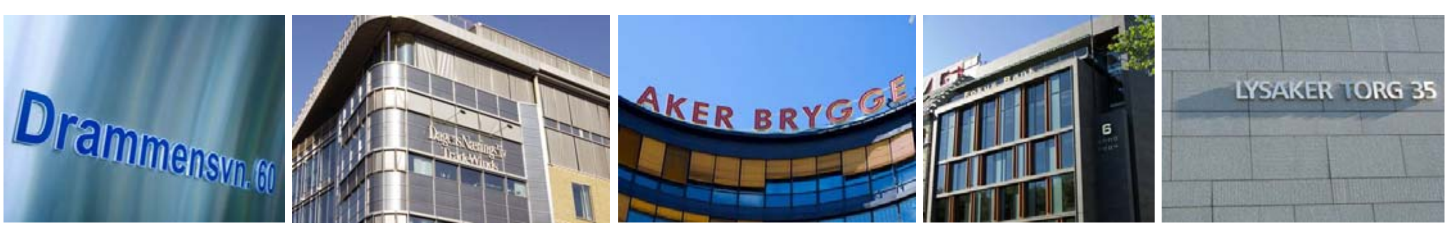
NORWEGIAN PROPERTY

REPORT FOR THE FIRST QUARTER - 2008



HIGHLIGHTS FOR THE QUARTER

- Rental income was NOK 472.1 million in the first quarter of 2008 (NOK 248.6 million in the same quarter in 2007).
- Profit before tax, value changes and interests on acquisition financing was NOK 125.1 million.
- After value adjustments derivatives, fair value adjustment properties and interest expenses acquisition financing, loss before tax was NOK 166.9 million (profit of NOK 345.4 million in the first quarter 2007).
- Net asset value per share (EPRA) was NOK 70.15 (NOK 60.26).
- The hotel markets in the Nordic region are strong with RevPAR (Revenue Per Available Room) growth between 6% and 12% so far in 2008 (per February). RevPAR growth for Norgani hotels was significantly higher (+9.6 % to 17.9%). Rental growth in Norgani in the first quarter 2008 was up 20.6 % compared to 2007.
- Overall office vacancy in Oslo is now below 4%. Rents are still increasing but at lower pace than earlier. Yields are trending upwards on less attractive properties.
- Agreement was signed with NEAS for facility management of the office portfolio. The agreement will secure stable and low property expenses going forward.
- Divestment process of non-core assets is proceeding according to plan. Agreements are entered regarding sale of non-core office properties with a property value of NOK 1.4 bn. Processes are ongoing regarding sale of hotel portfolio.

NORWEGIAN OFFICES - MARKET

The international financial and macroeconomic turmoil has so far had limited direct impact on the Norwegian economy. Unemployement remains very low, and demand for labor is still strong. Only a limited amount of new office space will be available in the market over the next few years. In central areas (CBD) vacancy does virtually not exist. Rents thus are expected to increase over the next year. Due to slow down in the residental market and the strong rental growth in the office market, start up of new office projects is increasing, though from very low levels.

The market for property transactions has slowed down as a consequence of the increase in long term interest rates and the credit turmoil, however to a lesser extent than in other countries. Less attractive properties and properties with long term leases have seen a certain increase in yield requirements. Also more centrally located areas have started to see some yield expansion. Increasing rents are to some extent neutralising the effects on the property values.

ACCOUNTING PRINCIPLES AND CONSOLIDATED ENTITIES

The first quarter report has been prepared in accordance with IAS 34 – Interim Financial Reporting. The quarterly result has been prepared in accordance with the current IFRS-standards and interpretations. The accounting policies applied in the preparation of the quarterly result are consistent with the principles applied in the financial statements for 2007.

In the consolidated group accounts Oslo Properties and Norgani Hotels have been included for the full quarter.

Mauritz Kartevolds plass 1, which was agreed sold in December 2007, was included up to February 1, when the sale was completed. The sale of Kokstadveien 23 was completed in the fourth quarter, and the property has not been included in the numbers in the first quarter. Other properties agreed sold, are included for the full quarter as closing of the transactions are not completed.

