



1st quarter 2011

Oslo

5 May 2011

Agenda

Highlights

Olav Line

Financial update

Svein Hov Skjelle

Markets and operations

Olav Line

Closing remarks

Olav Line

Q&A session

HIGHLIGHTS

Positive development as fully integrated property company

- **Solid operations as fully integrated office property company**
- **Loan to value further reduced**
- **Positive value adjustments**
 - NAV increases to NOK 10.99
 - EPRA NAV of NOK 11.62
- **Fokus Bank new tenant at Aker Brygge**
- **Refinancing secured**



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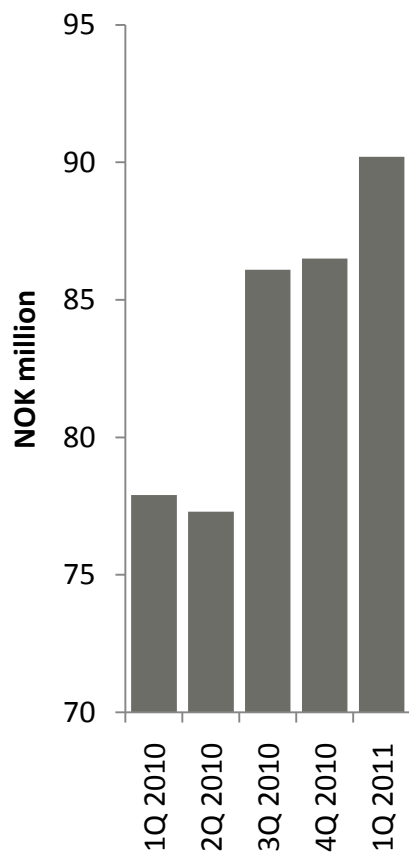
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Closing remarks

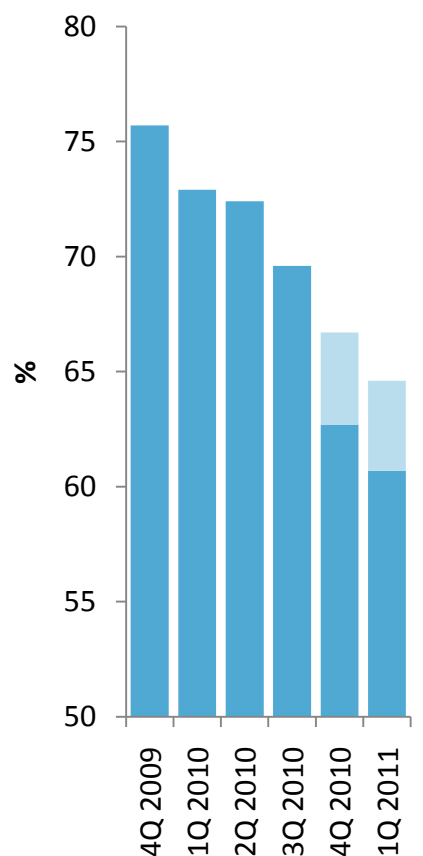
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Q&A session

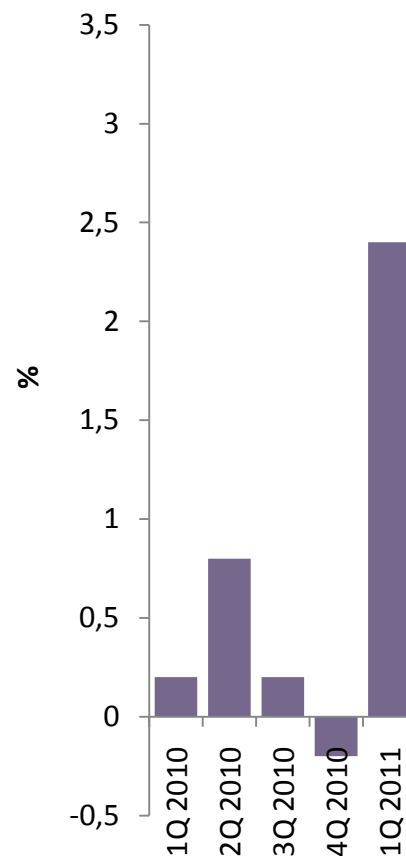
Financial highlights



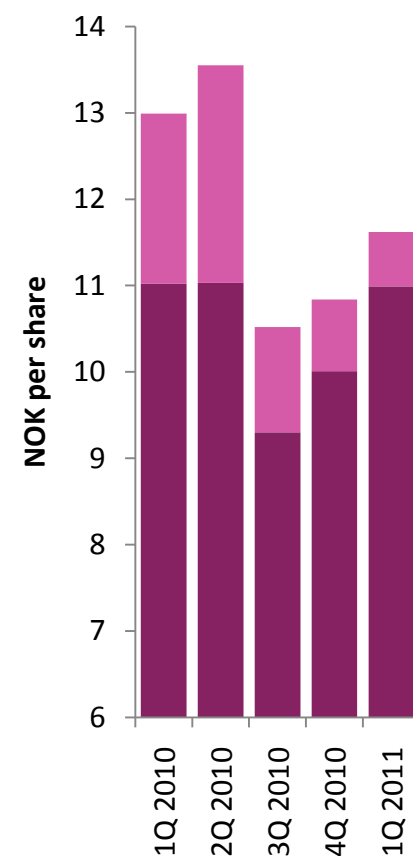
■ Profit before income tax and value adjustments



