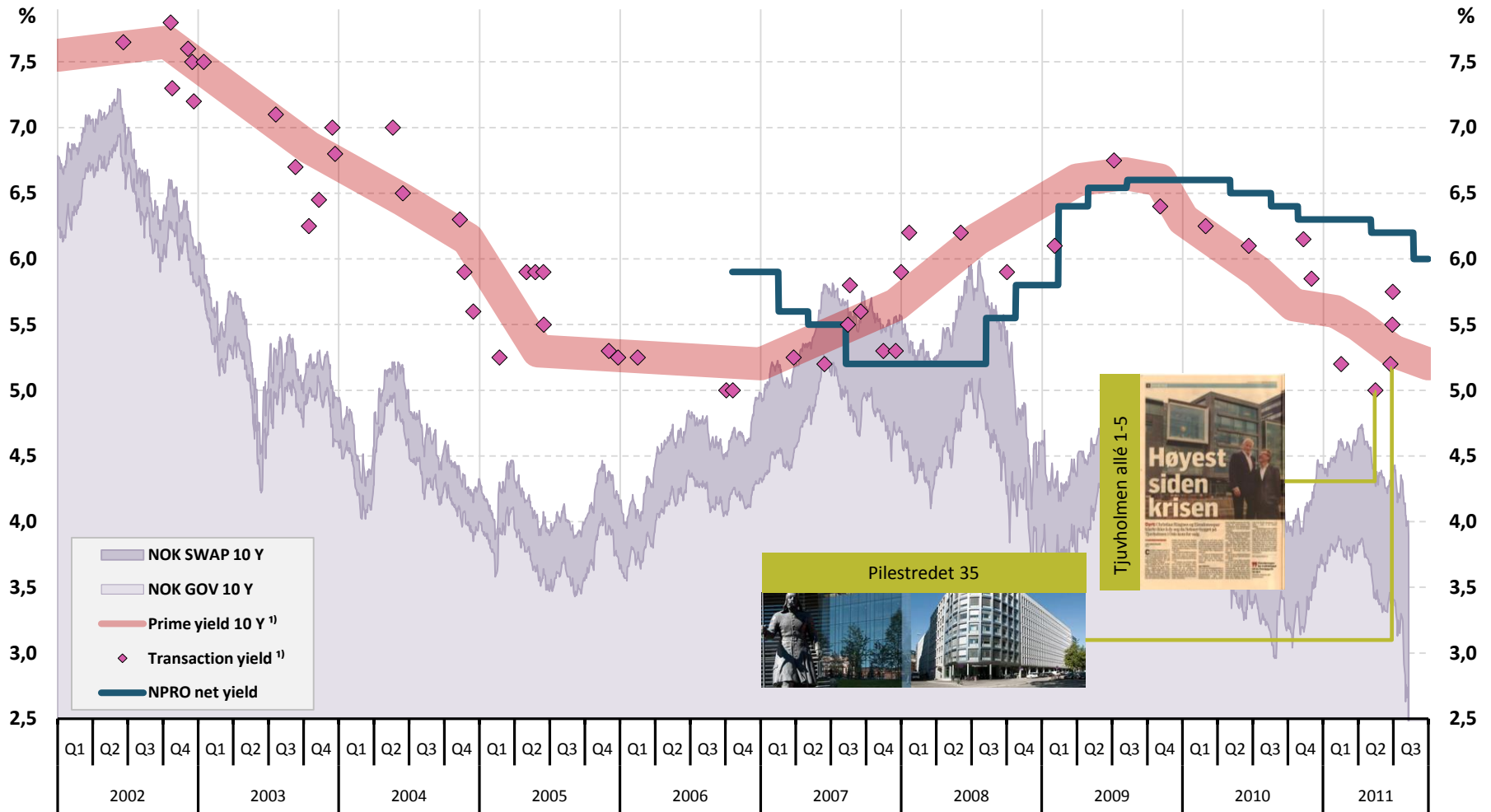
- Increasing gap between attractive and unattractive properties
- Modern, environmentally friendly and space-efficient offices situated near public infrastructure are increasingly in demand.
- Highest expectations of rent growth in Oslo CBD
- Oslo market affected by relocation of government offices in the short term



Source: Jones Lang Lasalle (June 2011)