KEY NUMBERS

			1st Quarter 01.01 - 31.03		Last year 01.01 - 31.12
			2008	2007	2007
Profit and loss					
Gross rent		NOK million	472.1	248.6	1,195.7
Operating profit		NOK million	313.7	446.0	2,264.7
Operat. prof. ex. fair value adj.		NOK million	405.6	218.5	1,036.3
Profit before tax		NOK million	(166.9)	345.4	1,650.6
Net profit		NOK million	(120.2)	248.7	1,189.9
Balance sheet					
Market value of investment portfolio		NOK million	31,096.0	16,359.9	31,113.9
Market value of total prop. portfolio			31,096.0	17,602.8	31,113.9
Equity		NOK million	6,731.5	6,115.2	6,830.9
Interest bearing debt		NOK million	23,171.5	12,751.4	23,267.5
- of which hedged		NOK million	16,316.0	10,189.0	16,040.2
Interest bearing debt, incl. liability to acquire shares in Oslo Properties AS	1)	NOK million	24,792.9	12,751.4	24,863.3
Equity %		%	20.0 %	31.3 %	20.1 %
Pre tax return on equity (annualised)		%	-9.8 %	24.0 %	27.0 %
Cash flow					
Operational cash flow		NOK million	302.4	273.3	1,005.3
Cash position		NOK million	512.5	865.1	635.5
Key numbers, shares					
No. of shares issued		Million	105.5	105.5	105.5
Average number of shares in period		Million	105.5	98.7	103.8
Pre tax profit per share		NOK	(1.58)	3.50	15.90
Basic earnings per share (EPS)	2)	NOK	(1.14)	2.52	11.46
Operating cash flow per share		NOK	2.87	2.77	9.68
Interest bearing debt per share		NOK	219.67	120.89	220.58
Book value per share		NOK	61.85	57.54	63.20
Deferred property tax per share		NOK	21.86	5.03	22.18
Goodwill per share		NOK	(10.10)	-	(10.10)
Financial derivative instr. per share		NOK	(3.47)	(2.32)	(4.45)
Net asset value per share (EPRA)	3)	NOK	70.15	60.26	70.84

1) Norwegian Property ASAs interest bearing liability (put/call option agreement) to acquire shares in Oslo Properties AS.
NOK 1 120 million plus accrued interest may be settled with shares in Norwegian Property ASA at the discretion of Norwegian Property.

2) Diluted earnings per share are the same as the basic earnings per share.

3) Ordinary book value of equity (excl. minority interests) per share adjusted for deferred property tax-, goodwill- and financial derivative instr. per share. Deferred property tax per share include both ordinary deferred tax related to properties and tax compensation at purchase (accounted for as a reduction of investment properties). Goodwill per share is calculated from the single item in the balance sheet, while financial derivative instr. per share is calculated based on the asset and liability items (market values of interest-/exchange rate swap contracts and similar) in the balance sheet after tax.

RESULT

The report for the first quarter 2008 includes the operation of 57 commercial properties (investment properties), 73 hotels and one conference center in Norgani Hotels for the full quarter. Gross rental income for the first quarter was NOK 472.1 million (NOK 248.6 million in the same period in 2007). In addition Norwegian Property has received payments under rental guarantees (NOK 1.5 million) in the first quarter, which are not included in the P&L.

Maintenance and property related expenses for the quarter were NOK 37.6 million (NOK 14.1 million) corresponding to 8.0 % of gross rental income. The increase reflects the acquisition of Norgani Hotels. Group and administrative expenses were NOK 28.8 million (NOK 16.0 million). Operating profit before value adjustment was NOK 405.6 million (NOK 218.5 million).

DTZ Realkapital has for the office portfolio, based on the same methods and principles as in the previous quarters, performed an external and independent valuation of properties. Increased inflation expectations has had a positive impact on valuations. DTZ has observed cotinued pressure on rents in central Oslo, but indications that market rents is reaching a peak. Widening of risk premiums (bank margins) and general yield expansion (especially on less attractive properties) have had a negative effect on valuations. The company has carried out independent assessments of the parameters which affect the value of the group's properties, including development in interest rates, market rents, occupancy and yield requirements on similar transactions. Based on these considerations the Company has applied DTZ's valuation. Total value of the Group's portfolio of investment properties (offices) after adjustment for deferred tax was thus NOK 20,196 million as of 31 March 2008. NOK -197.0 million (NOK 227.4 million) in loss (gain) from fair value adjustment of investment properties has been realised in the first quarter.

The hotel portfolio has been externally valued by DTZ Realkapital and Maakanta (see separate description of this revaluation). Gain from fair value adjustment on the hotel portfolio was NOK 75.6 million.

Net financial items were NOK -480.6 million (NOK -100.6 million) in the first quarter. Net financial items include NOK -142.5 million (NOK 58.0 million) relating to negative changes in market value of financial derivatives. Interest expenses relating to the acquisition financing of Norgani Hotels / Oslo Properties was NOK 57.7 million. Financial expenses also include a loss of NOK 2.9 million related to changes in exchange rates.