■ Net LTV incl. vendor financing
■ Net LTV



■ Value adjustments



■ Net asset value (NAV)
■ EPRA NAV

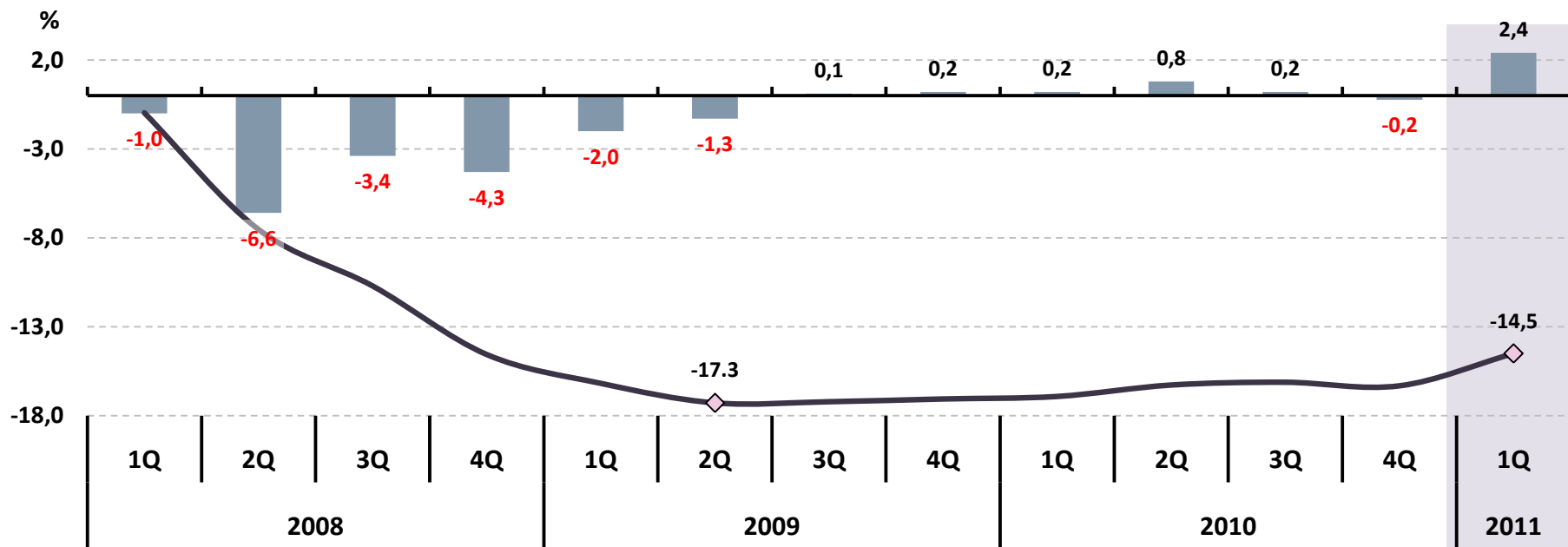
Income statement

| NOK million | 1Q 2011 | 1Q 2010 | 2010 |
|---|--------------|--------------|---------------|
| Gross rental income | 253.7 | 262.6 | 1 025.1 |
| Maintenance and property related cost | -22.6 | -19.5 | -95.8 |
| Administrative and group expenses | -16.8 | -14.0 | -58.9 |
| Operating result before value adjustment | 214.3 | 229.2 | 870.4 |
| Net financial items excluding derivatives | -124.2 | -151.3 | -542.7 |
| Profit before value adjustments | 90.2 | 77.9 | 327.7 |
| Net gain on disposals | - | 15.8 | 9.4 |
| Net gain/loss on value adjustments of investment properties | 327.7 | 25.5 | 170.6 |
| Change in market value of financial derivatives | 141.1 | -114.7 | -69.9 |
| Profit before income tax for continued operations | 559.0 | 4.5 | 437.9 |
| Income tax for continued operations (not payable) | -64.8 | - | -86.7 |
| Profit for the period for continued operations | 494.2 | 4.5 | 351.2 |
| Profit for discontinued operations | - | 36.1 | -810.8 |
| Profit for the period | 494.2 | 40.6 | -459.6 |
| Earnings per share (NOK) | 0.99 | 0.09 | -0.94 |

Upward adjustment of property value

- Overall increase in market rent levels
- Reduced yield, especially for properties with short term leases
- Lease contract with Fokus Bank increases valuation of Aker Brygge properties

Fair value adjustment of 2.4 per cent in the first quarter



Portfolio valuation by area

- Net yield for total portfolio is 6.2 per cent based on current payable rent
- External valuation conducted by DTZ RealKapital and Akershus Eiendom
 - Market rent estimated to be 3.2 per cent (4Q: 3.5 per cent) higher than current payable rents
- Positive fair value adjustment of NOK 327.7 million (2.4 per cent)

| Area | | Total area (m ²) | Area vacancy (%) | EPRA ¹⁾ vacancy (%) | CPI adj. (%) | Duration (years) | Valuation | | Gross rent per year | | Net yield ²⁾ (%) | Gross market rent fully let ³⁾ |
|------------------------|--------------|---------------------------------|------------------------|--------------------------------------|-----------------|---------------------|--------------|--------------------|------------------------|--------------------|--------------------------------|--|
| | | | | | | | NOK mill. | NOK/m ² | NOK mill. | NOK/m ² | | |
| Oslo | CBD | 149 848 | 6.2 | 7.3 | 98.5 | 4.1 | 5 819 | 38 959 | 339 | 2 273 | 5.5 | 409 |
| | Skøyen | 108 203 | 8.4 | 8.1 | 100.0 | 5.9 | 2 890 | 26 716 | 194 | 1 795 | 6.3 | 190 |
| | West | 114 532 | 0.0 | 0.0 | 100.0 | 5.7 | 2 488 | 21 722 | 174 | 1 520 | 6.6 | 172 |
| | Nydalen | 110 108 | 6.9 | 7.9 | 95.8 | 6.2 | 1 846 | 16 757 | 131 | 1 186 | 6.7 | 143 |
| | North / east | 26 455 | 20.7 | 28.1 | 100.0 | 8.8 | 323 | 12 213 | 26 | 980 | 7.5 | 28 |
| Stavanger | | 114 703 | 2.0 | 1.6 | 89.5 | 5.0 | 2 060 | 17 956 | 151 | 1 318 | 6.9 | 161 |
| Total office portfolio | | 623 849 | 5.5 | 6.0 | 97.4 | 5.3 | 15 425 | 24 744 | 1 016 | 1 629 | 6.2 | 1 102 |

¹⁾ Market rent of vacant space divided by market rent of the whole portfolio

²⁾ Based on gross rent and estimated operating expenses of 6%

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

Financial position

| Interest bearing debt and hedging | | 31.03.2011 | 31.12.2010 |
|--|-------------|------------|------------|
| Total interest bearing debt | NOK million | 10 212.1 | 10 294.6 |
| Property value (gross of deferred tax at acquisition) | NOK million | 15 425.5 | 15 062.4 |
| Loan to value | Per cent | 66.2 | 68.3 |
| Net Loan to value ¹⁾ | Per cent | 64.6 | 66.7 |
| Net Loan to value including vendor financing ²⁾ | Per cent | 60.7 | 62.7 |
| Cash and cash equivalents | NOK million | 241.9 | 248.4 |
| Vendor financing | NOK million | 600.0 | 600.0 |
| Unused committed credit facilities (short and long term) | NOK million | 1 000.0 | 1 000.0 |
| Average remaining duration. hedging | Years | 4.2 | 4.1 |
| Average interest rate (including margin) | Per cent | 5.18 | 5.16 |
| Average margin | Per cent | 0.74 | 0.74 |
| Average remaining duration. borrowing | Years | 1.7 | 2.0 |
| Hedging ratio (including cash and cash equivalents) | Per cent | 94.8 | 94.0 |

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

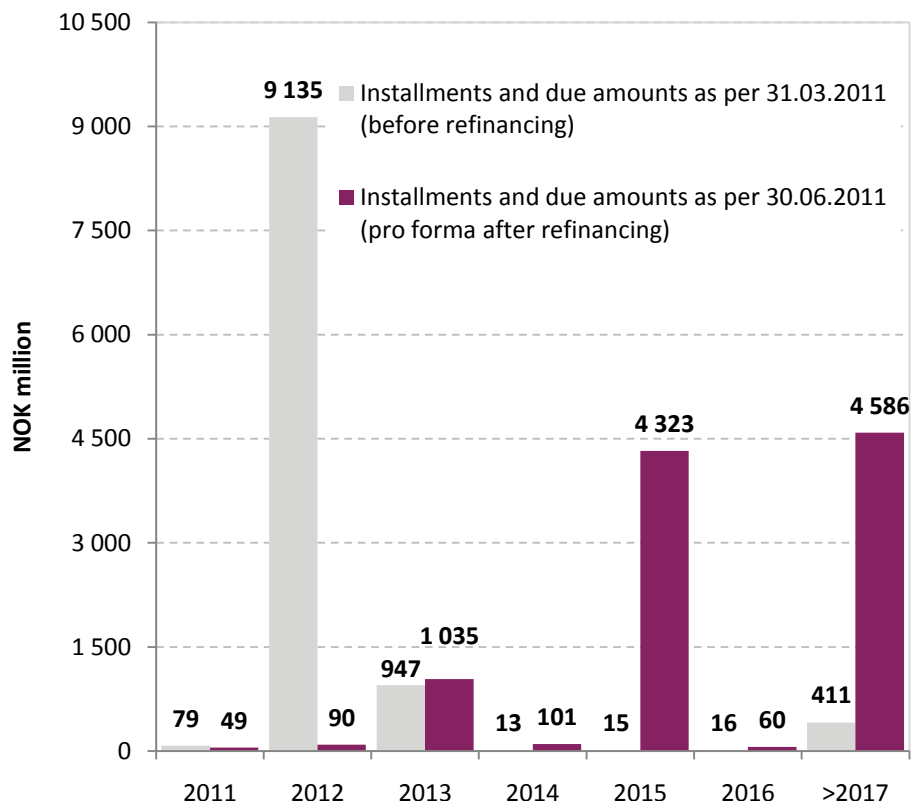
²⁾ Gross interest bearing debt less cash and vendor financing divided by gross property value