# Continued yield reduction in second quarter



1) Source: Akershus Eiendom (February 2011) and Norwegian Property

# Agenda

Highlights

Olav Line

Financial update

Svein Hov Skjelle

Markets and operations

Olav Line

**Closing remarks**

**Olav Line**

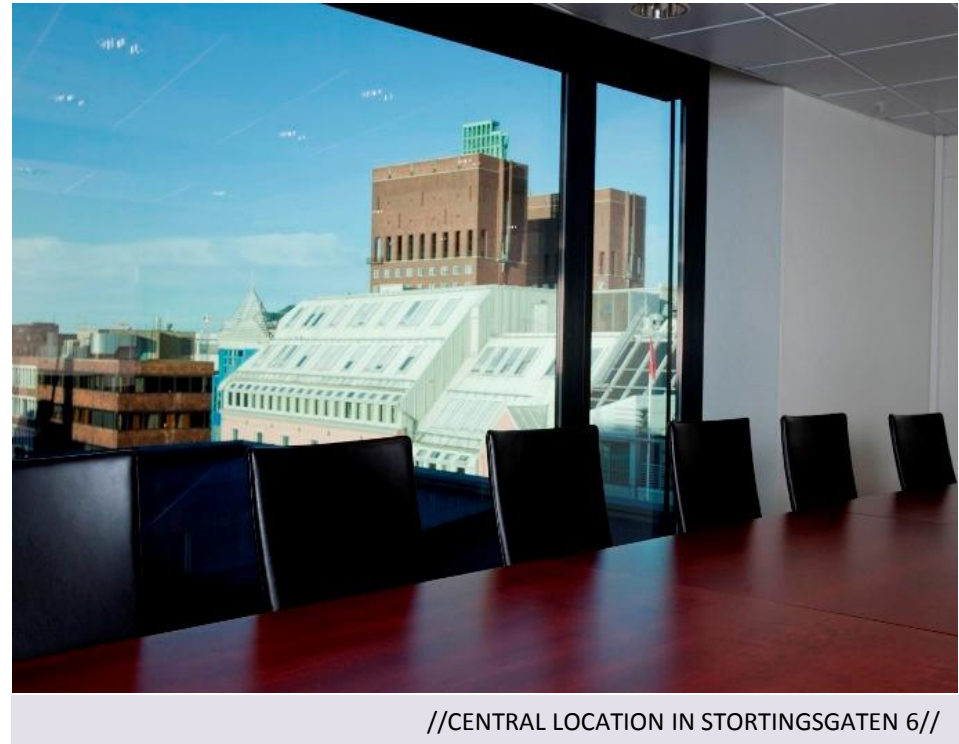
Q&A session



## CLOSING REMARKS

# Solid foundation for portfolio development

- Steady operations
  - EPS of NOK 0.25 in second quarter
- Attractive property portfolio
  - Positive value adjustments of 1.0 per cent
  - NAV increases to NOK 11.14
  - EPRA NAV of NOK 11.92
- Loan agreement finalized and first draw-down made
- Reconstruction and modernization of Aker Brygge announced
- Renewed focus on corporate social responsibility



## CLOSING REMARKS

# NPRO has relocated at Aker Brygge



**New visiting address:**  
Bryggegata 9 (3rd floor)  
Aker Brygge. Oslo

**Postal address remains unchanged:**  
P.O. Box 1657 Vika  
0120 Oslo  
Norway

**Welcome to Bryggegata 9!**



# Q&A

For further details about our properties, news and investor information, please have a look at our website; [www.npro.no](http://www.npro.no)



# Agenda

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Olav Line

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Svein Hov Skjelle

Markets and operations

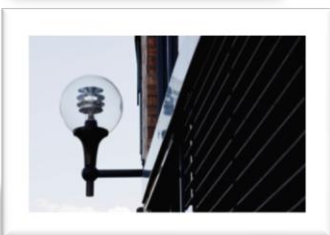
Olav Line

Closing remarks

Olav Line

**Appendices**

# Overview and key figures



Key figures as of 30 June 2011		
Properties	#	48
Portfolio size	m <sup>2</sup>	615 366
Average size per property	m <sup>2</sup>	12 820
Gross rent per year (run rate)	NOK mill.	998.5
Operational expenses per year <sup>1)</sup>	NOK mill.	59.9
Net rent per year (run rate)	NOK mill.	938.5
Average gross rent per m <sup>2</sup> per year	NOK	1 623
Gross market value	NOK mill.	15 635.4
Average value per property	NOK mill.	325.7
Average value per m <sup>2</sup>	NOK	25 408
Gross yield, actual	%	6.4
Net yield, actual	%	6.0
Gross yield at market rent fully let <sup>2)</sup>	%	7.1
Net yield at market rent fully let <sup>2)</sup>	%	6.7
Duration	Years	5.4
CPI adjustment per 1 Jan 2012	%	98.1
Vacancy (space)	%	6.2
EPRA vacancy rate <sup>3)</sup>	%	6.5