Loss (profit) before tax for the first quarter was NOK -166.9 million (NOK 345,4 million). Calucated tax was NOK -46.7 million (NOK 96.7 million), primarily relating to deferred tax, which does not have any cash flow impact. Ordinary loss (profit) for the period was thus NOK -120.2 million (NOK 248.7 million).

CASH FLOW

Net cash from operating activities was NOK 302.4 million (NOK 273.3 million) in the first quarter. As a consquence of shorter roll over periods for the interest payments in the first quarter, a negative periodisation effect of NOK 50 million relating to interest payments was charged in the first quarter. This effect will be reversed in the second quarter. There are also some negative periodisation effects relating to rental payments having effect in the first quarter. Net cash flow from investing activities was NOK 27.9 million relating to the net effect of sold assets and ordinary capital expenditures. Ordinary capital expenditures relating to the group's investment properties (offices) were NOK 29 million and to the hotel portfolio NOK 22 million in the first quarter. Net cash flow from financing activites was NOK -453.6 million. Net change in cash and cash equivalents in the first quarter was NOK -123.3.

BALANCE SHEET

Cash and cash equivalents as of 31 March 2008 were NOK 512.5. In addition the group had NOK 365 million in unused committed credit facilities. Total equity was NOK 6,732 million (NOK 6,115 million), corresponding to an equity ratio of 20.0 % (31.3 %). After deduction of minority interests the Net Asset Value per share was NOK 61.85 (NOK 57.54). Net Asset Value based on EPRA's standard was NOK 70.15 (NOK 60.26).

The decomposition of deferred tax liability is described in the table below:

Deferred tax liability on properties (on fair value adjustments)	1 941
- Deferred tax asset from carry forward losses	(465)
Deferred tax liability	**1 476**
Deferred tax liability (booked as reduction on investment property)	**364**

FINANCING

Total consolidated interest bearing debt as of 31 March 2008 was NOK 23,171 million (NOK 12,751 million). In addition Norwegian Property had a potential liability to acquire shares in Oslo Properties AS (OPAS) based on put / call options. The discounted value of this obligation was NOK 1,621 million. NOK 16,316 million (NOK 10 189 million) of the interest bearing debt has been hedged, corresponding to a hedging ratio of 70%. Average interest for the interest bearing debt (including the bank acquisition financing in Oslo Properties) was 5.44% and average loan margins on the same debt is 76 basis points.

Interest bearing debt and hedging, 31 March 2008	Norwegian Property	Norgani	Property financing	OPAS – acquisition financing	Incl. bank acquisition financing
Total interest bearing debt (NOK million)	14 369	6 937	21 306	1 900	23 206
- Of which hedged (NOK million)	11 617	4 699	16 316	0	16 316
Hedging ratio (%)	81 %	68 %	75 %	0 %	70 %
Cash and cash equivalents	451	47	498	14	512
Effective hedging ratio including cash (%)	84 %	68 %	79%	1 %	73 %
Comited, unutilised credit lines (short and long term)	290	75	365		365
Average interest, interest bearing debt	5.32%	5.13%	5.27%	7.38%	5.44%
Average margin, interest bearing debt	0.56%	0.99%	0.70%	1.50%	0.77%
Average duration, hedging contracts (years)	5.1	5.9	5.0	-	5.0
Average duration, borrowing	5.0	4.2	4.7	2.8	4.4

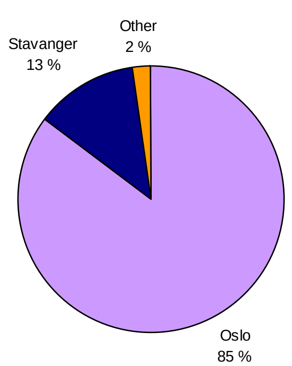
In addition Norwegian Property ASA has a potential liability to acquire shares in Oslo Properties based on put / call options with a discounted value of NOK 1,621 million.

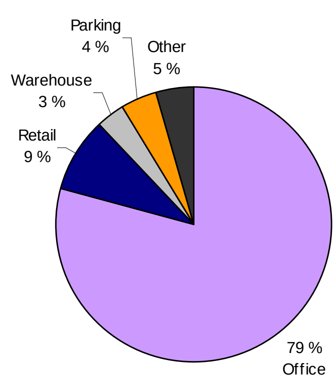
OSLO PROPERTIES AS

Oslo Properties AS is financed through equity commitments of NOK 2,005 million, of which Norwegian Property has subscribed for NOK 350 million. There has been no change in ownership in Oslo Properties AS during the first quarter. At the end of the first quarter interest bearing debt in Oslo Properties AS was NOK 1,846 million.