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
- No debt maturing until 2013
- Average maturity for company debt increased to 5.3 years
- Average interest rate estimated at 5.3 per cent as per 30 June 2011

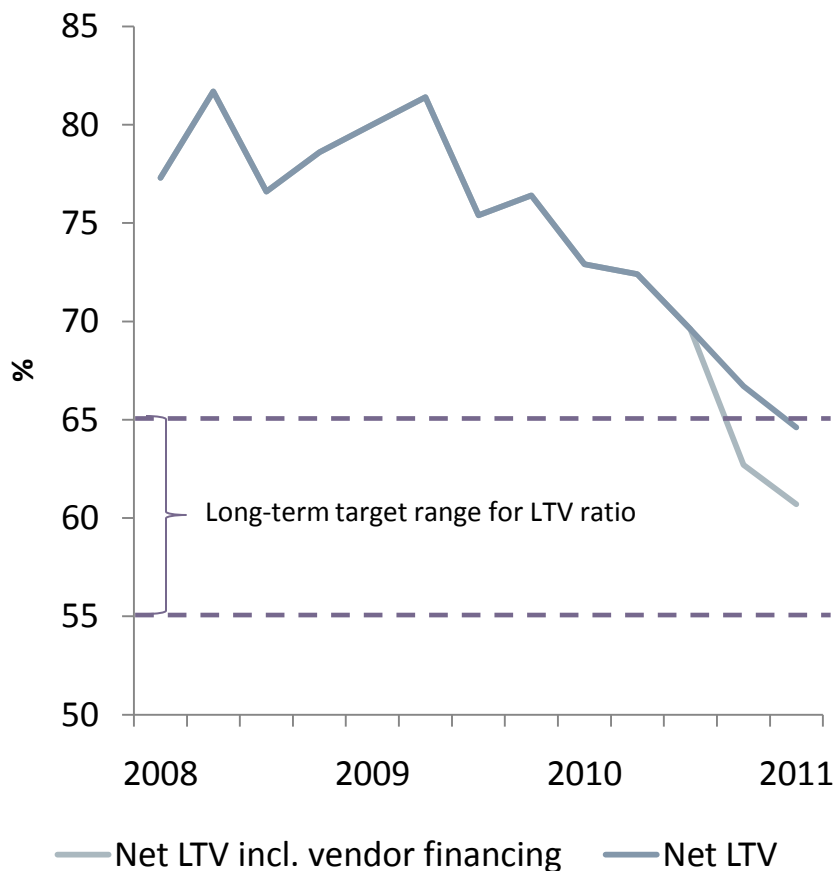
New facilities secure refinancing of all loan maturities in 2011 and 2012 and also add funding capacity for future investments.