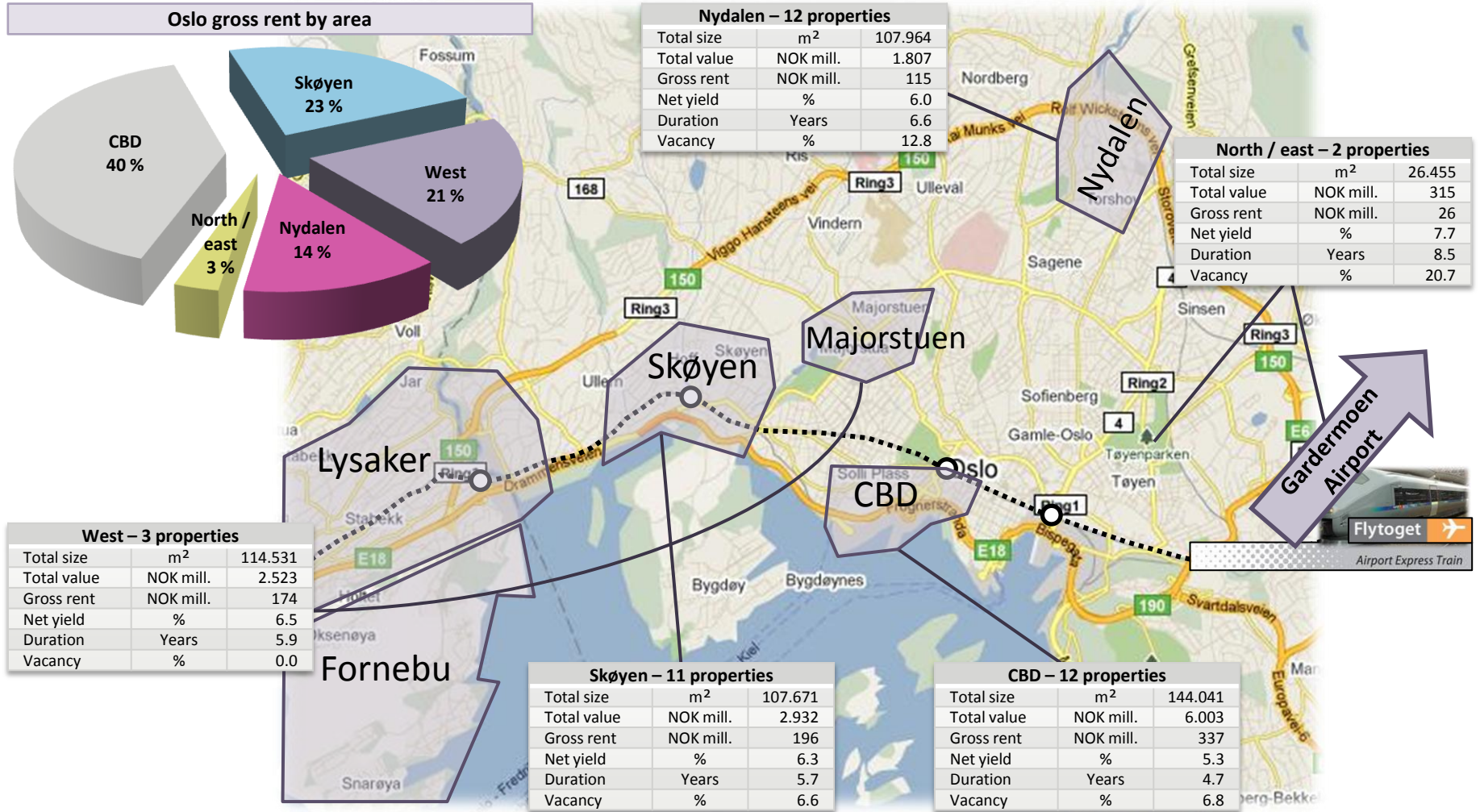
<sup>1)</sup> Assuming 6% operating expenses on property level

<sup>2)</sup> Total portfolio's market rent has been assessed by external appraisers to be 3.5% above current contractual rents

<sup>3)</sup> Market rent of vacant space divided by market rent of the whole portfolio