PROPERTIES – OFFICE PORTFOLIO

As of 31 March 2008 Norwegian Property owned 57 office and retail properties. Norwegian Property has entered an agreement to sell Østre Aker vei 20 and 22, Magnus Poulssonsvei 7, Forskningsveien 2 and Økerneveien 9. The transactions will be completed in the second quarter of 2008. Detailed information on each property is continually updated on the company's web page, www.norwegianproperty.no. Norwegian Property's properties are mainly located in central parts of Oslo and Stavanger. The company's properties mainly comprise office areas, warehouses, shopping areas and parking in connection with the office areas. On Aker Brygge the group also owns a shopping centre with outlets and restaurants.





Figures: Geographical location and portfolio mix (by gross rental income)

THE RENTAL SITUATION – OFFICE PORTFOLIO

When adjusting for properties sold or agreed to be sold, as of 31 March 2008 the total annual contracted gross rental income for the office portfolio was NOK 1 072.2 million compared to NOK 923 million at the end of 2006 and NOK 1 071 million at the end of the fourth quarter (adjusted for sold properties). Average ratio for CPI-adjustment for the portfolio is 95%. The average vacancy in the portfolio was 0.3%. Average remaining duration of the rental contracts was 6.1 years (6.5 years at the end of last year). Over the next four years an estimated contract volume of NOK 337 million is up for renewal.

SHAREHOLDERS

Total number of shares as of 31 March 2008 were 105 481 570. At the end of March 2008 foreign shareholders controlled 59.9% (60.1% at the end of last year). The company had a total of 902 registered shareholders at the end of March. The largest shareholders as of 16 April 2008 were:

Largest shareholders	Country	Shares	Stake
A. Wilhelmsen Capital AS	NOR	12 165 000	11.53 %
State Street Bank and Trust Co. (nom)	USA	8 737 256	8.28 %
JPMorgan Chase Bank (nom)	GBR	7 308 635	6.93 %
Fram Holding AS	NOR	4 000 000	3.79 %
Bank of New York, Brussels Branch, Alpine Int.	BLE	3 627 295	3.47 %
Vital Forsikring ASA	NOR	3 578 700	3.39 %
Bank of New York, BR BNY GCM	GBR	3 324 600	3.15 %
Fram Realinvest AS	NOR	3 000 000	2.84 %
Aweco Invest AS	NOR	2 870 282	2,72 %
Mellon Bank AS Agent	USA	2 319 173	2,20 %
Bank of New York, Brussels Branch, Alpine Int.	BLE	2 126 600	2.02 %
Pohjola Bank	AUT	2 000 000	1.90 %
Spencer Trading Inc.	NOR	2 000 000	1,90 %
Deutsche Bank AS	GBR	1 904 612	1.81 %
Mellon Bank as agent for clients (nom)	USA	1 901 886	1.80 %
Opplysningsvesenets fond	NOR	1 662 731	1,58 %
Fortis Global Custody Services (nom)	NEL	1 518 540	1.44 %
Lani Development AS	NOR	1 497 900	1,42 %
Morgan Stalney & Co (nom)	GBR	1 338 691	1,32 %
JPMorgan Chase Bank (nom)	GBR	1 153 960	1.09 %
Other shareholders		37 395 279	34,45 %
Total number of shares as of 16 April 2008		**105 481 570**	**100,00 %**

The share price at the end of the first quarter was NOK 44.00 versus NOK 66.50 at the end of last year. Generally property shares around the world has had a more stable performance so far this year compared to last year. FTSE EPRA NAREIT's Global Real Estate Index Europe was down 1.8% in the the first quarter., whereas GPR 250 Europe was up 0.3%.

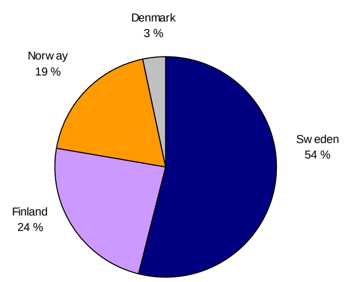
NORGANI – THE HOTEL MARKET

Based on the most recent market information on the Nordic hotel market (February 2008), the strong trend continues. RevPAR (Revenue Per Available Room) increased between 6.4 % and 11.8% in the countries recording this figure. Norgani's hotels had an even stronger RevPAR development ranging from 9.6% to 14.3% in the same countries. In Denmark, where market RevPAR is not recorded, occupancy continue go grow. Norgani only has three hotels in Denmark, and a limited exposure, but saw a negative RevPAR development in the first quarter. A refurbishment project on one of the properties is one reason for the drop, but Norgani is adressing the issue to improve the situation.