Loan maturity profile before and after refinancing

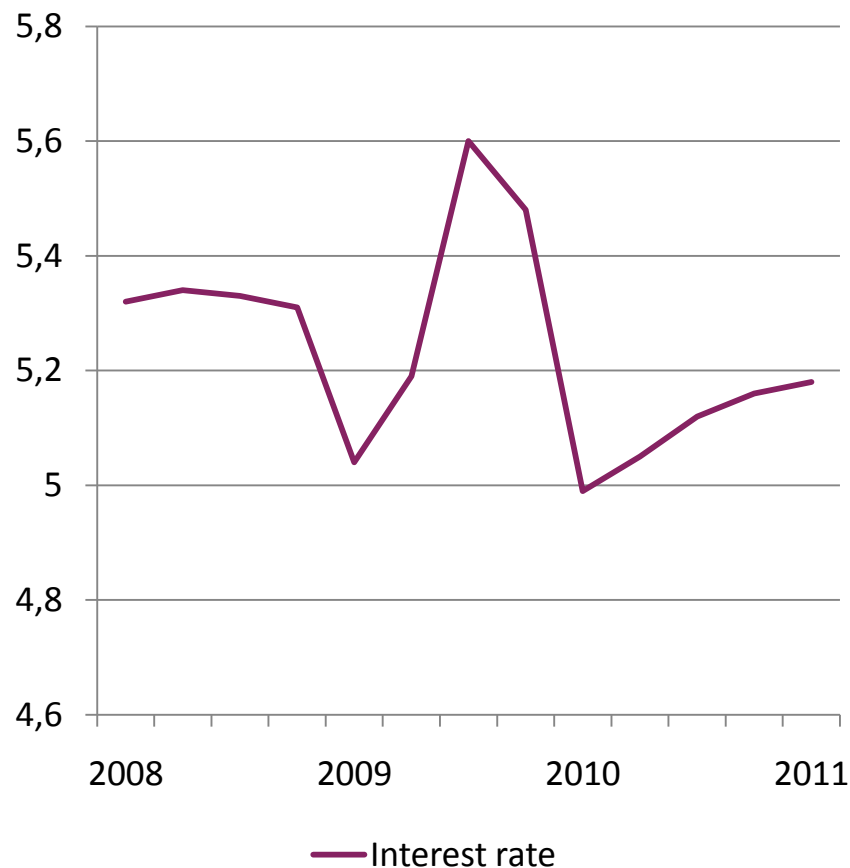


Managing debt and hedging portfolio

Net loan to value¹⁾



Average interest rate²⁾



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

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

Balance sheet

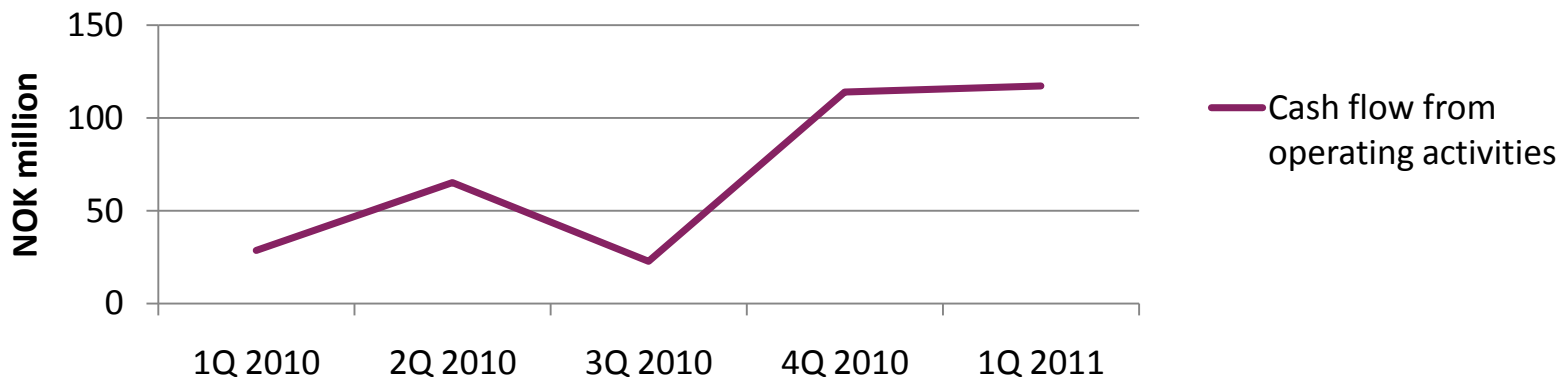
| NOK million | 31.03.2011 | 31.03.2010 | 31.12.2010 |
|---|----------------|-----------------|-----------------|
| Investment properties ¹⁾ | 15 227.9 | 23 612.4 | 14 862.5 |
| Receivables | 600.0 | 8.7 | 600.0 |
| Deferred tax asset | 6.3 | - | 70.0 |
| Goodwill | - | 580.2 | - |
| Cash and cash equivalents | 241.9 | 655.9 | 248.4 |
| Equity | 5 480.8 | 5 496.2 | 4 988.6 |
| Long term interest bearing debt | 8 798.4 | 17 838.5 | 10 203.8 |
| Short term interest bearing debt | 1 413.7 | 199.9 | 90.7 |
| Market value financial derivatives (net) | 162.3 | 575.5 | 300.6 |
| Deferred tax liability | - | 325.6 | - |
| Net other debt | 220.7 | 421.5 | 197.1 |
| Equity ratio (%) | 33.9 | 21.9 | 31.4 |
| Net asset value per share (NOK) ²⁾ | 10.99 | 11.02 | 10.01 |
| Net asset value per share (NOK), EPRA ²⁾ | 11.62 | 12.99 | 10.84 |

¹⁾ Net of deferred tax at acquisition

²⁾ Number of shares : 498 596 832

Cash flow

| NOK million | 1Q 2011 | 1Q 2010 | 2010 |
|--|--------------|--------------|-----------------|
| Cash flow from operating activities | 117.2 | 28.5 | 364.1 |
| Cash received from sale of assets | - | 169.3 | 1 122.6 |
| Purchase of tangible assets and subsidiaries | -37.6 | -13.1 | -68.0 |
| Cash flow from investment activities | -37.6 | 156.2 | 1 054.6 |
| Net change in interest bearing debt | -86.0 | -303.3 | -1 944.5 |
| Capital increases | - | 526.2 | 526.2 |
| Net cash flow from financing activities | -86.0 | 222.9 | -1.418.3 |
| Net change in cash | -6.5 | 407.7 | 0.4 |
| Net cash at end of period | 241.9 | 655.9 | 248.4 |



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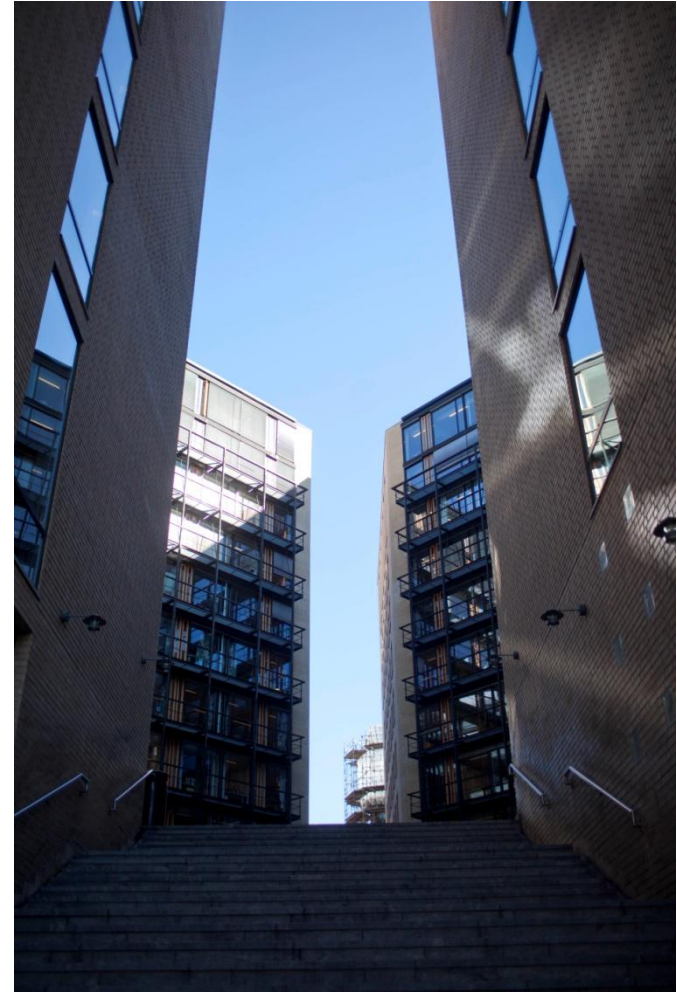
Q&A session

Debt refinancing completes transformation of Norwegian Property

| | |
|--|---|
| Sale of hotel operation | Sale of Norgani Hotels AS completed in November 2010 |
| Improved financial flexibility | Net LTV from 75.7 per cent to 64.6 per cent (60.7 per cent if Norgani vendor financing is included) |
| Built organisational strength to address future value drivers | Established in-house property management organisation and systems Established in-house development organisation Strengthened market organisation and financial function |
| Established long-term master plans for major properties | Established plans for redevelopment and upgrade of major properties |
| Refinancing of debt secured | No debt maturing until 2013 Loan facilities secure all loan maturities in 2011 and 2012 and investment capacity |
| Positioned for focus ahead: | Industrial value creation based on four main value drivers |

Operational highlights

- Positive market signals, improving rental market
- 24 new contracts, renewals or extensions in the first quarter with total annual value of NOK 38.5 million
 - Comparable rental uplift 19.7 per cent
- Area vacancy stable at about 5.5 per cent, compared with 5.8 per cent at the end of 2010
- Continuous focus on four main areas for value creation;
 - Property rental
 - Development
 - Facilities and asset management
 - Transactions and finance



Fokus Bank new tenant at Aker Brygge

- Norwegian Property has secured a long term lease with Fokus Bank for more than 25 per cent of the areas DnB NOR vacates in 2013
- Agreed rent level reflects both the attractiveness of Aker Brygge and the standard of the building after a planned refurbishment
- Lease comprises approximately 6 400 square meters with a duration of 10 years from the expected relocation in January 2014

Norwegian Property plans a major upgrade of the property in order to offer modern functionality, space efficiency and environmental friendly offices