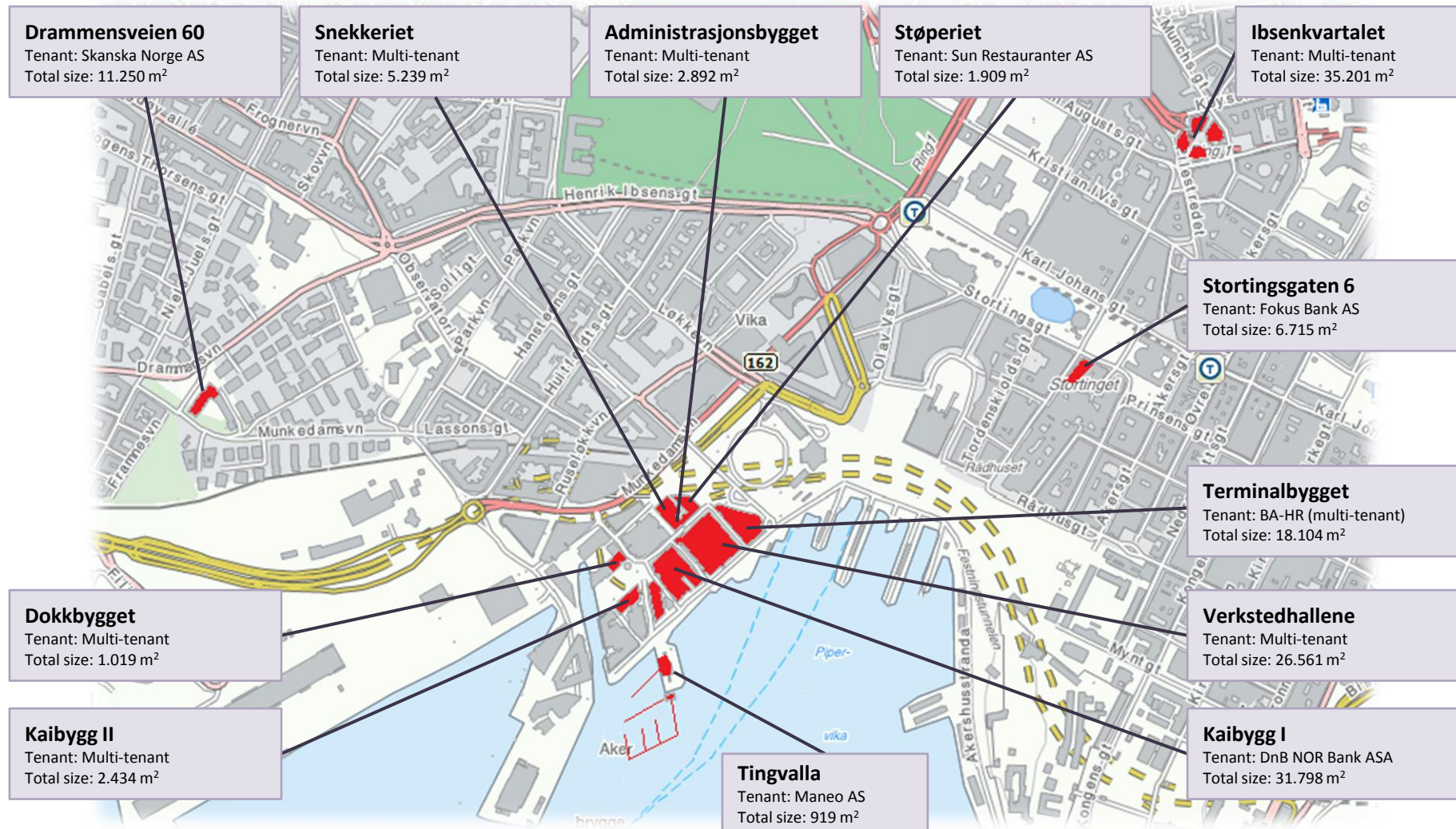
# Exposure to prime locations in Oslo





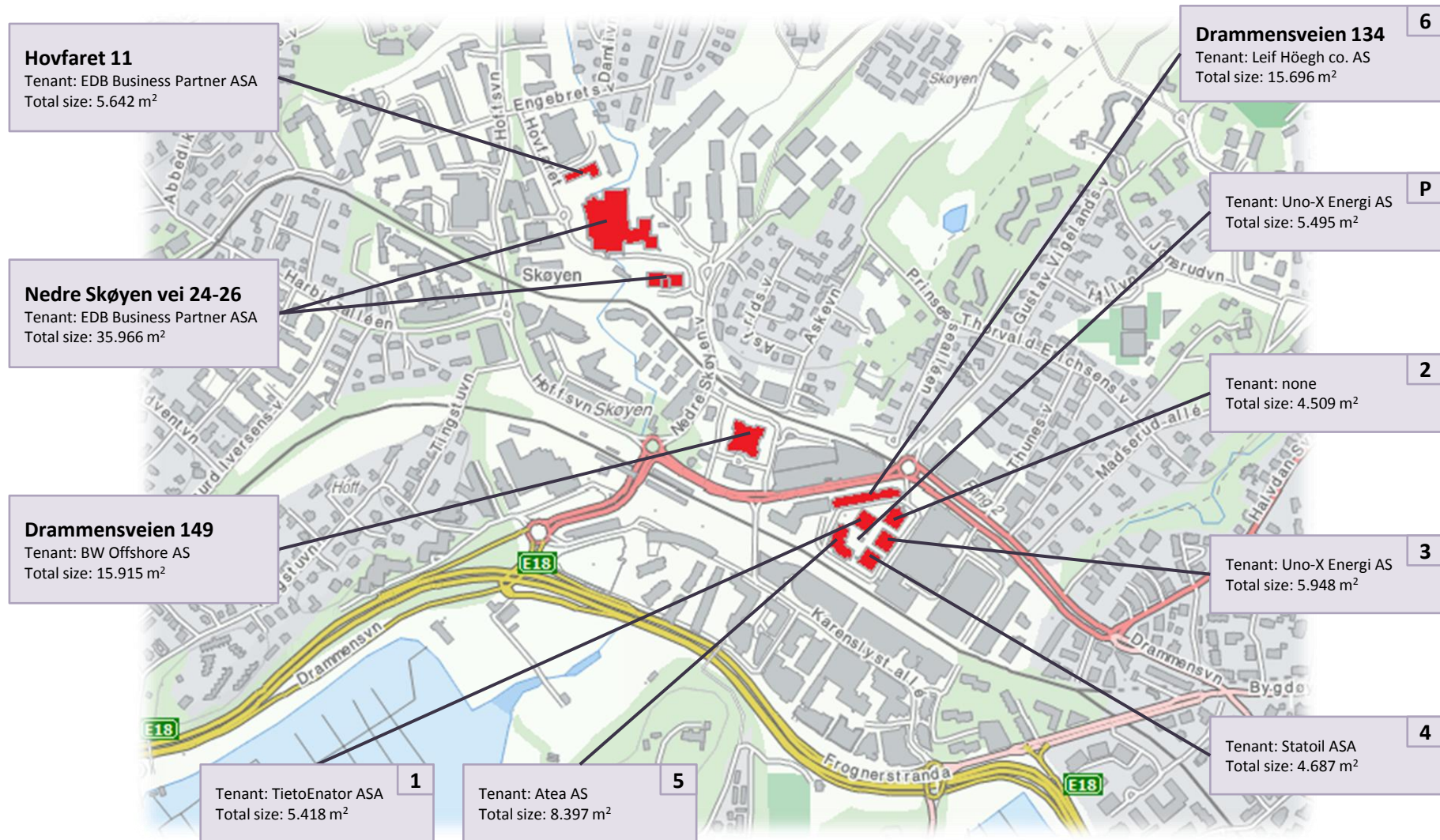
# APPENDIX

## CBD



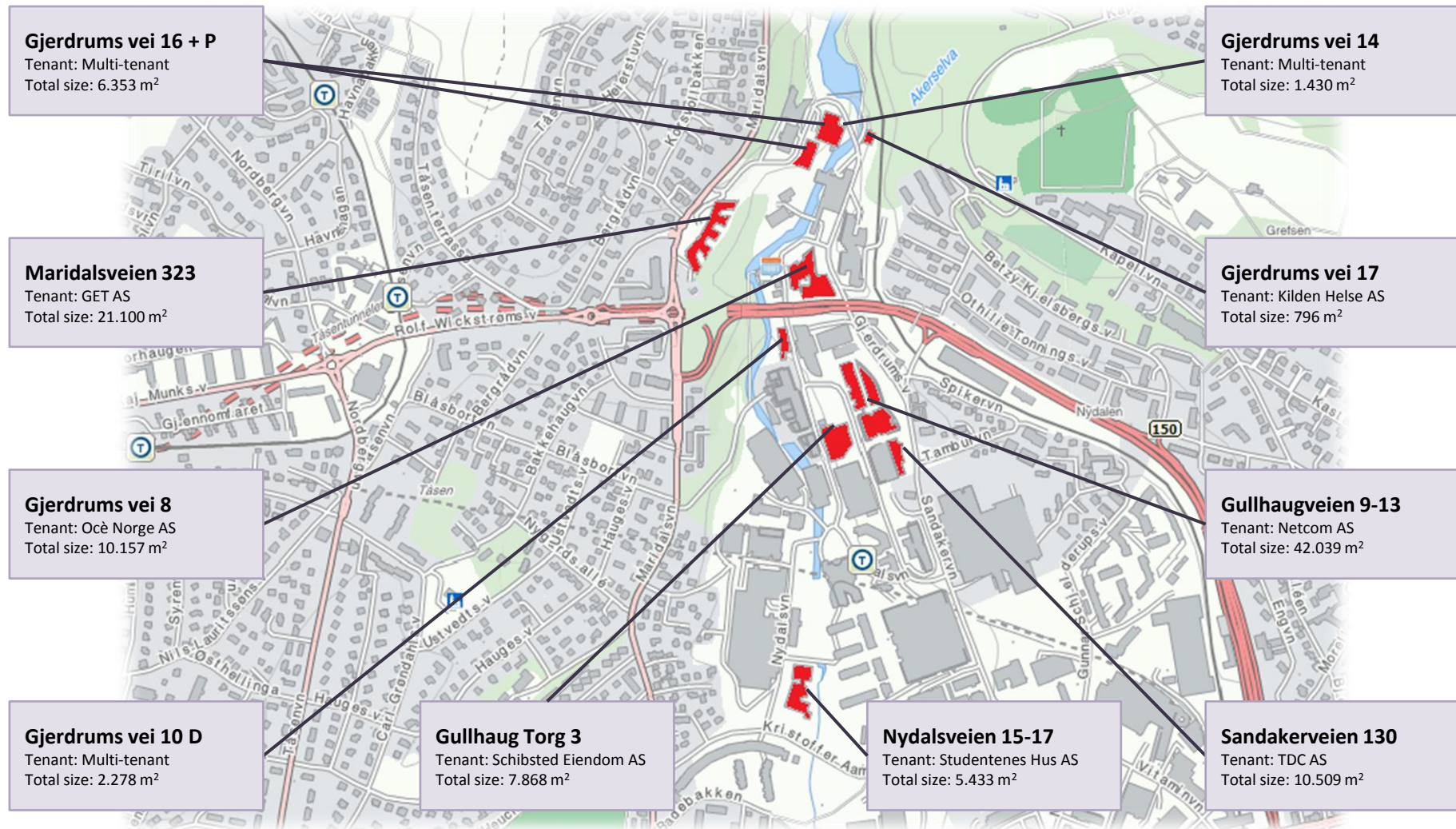


# Skøyen






# Nydalen



# Stavanger


**Finnestadveien 44**

- Office: 22.032 m<sup>2</sup>