	RevPAR February	RevPAR Norgani (February)	Share of Norgani revenue
Norway	11.8 %	14.3 %	23 %
Sweden	6.4 %	9.6 %	45 %
Finland	9.7 %	17.9 %	28 %
Denmark	Occupancy 2.4 %	-23.3 %	4 %

NORGANI – THE HOTEL PORTFOLIO

At the end of March 2008, Norgani's portfolio comprised 73 hotels and one congress centre with a total of 12,804 rooms and 671,080 sqm.



Figures: Geographical location (rooms)

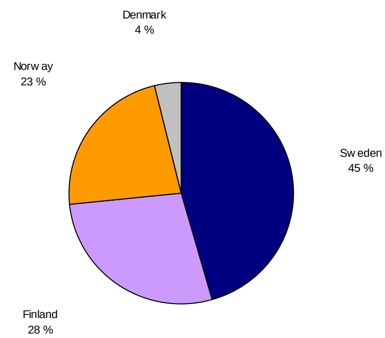


Figure: Geographical location (revenues)

NORGANI – THE HOTEL LEASE CONTRACTS

By the end of the first quarter, all Norgani's hotels were operating under performing contracts with only immaterial vacancies. Except for one hotel the contracts are turnover based leases, mostly with differentiated rates between lodging and food/beverages. Most contracts have minimum leases, on average at around 64% of current gross rent (CPI adjusted minimum leases). For some of the hotels there are vendor rental guarantees, which means that the seller has agreed to compensate Norgani for any shortfall between the guaranteed level and actual turnover based rent. The average duration of the lease agreements was 10.7 years, including the renegotiated Scandic agreement.

Operators	**% Rooms**	**% Revenue *)**
Scandic	57%	59%
Choice	21%	21%
Rezidor	5%	5%
Hilton	3%	5%
First	3%	2%
Best Western	2%	1%
Rica	2%	2%
Others	7%	5%

*) After renegotiation of Scandic

NORGANI – VALUATION OF HOTEL PORTFOLIO

As of 31 March 2008 the hotel portfolio was valued by DTZ Realkapital (Sweden, Denmark and Norway) and Maakanta (Finland). Total valuation in the external valuation was NOK 10.901 million, which is an increase of NOK 200 million from the end of last year. The valuation is based on the discounted cash flow method. In parallel Norgani has carried out internal valuations based on the principles previously applied by Norgani Hotels. The internal valuations concluded with a slightly higher value of NOK 10 914 million. The internal valuations are based on a net present value calculation of the property's future operating net serving the foundation for calculating property values. This means in principle that a property is valued by discounting expected revenues, and expenditures with a discount rate. The cash flow period is 10 years. As for Norwegian Property the external valuation has been applied for the valuation in the group accounts.

NORGANI - RESULT

Revenues in the first quarter were NOK 188.9 million compared to NOK 156.6 in the same period last year. Growth in RevPAR and renegotiated lease agreements, mainly related to the Scandic hotels, are the main drivers behind the increase..

Operating expenses and administrative expenses were NOK 20.2 million and NOK 14.8 million respectively. Maintenance efforts were high in the first quarter and will be reduced going forward.

Net financial items were NOK -86.1 million, excluding interests on group internal debt of NOK 7.1 million. Fair value adjustments on properties were NOK 75.6 million, whereas fair value adjustments on financial instruments were NOK -75.2 million mainly due to a reduction in the long term interest rates and changes in currencies. In Sweden Norgani has sold a company holding no properties with a gain of NOK 29.3 million.

Profit before tax was consequently NOK 97.5 million or NOK 90.4 million if adjusting for group internal finance expenses..

NORGANI – FINANCING STRUCTURE

Gross interest bearing debt as of 31 March 2008 in Norgani was NOK 7,122 million (NOK 6,246.9 million at the end of the first quarter last year). Gross value of financial derivatives (interest swaps and currency hedging) was NOK 115 million. Further details on the financing is described under the group financing structure.