Conversion of office property into housing initiated

- Possible conversion of Middelthuns gate 17 in Oslo from office building into housing
- Feasibility study performed together with MAD Architects and Røisland & Co
- Planned project combines new buildings and reconstruction of existing structures
- In today's market, conversion into housing considered more profitable than offices for this property
- Norwegian Property will consider selling the property either before or after zoning and planning permission is granted as company strategy does not include residential development activities



Project facts:

Approximately 240 apartments planned
Additional retail areas
Option for about 225 parking spaces in basement

Builds inhouse property management organisation

- Norwegian Property has taken over management of office properties in Oslo as from 1 May 2011
- Management of properties at Aker Brygge taken over as from 1 January 2011
- In-house property management organization and systems established and implemented



In-house property management is an important element in Norwegian Property's efforts to transform itself from a financial player to a **fully integrated property company** with high quality in all parts of the value chain

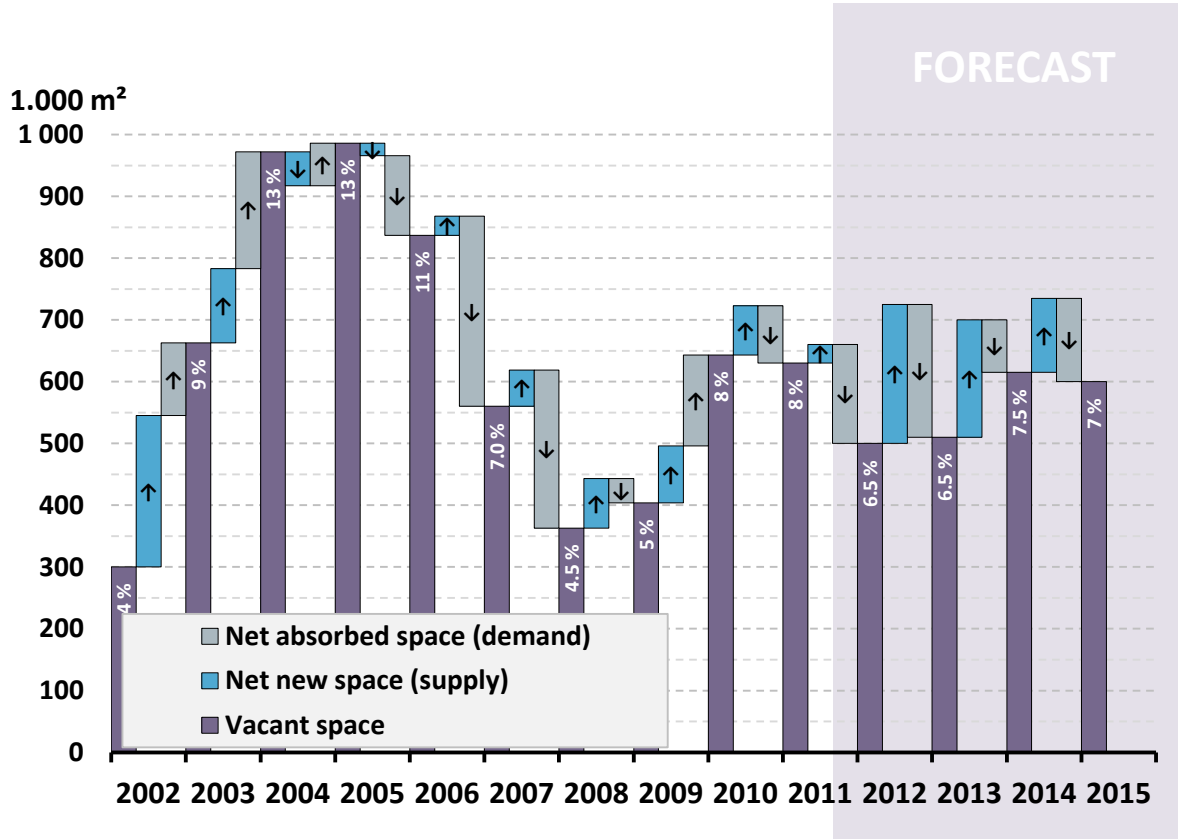
First acquisition since 2007

- Agreement to acquire office section in Oslo entered into in second quarter 2011
- Located in the Verkstedhallene building at Aker Brygge
- Price: NOK 28 million
- Let out on a long-term contract to Norwegian Property
- Transaction expected to be closed in May 2011



Norwegian Property plans to rehabilitate the entire property in the future, thus the acquisition is regarded as strategic

Market recovery more moderate than previous cycle



Current market recovery expected to be more moderate than in 2006-2007 because:

- Weaker employment growth than in previous cycle
- Higher newbuilding activity in 2012-2013 prevents vacancy from being as low as in previous market upturn

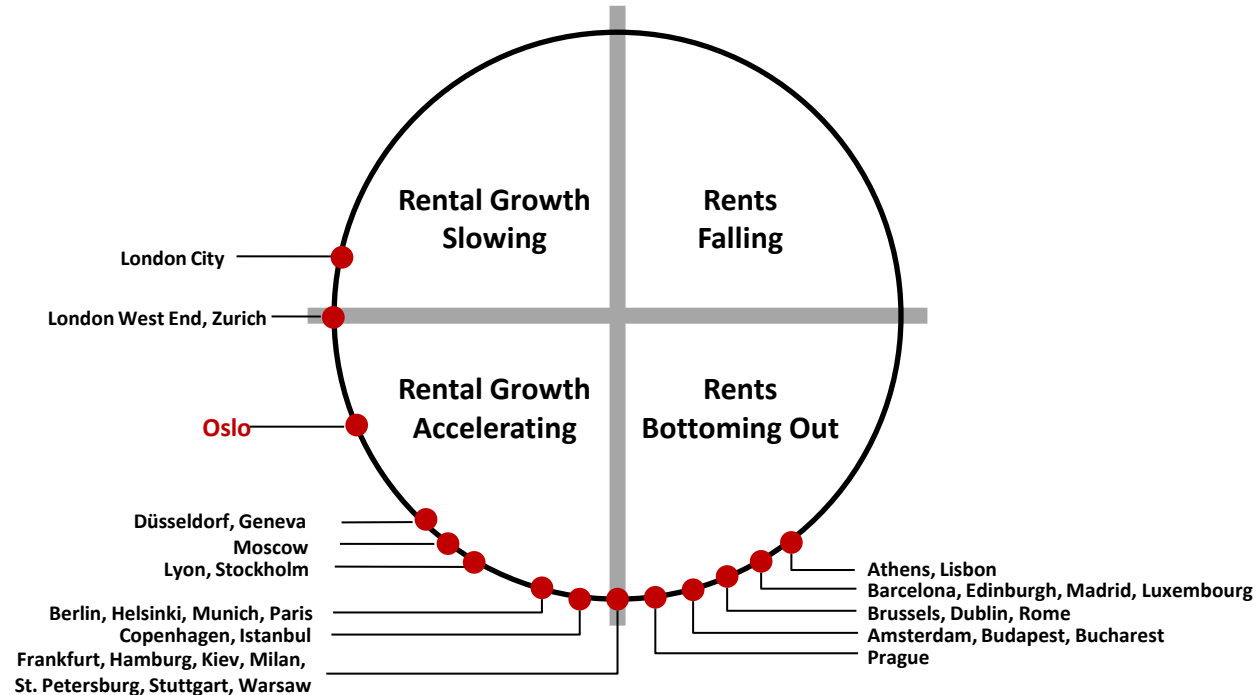
Yet positive rent growth expected due to:

- Increasing employment levels
- Higher demand for quality, public transport and energy consumption excludes more properties and makes rehabilitation increasingly expensive
- Increasing number of office properties converted into housing; reduces net supply
- Vacancy rate starts at eight per cent, compared with eleven per cent in 2006

Source: Akershus Eiendom (April 2011)

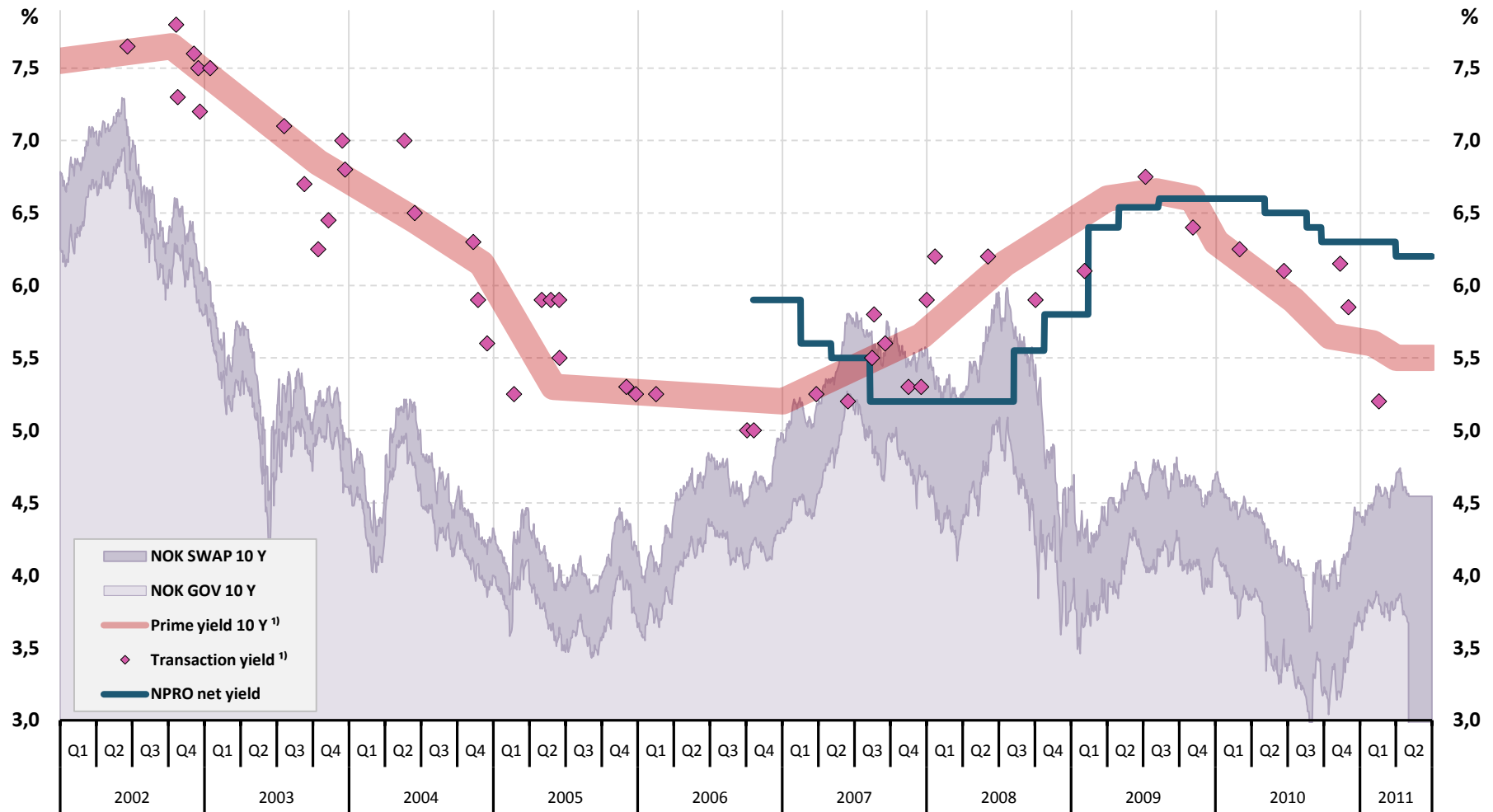
Exposure to rental growth in Oslo CBD

- Akershus Eiendom expects rent growth of 15 to 30 per cent in 2011 followed by declining growth rates in 2012-2015
- Oslo area vacancy unevenly spread between more or less attractive localities
- Highest expectations of rent growth in Oslo CBD
- Norwegian Property has more than 50 per cent exposure to Oslo CBD and Skøyen



Sources: Akershus Eiendom, Jones Lang Lasalle (April 2011)

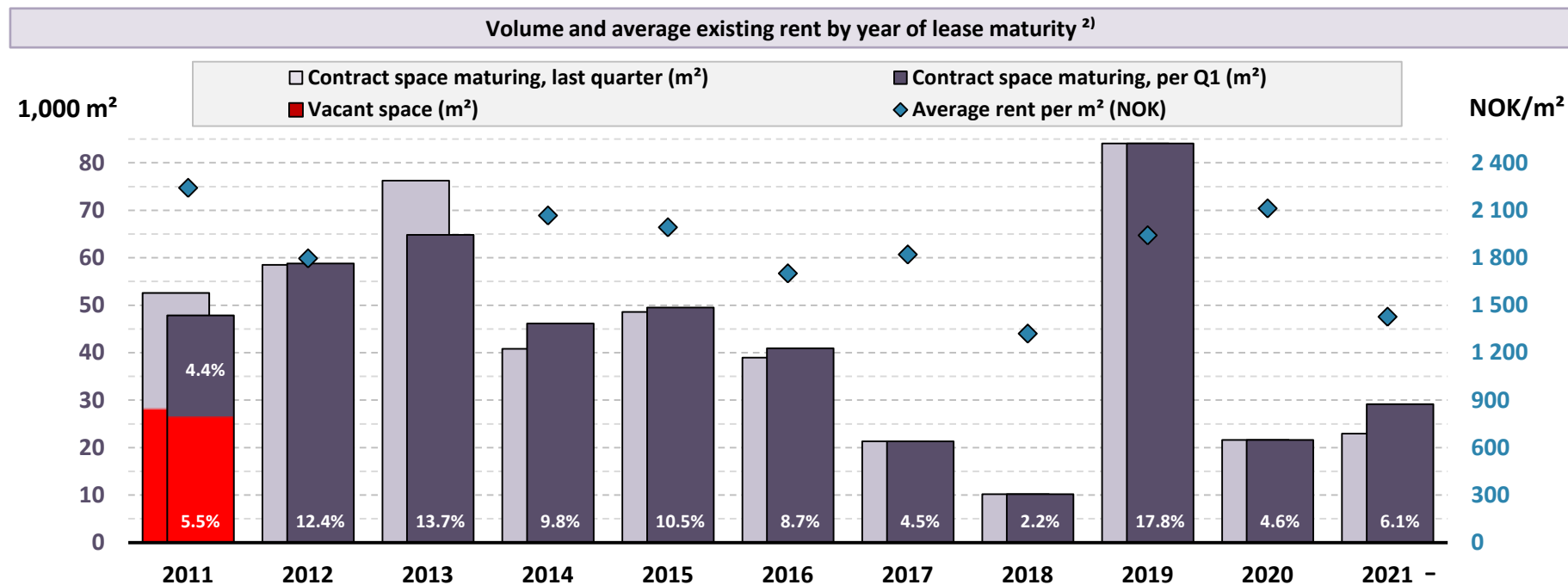
Attention turning towards shorter term leases