- Total: 22.032 m<sup>2</sup>




**Maskinveien 32**

- Office: 4.561 m<sup>2</sup>
- Total: 5.086 m<sup>2</sup>




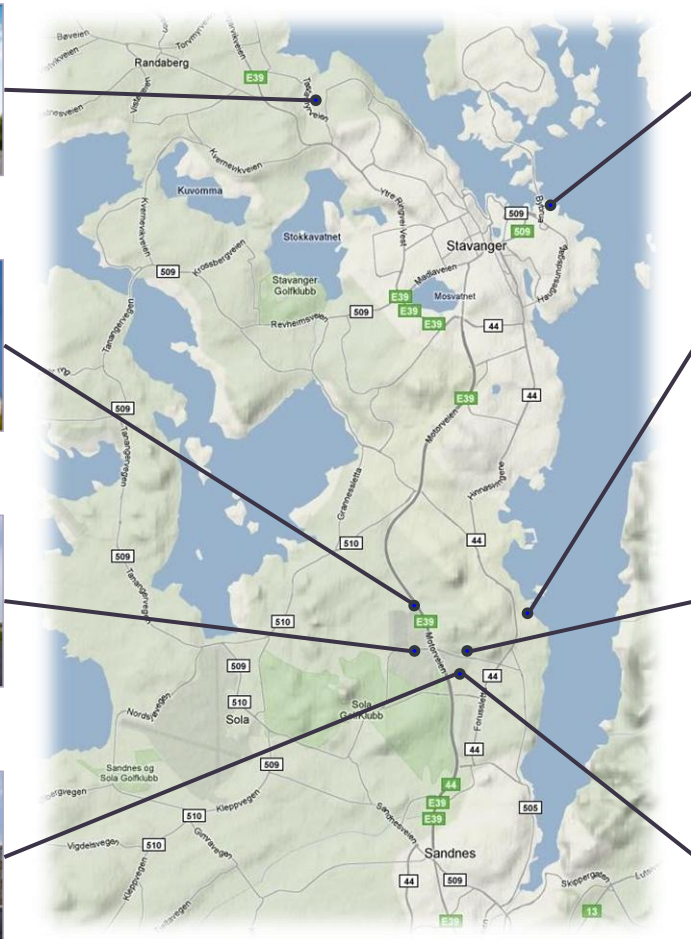
**Svanholmen 2**

- Office: 2.883 m<sup>2</sup>
- Retail: 5.450 m<sup>2</sup>
- Total: 9.463 m<sup>2</sup>