OUTLOOK

Norwegian Property's current portfolio of 57 high quality office properties in Oslo and Stavanger and 74 hotel properties in the Nordic region is well positioned to benefit from the strong economic growth in the region. Norwegian Property will continue the strong operational focus on tenant management and rental improvement, cost reductions and asset management. Major focus going forward is directed towards consolidation and integration of Norgani including focus on the financing structure. Sale of non-core assets is ongoing.

Norwegian Property has a long term strategic ambition of being a consolidator of the property business and of growing the business through accretive acquisitions. The main focus is still on the prime office markets in the larger Norwegian cities. But through the investment in Oslo Properties (and Norgani), Norwegian Property has entered the Nordic hotel market. The high degree of revenue based contracts implies a faster leverage on the strong economic growth in the region. In the short to medium term Norwegian Property's main focus will be on consolidation of the combined company, including integration of the organisations, take out of synergies, refinancing of Norgani and divestment of non-core assets. However Norwegian Property will also continue the work of evaluating accretive acquisitions, mainly in the form of structural transactions.

Norwegian Property ASA
The board of directors, 25 April 2008

FINANCIAL CALENDAR
2nd Quarter 2008: 8th August 2008
For additional information on Norwegian Property, see www.npro.no

CONSOLIDATED INCOME STATEMENT

Figures in NOK 1.000	1st Quarter 01.01 - 31.03 Norwegian Property 2008	Oslo Properties/ Norgani 1) 2008	Norwegian Property, incl. Osl. Pr./Norgani 2008	Norwegian Property 2007	Last year 01.01 - 31.12 Norwegian Property, incl. Osl. Pr./Norgani 2007
Rental income from properties	283,211	188,849	472,060	248,113	1,193,189
Other revenue	-	-	-	526	2,497
Gross rental income	**283,211**	**188,849**	**472,060**	**248,639**	**1,195,686**
Maintenance and property related costs	(17,404)	(20,217)	(37,622)	(14,111)	(81,424)
Other operating expenses	(14,013)	(14,814)	(28,827)	(16,007)	(77,943)
Total operating cost	**(31,418)**	**(35,031)**	**(66,448)**	**(30,118)**	**(159,367)**
Operating profit before fair value adj. of investment property	**251,793**	**153,818**	**405,611**	**218,521**	**1,036,319**
Gain from fair value adjustment of investment property	(197,018)	75,598	(121,420)	227,448	1,219,138
Gain from sales of investment property	206	29,349	29,555	-	9,281
Operating profit	**54,980**	**258,766**	**313,746**	**445,969**	**2,264,738**
Financial income	5,664	417	6,081	14,631	67,972
Financial costs	(199,957)	(144,303)	(344,260)	(173,226)	(958,863)
Change in market value of financial derivative instruments	(67,288)	(75,183)	(142,470)	57,986	276,749
Net financial items	**(261,581)**	**(219,069)**	**(480,649)**	**(100,609)**	**(614,143)**
Profit before income tax	**(206,600)**	**39,697**	**(166,904)**	**345,360**	**1,650,595**
Income tax expense	57,849	(11,115)	46,733	(96,701)	(460,736)
Profit for the period	**(148,752)**	**28,582**	**(120,170)**	**248,659**	**1,189,859**
Minority interests	1,373	(44,632)	(43,259)	(776)	(4,829)
Profit after minority interest	**(147,378)**	**(16,051)**	**(163,429)**	**247,883**	**1,185,030**

1) Oslo Properties AS/Norgani Hotels AS is consolidated as a part of the Norwegian Property ASA Group from 24.09.2007. The figures also include the liability to acquire shares in Oslo Properties (total acquisition financing).