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

Diversified portfolio maturity

- 5.3 years duration of leases (4Q: 5.2 years)
- Area vacancy at 5.5 per cent (4Q: 5.8 per cent). EPRA vacancy rate at 6.0 per cent
- Average yearly rent of NOK 1 629 per m² (4Q: NOK 1 627per m²) ¹⁾
- 97.4 per cent of lease rent is CPI adjusted (cash flow inflation hedged)



1) Entire portfolio, includes all types of spaces

2) Office space only

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CLOSING REMARKS

Refinancing concludes transformation process

- Market growth back to normalized levels
- Stable and improving operations
- Positive value adjustments
 - NAV increases to NOK 10.99
 - EPRA NAV of NOK 11.62
- Refinancing secures repayment of debt and investment capacity



- Sound financial platform
- Attractive property portfolio
- Strengthened organisational team with customer focus



Enables Norwegian Property to take advantage of market prospects

Q&A

For further details about our properties, news and investor information, please have a look at our website; www.npro.no



Silver medalist of Farmand award for best website

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Appendices

Overview and key figures



Key figures as of 31 March 2011

| | | |
|--|----------------|---------|
| Properties | # | 47 |
| Portfolio size | m ² | 623 849 |
| Average size per property | m ² | 13 273 |
| Gross rent per year (run rate) | NOK mill. | 1 016 |
| Operational expenses per year ¹⁾ | NOK mill. | 61 |
| Net rent per year (run rate) | NOK mill. | 955 |
| Average gross rent per m ² per year | NOK | 1 629 |
| Gross market value | NOK mill. | 15 425 |
| Average value per property | NOK mill. | 328 |
| Average value per m ² | NOK | 24 744 |
| Gross yield, actual | % | 6.6 |
| Net yield, actual | % | 6.2 |
| Gross yield at market rent fully let ²⁾ | % | 7.1 |
| Net yield at market rent fully let ²⁾ | % | 6.7 |
| Duration | years | 5.3 |
| CPI adjustment per 1 Jan 2012 | % | 97.4 |
| Vacancy (area) | % | 5.5 |
| EPRA vacancy rate ³⁾ | % | 6.0 |



¹⁾ Assuming 6% operating expenses on property level

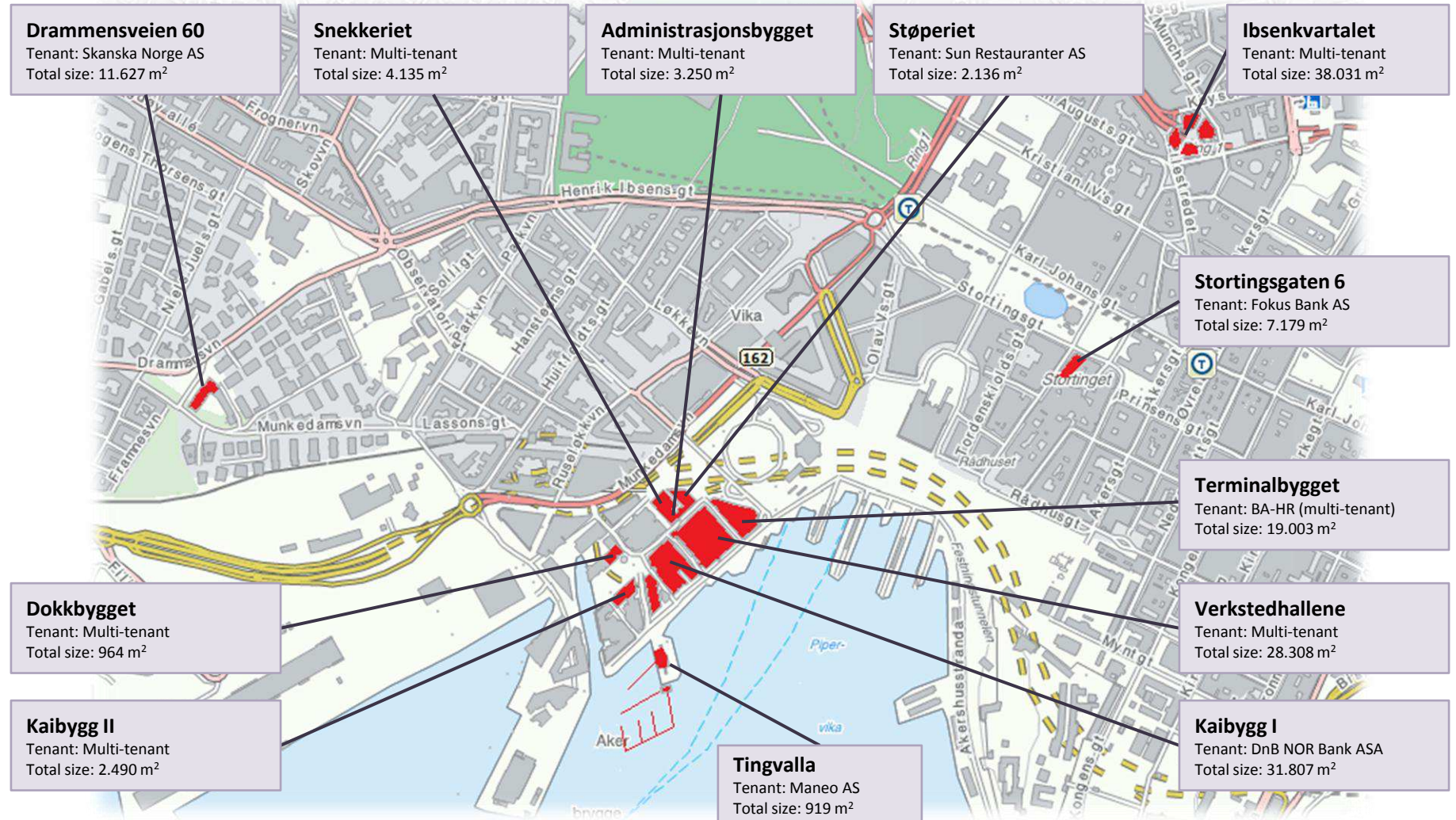
²⁾ Total portfolio's market rent has been assessed by external appraisers to be 3.5% above current contractual rents