**Grenseveien 21**

- Office: 27.721 m<sup>2</sup>
- Total: 27.721 m<sup>2</sup>

**Badehusgaten 33-39**

- Office: 16.673 m<sup>2</sup>
- Total: 21.528 m<sup>2</sup>




**Strandsvingen 10**

- Office: 2.059 m<sup>2</sup>
- Total: 2.059 m<sup>2</sup>




**Forusbeien 35**

- Office: 17.674 m<sup>2</sup>
- Total: 21.424 m<sup>2</sup>



**Grenseveien 19**

- Office: 5.390 m<sup>2</sup>
- Total: 5.390 m<sup>2</sup>





## Property details

1/4

Property	Property facts					Rent facts				
	Space split (m <sup>2</sup> )					Total m <sup>2</sup>	Space vacancy (%)	CPI	Duration per June 2011	Run rate per June 2011
Offices	Retail / restaurant	Warehouse	Indoor parking	Other						
<b>OSLO/AKERSHUS</b>										
<b>CBD</b>										
Administrasjonsbygget	2 113	722	57	0	0	<b>2 892</b>	4.8 %	100 %	3.1	7.3
Dokkbygget	596	368	55	0	0	<b>1 019</b>	0.0 %	100 %	3.2	1.9
Kaibygge I	23 015	3 908	4 875	0	0	<b>31 798</b>	0.7 %	100 %	5.0	88.1
Kaibygge II	196	1 432	805	0	0	<b>2 433</b>	0.0 %	100 %	7.0	10.3
Snekkerbygget	5 228	0	11	0	0	<b>5 239</b>	24.7 %	100 %	5.8	11.8
Støperiet	0	1 417	0	0	492	<b>1 909</b>	0.0 %	100 %	3.1	5.1
Terminalbygget	10 720	4 026	1 297	2 061	0	<b>18 104</b>	0.0 %	100 %	2.4	52.4
Tingvalla and outdoor	0	919	0	0	0	<b>919</b>	0.0 %	100 %	11.1	5.2
Verkstedhallene	12 389	12 625	1 547	0	0	<b>26 561</b>	26.4 %	94 %	2.7	47.1
C.J.Hambros plass 2	30 137	779	4 286	0	0	<b>35 202</b>	0.0 %	100 %	7.9	64.6
Drammensveien 60	8 593	797	1 483	377	0	<b>11 250</b>	0.0 %	100 %	4.2	21.1
Stortingsgaten 6	5 213	114	919	470	0	<b>6 716</b>	0.0 %	100 %	2.6	22.1
<b>Total CBD</b>	<b>98 200</b>	<b>27 107</b>	<b>15 335</b>	<b>2 907</b>	<b>492</b>	<b>144 041</b>	<b>6.8 %</b>	<b>100 %</b>	<b>4.7</b>	<b>337.0</b>

## Property details

2/4

Property	Property facts					Rent facts				
	Space split (m <sup>2</sup> )					Total m <sup>2</sup>	Space vacancy (%)	CPI	Duration per June 2011	Run rate per June 2011
Offices	Retail / restaurant	Warehouse	Indoor parking	Other						
<b>OSLO/AKERSHUS</b>										
<b>Skøyen</b>										
Drammensveien 134 - building 1	5 418	0	0	0	0	5 418	0.0 %	100 %	1.2	12.6
Drammensveien 134 - building 2	3 689	0	820	0	0	4 509	100.0 %	100 %	1.3	0.1
Drammensveien 134 - building 3	5 715	0	233	0	0	5 948	14.6 %	100 %	4.3	9.8
Drammensveien 134 - building 4	3 914	0	773	0	0	4 687	2.1 %	100 %	2.0	5.7
Drammensveien 134 - building 5	7 642	0	0	755	0	8 397	0.0 %	100 %	1.2	18.7
Drammensveien 134 - building 6	9 879	643	1 777	3 397	0	15 696	0.0 %	100 %	8.3	31.3
Drammensveien 134 -parking and outdoor	0	0	0	5 495	0	5 495	0.0 %	99 %	2.2	5.3
Drammensveien 149	10 697	0	1 582	3 636	0	15 915	7.9 %	100 %	3.4	26.5
Hovfaret 11	4 377	0	569	0	696	5 642	0.0 %	100 %	7.7	12.0
Nedre Skøyen vei 24	3 630	0	1 215	0	0	4 845	0.0 %	100 %	7.7	12.9
Nedre Skøyen vei 26 A-E	11 444	0	696	398	5 084	17 622	0.0 %	100 %	7.7	36.8
Nedre Skøyen vei 26 F	8 767	0	0	4 235	497	13 499	0.0 %	100 %	7.7	24.2
<b>Total Skøyen</b>	<b>75 170</b>	<b>643</b>	<b>7 665</b>	<b>17 916</b>	<b>6 277</b>	<b>107 671</b>	<b>6.6 %</b>	<b>100 %</b>	<b>5.7</b>	<b>195.9</b>
<b>Oslo West/Lysaker/Fornebu</b>										
Aker Hus	40 254	0	0	19 025	0	59 279	0.0 %	100 %	8.3	85.0
Lysaker Torg 35	14 421	0	412	7 100	0	21 933	0.0 %	100 %	1.9	41.8
Middelthunggate 17	26 847	0	3 472	3 000	0	33 319	0.0 %	100 %	5.2	47.3
<b>Total Oslo West/Lysaker/Fornebu</b>	<b>81 522</b>	<b>0</b>	<b>3 884</b>	<b>29 125</b>	<b>0</b>	<b>114 531</b>	<b>0.0 %</b>	<b>100 %</b>	<b>7.0</b>	<b>174.1</b>