CONSOLIDATED BALANCE SHEET

Figures in NOK 1.000		Norwegian Property, incl. Osl. Pr./Norgani 3/31/2008	Norwegian Property 3/31/2007	Norwegian Property, incl. Osl. Pr./Norgani 12/31/2007
ASSETS				
Non-current assets				
Financial derivative instruments		-	114,814	9,550
Goodwill		1,064,987	-	1,064,987
Investment property		31,095,998	16,359,874	31,113,889
Development property		-	1,242,926	-
Fixtures and equipment		2,961	3,137	2,965
Shares and interests		1,637	-	1,623
Receivables		9,132	-	1,575
Total non-current assets		**32,174,715**	**17,720,751**	**32,194,589**
Current assets				
Financial derivative instruments		544,330	240,873	678,673
Seller guarantee for future rent		4,852	68,782	6,200
Accounts receivable		284,167	143,246	186,369
Other receivables		149,393	37,531	180,780
Unpaid subscribed capital, net of issue cost		-	480,000	-
Cash and cash equivalents		512,477	865,066	635,476
Total current assets		**1,495,220**	**1,835,498**	**1,687,498**
Total assets		**33,669,935**	**19,556,249**	**33,882,087**
EQUITY				
Paid in equity		5,349,061	5,349,298	5,348,120
Other reserves		27,689	82,755	7,818
Retained earnings		1,147,533	637,519	1,310,962
Minority interests		1,732,126	45,610	1,688,867
- Liability to acquire shares in subsidiaries	1)	(1,524,863)	-	(1,524,863)
Total equity		**6,731,546**	**6,115,182**	**6,830,903**
LIABILITIES				
Non-current liabilities				
Deferred tax liability		1,475,906	212,344	1,521,767
Financial derivative instruments		5,129	-	-
Interest bearing liabilities		21,662,264	12,609,951	21,733,946
Total non-current liabilities		**23,143,299**	**12,822,295**	**23,255,713**
Current liabilities				
Financial derivative instruments		41,701	15,861	26,075
Interest bearing liabilities		1,509,236	141,476	1,498,193
Liability to acquire shares in subsidiaries	1)	1,621,355	-	1,595,837
Accounts payable		16,989	94,365	44,086
Other liabilities		605,809	367,070	631,279
Total current liabilities		**3,795,090**	**618,772**	**3,795,470**
Total liabilities		**26,938,389**	**13,441,067**	**27,051,184**
Total equity and liabilities		**33,669,935**	**19,556,249**	**33,882,087**

1) Norwegian Property ASAs interest bearing liability (put/call option agreement) to acquire shares in Oslo Properties AS.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in NOK 1.000	Equity attributable to shareholders of the company						
	Share capital	Share premium	Other paid in equity	Other reserves	Retained earnings	Minority interests	Total Equity
Total equity 31.12.2006	**2,462,823**	**900,171**	**1,500,000**	**75,763**	**389,636**	**44,834**	**5,373,227**
Share issue, March 2007	174,216	325,784					500,000
Total cost related to share issues, net of tax		(13,932)					(13,932)
Dividend payments					(263,704)		(263,704)
Financial derivatives accounted to equity				(68,887)			(68,887)
Profit for the period					1,185,030	4,829	1,189,859
Minority interests						1,639,203	1,639,203
Liability to acquire shares in subsidiaries						(1,524,863)	(1,524,863)
Total equity 31.12.2007	**2,637,039**	**1,212,022**	**1,500,000**	**6,876**	**1,310,962**	**164,003**	**6,830,903**
Financial derivatives accounted to equity				(10,580)			(10,580)
Currency translation differences				31,393			31,393
Profit for the period					(163,429)	43,259	(120,170)
Total equity 31.03.2008	**2,637,039**	**1,212,022**	**1,500,000**	**27,689**	**1,147,533**	**207,262**	**6,731,546**

CONSOLIDATED CASH FLOW STATEMENT

		1st Quarter 01.01 - 31.03		Last year 01.01 - 31.12
		Norwegian Property, incl. Osl. Pr./Norgani	Norwegian Property, incl. Osl. Pr./Norgani	Norwegian Property, incl. Osl. Pr./Norgani
	Figures in NOK 1.000	2008	2007	2007
	Profit before income tax	(166,904)	345,360	1,650,595
-	Paid taxes in the period	-	-	(2,042)
+	Depreciation of tangible assets	500	197	766
+/-	Gain from sale of investment property	(29,555)	-	(9,281)
-/+	Gain from fair value adjustment of investment property	121,420	(227,448)	(1,219,138)
-/+	Gain from fair value adjustment of financial derivative instruments	142,471	(57,986)	(276,749)
+/-	Net financial items ex. market value adj. of financial derivative instruments	338,179	158,595	890,892
+/-	Change in short-term items	(103,674)	54,626	(29,768)
=	**Net cash flow from operating activities**	**302,437**	**273,344**	**1,005,277**
+	Received cash from sale of tangible fixed assets and single purpose entities	79,304	-	227,393
-	Payments for purchase of tangible fixed assets and single purpose entities	(51,366)	(2,275,985)	(5,126,458)
-	Payments for purchase of subsidiaries in a business combination	-	-	(3,439,025)
=	**Net cash flow from investing activities**	**27,938**	**(2,275,985)**	**(8,338,090)**
+	Net change in interest bearing debt	(115,466)	1,773,840	7,272,211
-	Net financial items ex. market value adj. of financial derivative instruments	(338,179)	(158,595)	(890,892)
+	Capital increase	-	-	480,287
-	Dividend payments	-	-	(263,704)
+/-	Payments related to other financing activities	-	-	114,352
=	**Net cash flow from financial activities**	**(453,645)**	**1,615,245**	**6,712,253**
=	**Net change in cash and cash equivalents**	**(123,271)**	**(387,396)**	**(620,560)**
+	Cash and cash equivalents at the beginning of the period	635,476	1,252,462	1,252,462
+/-	Exchange rates	271	-	3,573
	Cash and cash equivalents at the end of the period	**512,476**	**865,066**	**635,476**