³⁾ Market rent of vacant space divided by market rent of the whole portfolio

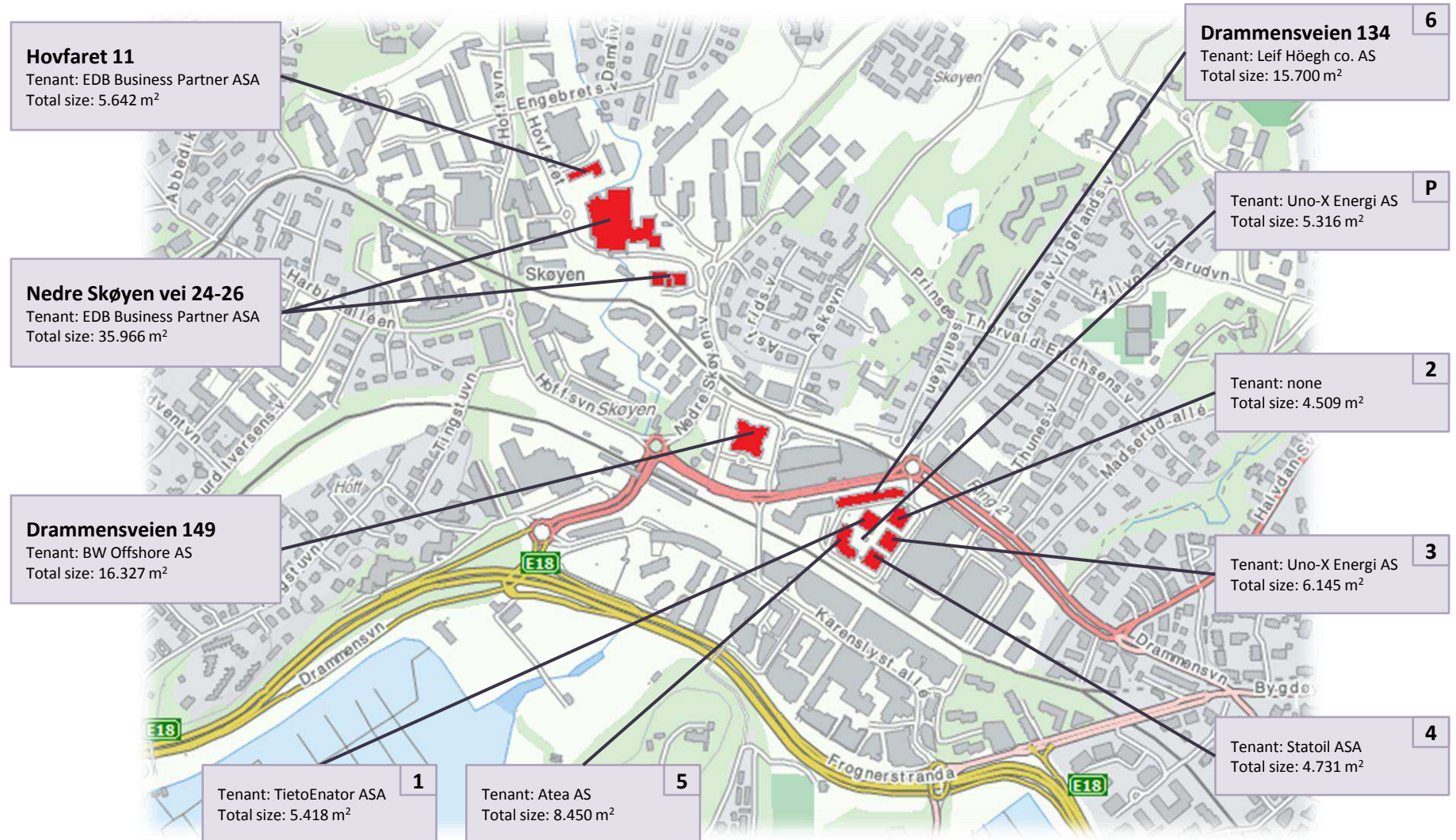


APPENDIX

CBD



Skøyen



Nydalen

Gjerdrums vei 16 + P

Tenant: Multi-tenant
Total size: 7.120 m²

Maridalsveien 323

Tenant: GET AS
Total size: 20.915 m²

Gjerdrums vei 8

Tenant: Ocè Norge AS
Total size: 10.710 m²

Gjerdrums vei 10 D

Tenant: Multi-tenant
Total size: 2.315 m²

Gullhaug Torg 3

Tenant: Schibsted Eiendom AS
Total size: 7.868 m²

Gjerdrums vei 14

Tenant: Multi-tenant
Total size: 1.544 m²

Gjerdrums vei 17

Tenant: Kilden Helse AS
Total size: 803 m²

Gullhaugveien 9-13

Tenant: Netcom AS
Total size: 43.357 m²

Nydalsveien 15-17

Tenant: Studentenes Hus AS
Total size: 5.396 m²

Sandakerveien 130

Tenant: TDC AS
Total size: 10.080 m²

Stavanger

Finnestadveien 44

- Office: 22.032 m²
- Total: 22.032 m²



Maskinveien 32

- Office: 4.561 m²
- Total: 5.086 m²



Svanholmen 2

- Office: 2.982 m²
- Retail: 6.580 m²



Grenseveien 21

- Office: 27.721 m²
- Total: 27.721 m²



Badehusgaten 33-39

- Office: 16.673 m²
- Total: 21.528 m²



Strandsvingen 10

- Office: 2.059 m²
- Total: 2.059 m²



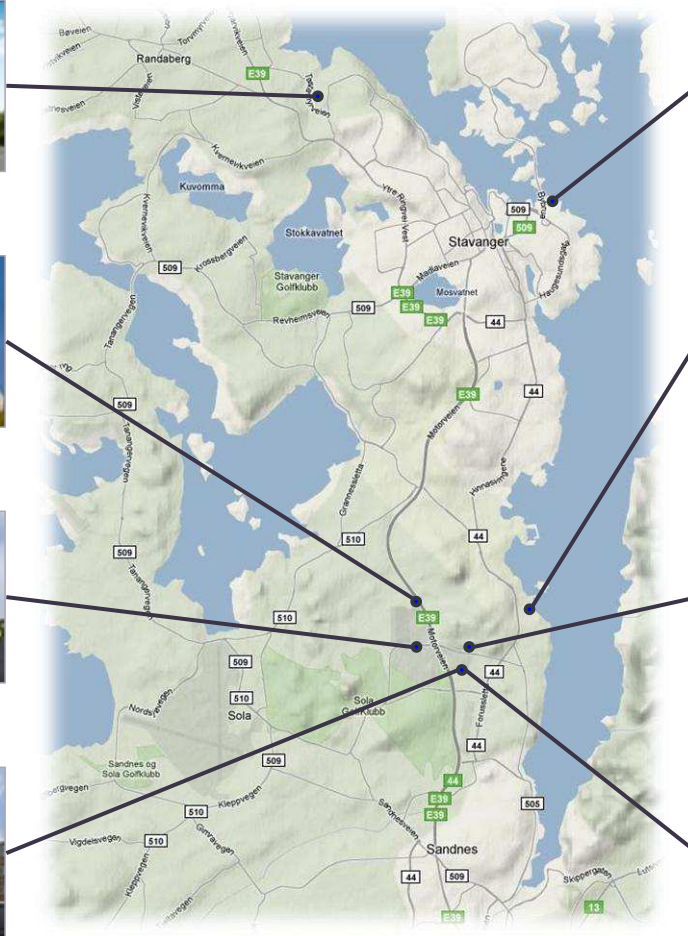
Forusbeen 35

- Office: 17.674 m²
- Total: 21.424 m²



Grenseveien 19

- Office: 5.390 m²
- Total: 5.390 m²



Disclaimer

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