## Property details

3/4

Property	Property facts					Rent facts				
	Space split (m <sup>2</sup> )					Total m <sup>2</sup>	Space vacancy (%)	CPI	Duration per June 2011	Run rate per June 2011
Offices	Retail / restaurant	Warehouse	Indoor parking	Other						
<b>OSLO/AKERSHUS</b>										
<b>Nydalen</b>										
Gjerdrums vei 8	8 081	0	259	1 817	0	<b>10 157</b>	18.2 %	96 %	3.5	11.4
Gjerdrums vei 10 D	2 029	0	249	0	0	<b>2 278</b>	0.0 %	100 %	4.0	3.4
Gjerdrums vei 14	713	0	717	0	0	<b>1 430</b>	0.0 %	100 %	2.7	2.0
Gjerdrums vei 16	4 193	0	893	343	0	<b>5 429</b>	8.5 %	97 %	4.8	6.4
Gjerdrums vei 16 P-House	0	0	0	924	0	<b>924</b>	0.0 %	100 %	0.9	1.1
Gjerdrums vei 17	796	0	0	0	0	<b>796</b>	0.0 %	100 %	1.8	1.4
Gullhaug Torg 3	7 868	0	0	0	0	<b>7 868</b>	0.0 %	100 %	2.5	9.7
Gullhaugveien 9-13	23 310	0	8 774	9 955	0	<b>42 039</b>	12.2 %	100 %	6.0	40.3
Maridalsveien 323	11 618	0	3 909	5 573	0	<b>21 100</b>	37.3 %	100 %	14.9	15.6
Nydalsveien 15	3 038	750	85	0	0	<b>3 873</b>	0.0 %	100 %	7.9	6.6
Nydalsveien 17	0	1 560	0	0	0	<b>1 560</b>	0.0 %	100 %	13.9	3.5
Sandakerveien 130	6 519	0	0	3 990	0	<b>10 509</b>	0.0 %	100 %	4.7	13.4
<b>Total Nydalen</b>	<b>68 166</b>	<b>2 310</b>	<b>14 886</b>	<b>22 602</b>	<b>0</b>	<b>107 964</b>	<b>12.8 %</b>	<b>99 %</b>	<b>6.6</b>	<b>114.8</b>
<b>Oslo North/East</b>										
Kolstadgaten 1	5 479	0	0	0	0	<b>5 479</b>	100.0 %	0 %	-	0.0
Oslo Airport Gardermoen	0	0	0	0	20 976	<b>20 976</b>	0.0 %	100 %	8.5	25.9
<b>Total Oslo North / East</b>	<b>5 479</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20 976</b>	<b>26 455</b>	<b>20.7 %</b>	<b>100 %</b>	<b>8.5</b>	<b>25.9</b>
<b>TOTAL OSLO / AKERSHUS</b>	<b>328 537</b>	<b>30 060</b>	<b>41 770</b>	<b>72 550</b>	<b>27 745</b>	<b>500 662</b>	<b>7.2 %</b>	<b>100 %</b>	<b>5.8</b>	<b>847.7</b>



## Property details

4/4

Property	Property facts					Rent facts				
	Space split (m <sup>2</sup> )					Total m <sup>2</sup>	Space vacancy (%)	CPI	Duration per June 2011	Run rate per June 2011
Offices	Retail / restaurant	Warehouse	Indoor parking	Other						
<b>STAVANGER</b>										
<b>CBD</b>										
Badehusgaten 33-39	16 673	0	2 540	2 315	0	<b>21 528</b>	0.0 %	100 %	3.5	34.8
<b>Forus/Airport</b>										
Forusbeen 35	17 674	0	0	3 750	0	<b>21 424</b>	0.0 %	100 %	3.3	27.8
Grenseveien 19	5 390	0	0	0	0	<b>5 390</b>	0.0 %	100 %	3.5	10.3
Grenseveien 21	27 721	0	0	0	0	<b>27 721</b>	0.0 %	50 %	1.0	30.5
Maskinveien 32	4 561	0	0	525	0	<b>5 086</b>	0.0 %	100 %	1.7	5.6
Strandsvingen 10	2 059	0	0	0	0	<b>2 059</b>	0.0 %	90 %	7.9	2.7
Svanholmen 2	2 883	5 450	1 130	0	0	<b>9 463</b>	26.0 %	100 %	6.1	6.8
<b>Stavanger - other</b>										
Finnestadveien 44	22 032	0	0	0	0	<b>22 032</b>	0.0 %	100 %	10.4	32.0
<b>TOTAL STAVANGER</b>	<b>98 993</b>	<b>5 450</b>	<b>3 670</b>	<b>6 590</b>	<b>0</b>	<b>114 703</b>	<b>1.8 %</b>	<b>90 %</b>	<b>4.5</b>	<b>150.5</b>
<b>GROSS TOTAL</b>	<b>427 530</b>	<b>35 510</b>	<b>45 440</b>	<b>79 140</b>	<b>27 745</b>	<b>615 366</b>	<b>6.2 %</b>	<b>98 %</b>	<b>5.4</b>	<b>998.2</b>