NOTE 1
– NORGANI HOTELS ASA CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

NOK million	Q1 2008	Q1 2007	24.9 - 31.12 2007	1.1 - 31.12 2007
Property management				
Rental revenue	183.1	150.8	178.0	644.8
Rental guarantees	5.8	5.8	7.1	54.3
Operating expenses	(20.2)	(13.6)	(19.9)	(65.0)
Operating net	**168.7**	**143.0**	**165.2**	**634.1**
Property disposal				
Sales proceeds, net	29.3	112.9	-	148.1
Acquisition value	-	(102.4)	-	(139.3)
Realised fair value adjustment	-	(9.5)	-	(9.1)
Net gain on disposals	**29.3**	**1.0**	**-**	**(0.3)**
Administrative expenses	**(14.8)**	**(20.5)**	**(19.4)**	**(126.3)**
Financial net				
Financial income	0.3	2.7	7.9	14.1
Financial expenses	(86.4)	(86.8)	(101.4)	(334.4)
Net financial items	**(86.1)**	**(84.1)**	**(93.5)**	**(320.3)**
Fair value adjustments				
Properties	75.6	1.5	-	819.7
Financial instruments	(75.2)	95.1	(15.8)	131.8
Total fair value adjustments	**0.4**	**96.6**	**(15.8)**	**951.5**
Profit before tax	**97.5**	**136.0**	**36.6**	**1,138.7**

CONSOLIDATED BALANCE SHEET

NOK million	3/31/2008	3/31/2007	12/31/2007
Assets			
Properties	10,900.5	9,124.3	10,731.5
Receivables	314.4	175.7	342.7
Liquid assets	46.9	153.0	6.2
Total assets	**11,261.8**	**9,453.0**	**11,080.4**
Liabilities and shareholder's equity			
Shareholder's equity	3,932.3	3,020.8	3,810.8
Interest bearing liabilities	7,122.0	6,264.9	7,105.3
Other liabilities	207.5	167.3	164.3
Total tangible assets	**11,261.8**	**9,453.0**	**11,080.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK million	1.1 - 31.03 2008	1.1 - 31.03 2007	1.1 - 31.12 2007
Equity at start of period	**3,810.8**	**3,016.4**	**3,016.4**
New equity issues	-	7.5	-
Net profit for the period	114.5	108.5	1,105.6
Dividend			(158.3)
Cash flow hedges		-	37.7
Other changes, incl. currency transl. diff.	7.0	(111.6)	(190.6)
Equity at end of period	**3,932.3**	**3,020.8**	**3,810.8**

CASH FLOW STATEMENTS

NOK million	1.1 - 31.03 2008	1.1 - 31.03 2007	1.1 - 31.12 2007
Cash flow from operations	60.6	48.8	195.6
Cash flow from changes in working capital	8.4	613.5	590.6
Cash flow from investment activity	7.5	95.6	(836.2)
Cash flow from financing activity	(36.1)	(701.0)	(45.8)
Cash flow for the period	**40.4**	**56.9**	**(95.8)**
Liquid assets, opening balance	6.2	105.1	105.1
Exhcange rate	0.3	(9.0)	(3.1)
Liquid assets, closing balance	**46.9**	**153.0**	**6.2**

SEGMENT INFORMATION

1.1 - 31.03.2008

NOK million	Sweden	Finland	Norway	Denmark	Unallocated	Norgani
Revenues	85.9	55.0	40.4	7.6		188.9
Operating expenses	(10.9)	(6.3)	(1.9)	(1.1)		(20.2)
Operating net	75.0	48.7	38.5	6.5		168.7
Net disposals					29.3	29.3
Fair value adjustments of properties					75.6	75.6
Administrative expenses					(14.8)	(14.8)
Financial net					(86.1)	(86.1)
Fair value adjustments of financial instruments					(75.2)	(75.2)
Profit before tax						**97.5**