# Largest tenants

#	Tenant	Rent (NOK mill.)	Duration (years)	Share of total portfolio (%)	Sector	Public sector participation	Listed at group level
1	Aker Solutions ASA	119.7	6.9	12.0	Oil service	√	√
2	Fellesdata AS	91.5	7.3	9.2	IT	√	√
3	DnB NOR Bank ASA	74.2	2.0	7.4	Financials	√	√
4	Nordea Bank Norge ASA	47.3	5.2	4.7	Financials	√	√
5	Statoil ASA	43.8	1.6	4.4	Energy and oil	√	√
6	IF Skadeforsikring	41.7	1.9	4.2	Financials		√
7	Total E & P Norge AS	32.0	10.4	3.2	Energy and oil		√
8	Höegh Autoliners Management AS	28.7	8.7	2.9	Shipping		
9	Telenor ASA	28.2	3.3	2.8	Telecom	√	√
10	SAS Scandinavian Airlines Norge AS	25.9	8.5	2.6	Travel	√	√
11	TeliaSonera Norge AS	23.9	9.0	2.4	Telecom	√	√
12	NAV	23.2	7.6	2.3	Public	√	
13	Skanska Norge AS	21.1	4.2	2.1	Construction		√
14	Fokus Bank ASA	20.7	14.5	2.1	Financials	√	√
15	ATEA ASA	15.7	1.2	1.6	IT		√
16	Get AS	15.6	14.9	1.6	Telecom		
17	Tieto Norway AS	14.4	1.1	1.4	IT		
18	TDC AS	12.3	5.0	1.2	Telecom		√
19	BW Offshore Norway AS	12.0	2.4	1.2	Shipping		√
20	Økokrim	11.8	15.1	1.2	Public	√	
21	Uno-X Energi AS	11.1	4.2	1.1	Retail		√
22	BA-HR	10.6	1.2	1.1	Law services		
23	Esso Norge AS	9.7	4.4	1.0	Retail		√
24	Schibsted Eiendom AS	9.7	2.5	1.0	Retail		√
25	Carnegie ASA	7.1	2.7	0.7	Financials	√	
	<b>Total 25 largest tenants</b>	<b>751.9</b>	<b>5.8</b>	<b>75.3</b>		12/25	18/25
	Total other tenants	246.5	4.2	24.7			
	Total all tenants	998.4	5.4	100			

## APPENDIX

# Largest shareholders as of 30 June 2011

#	Name	Share (%)	Number of shares	Account type	Nationality
1	STATE STREET BANK AND TRUST CO.	5.9	29 582 248	NOM	USA
2	CANICA AS	5.6	27 895 467	ORD	NOR
3	AWILHELMOSEN CAPITAL AS	4.7	23 254 334	ORD	NOR
4	FOLKETRYGDFONDET	4.0	19 824 000	ORD	NOR
5	BANK OF NEW YORK MELLON	3.8	19 002 189	NOM	USA
6	SKANDINAVISKA ENSKILDA BANKEN	3.0	14 796 215	NOM	SWE
7	BANK OF NEW YORK MELLON	2.5	12 674 087	NOM	USA
8	BNP PARIBAS SECS SERVICES PARIS	2.2	10 875 124	NOM	FRA
9	STATE STREET BANK & TRUST CO.	1.8	8 804 473	NOM	USA
10	JPMORGAN CHASE BANK	1.8	8 770 804	NOM	GBR
11	CITIBANK N.A. (LONDON BRANCH)	1.6	8 031 829	NOM	GBR
12	CITIBANK N.A., LONDON BRANCH	1.5	7 681 558	NOM	GBR
13	DNB NOR NORGE SELEKTIV (III)	1.4	7 001 577	ORD	NOR
14	AWILHELMOSEN CAPITAL II AS	1.4	6 934 000	ORD	NOR
15	EUROCLEAR BANK S.A./N.V. ('BA')	1.3	6 711 339	NOM	BEL
16	TRONDHEIM KOMMUNALE PENSJONSKASSE	1.3	6 363 700	ORD	NOR
17	BNP PARIBAS SECS SERVICES PARIS	1.3	6 309 847	ORD	FRA
18	STATE STREET BANK AND TRUST CO.	1.3	6 253 088	NOM	USA
19	SHB STOCKHOLM CLIENTS ACCOUNT	1.2	6 153 832	NOM	NOR
20	VITAL FORSIKRING ASA	1.2	6 111 087	ORD	NOR
	<b>Total 20 largest shareholders</b>	<b>48.7</b>	<b>243 030 798</b>		<b>8 / 20 NOR</b>



# Disclaimer

*The information included in this Presentation contains certain forward-looking statements that address activities, events or developments that Norwegian Property ASA (“the Company”) expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets in which Norwegian Property is or will be operating, counterparty risk, interest rates, access to financing, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors we refer to Norwegian Property’s Annual Report for 2010. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in the information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Norwegian Property disclaims any and all liability in this respect.*