



NORWEGIAN PROPERTY

# Results 4th Quarter 2006

16 February 2007

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# Contents

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- **Highlights 4th Quarter**
- **Results 4th Quarter**
- **Portfolio overview**
- **Going forward**
  - Organisation
  - Value drivers
  - The Norwegian Commercial Property market
  - M&A
  - Financing
  - Shareholder structure
- **Summary**
  
- **Appendix**
  - Details property portfolio

# Highlights – 4th Quarter

- **Solid financial results in 4th quarter**
  - Rental income of NOK 202.5 million
  - Profit before tax NOK 522.4 million
  - Pre tax return on equity of 48.5% (annualised return on paid in equity)
- **Positive commercial property markets in Oslo, Stavanger and Bergen**
  - Demand high and vacancy decreasing
  - Rents increasing rapidly in attractive areas
- **Acquired 15 properties with a total value of NOK 4.1 billion**
- **Introduced on Oslo Stock Exchange**
  - High liquidity and good trading
- **Management complete and fully operational**
- **Dividend of NOK 2.50 will be proposed to the General Assembly in May**

# Results – 4th Quarter 2006

<b>NOK million</b>	<b>Q4</b>	<b>Q3</b>	<b>Full year 09.06-31.12</b>
<b>Gross rental income 1)</b>	<b>202,5</b>	<b>181,0</b>	<b>414,8</b>
Maintenance and property related cost	-11,0	-7,0	-20,2
Other operating expenses 2)	-20,9	-16,3	-42,8
<b>Operating result before value adjustment</b>	<b>170,6</b>	<b>157,8</b>	<b>351,7</b>
Value adjustment investment property	393,2	0,0	393,2
<b>Operating result</b>	<b>563,8</b>	<b>157,8</b>	<b>745,0</b>
Net financial items excluding derivatives 3)	-147,7	-113,8	-282,2
Change in market value derivatives	106,3	-57,2	76,7
<b>Profit before tax</b>	<b>522,4</b>	<b>-13,2</b>	<b>539,5</b>
Income tax	-143,8	-3,7	-148,6
<b>Profit after tax</b>	<b>378,6</b>	<b>-16,9</b>	<b>390,9</b>
Earnings per share (nok)	4,56	-0,24	4,99

1) Gross rental income does not include Aker Hus payments and rental guarantees in Q4 with NOK 27 million

2) Other operating expenses include IPO- and establishment expenses totalling mnok 11

3) Net financial items in Q4 include Aker Hus expenses and expensing of previously accrued establishment fees totalling mnok 15

# Balance sheet – 4th Quarter 2006

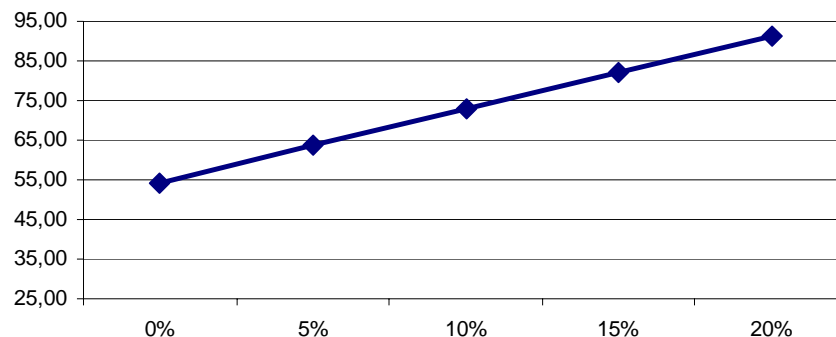
<b>NOK million</b>	<b>31.12.2006</b>	<b>30.09.2006</b>
Investment properties	13 919,6	13 151,0
Development properties (Aker Hus)	1 150,8	0,0
Cash and cash equivalents	1 252,5	422,1
Equity	5 373,2	3 518,7
Interest bearing debt	10 977,6	9 846,6
Net other items	-27,9	207,8
Equity ratio	31,8 %	25,6 %
Net asset value per share (NOK)	54,09	49,21

<b>Return on paid in equity</b>	<b>Q4</b>	<b>Q3TD</b>
Annualised pre tax return on equity	48,5 %	1,6 %

# Property valuation – 31 December 2006

- **Full external valuation by DTZ Realkapital**
  - Same principles applied as of 30 September 2006
  - Individual revisions of estimated market rents, average adjustment 4%
  - Upward adjustment of discount rates based on interest rate movements
  
- **Total property value of portfolio including Aker Hus (fully developed) and the IFN-portfolio NOK 18.057 million.**

Change in NAV when market rents are increasing (\*)



Property portfolio, DTZ valuation	31.12.2006	30.09.2006	% change
Total value of investment properties	13 812	13 394	3,1 %
Acquired properties in Q4	364	-	-
DTZ valuation, investment properties 1)	14 176	13 394	-
Aker Hus (fully developed)	1 512	1 500	0,8 %
IFN portfolio (acquired as of January 1, 2007) 2)	2 369	-	-
<b>DTZ valuation, total portfolio</b>	<b>18 057</b>	<b>14 894</b>	

1) Book value of investment properties 31 December 2006 was NOK 13.920 million after adjustment for tax compensation (NOK 13 151 million in September).

2) Acquisition value of IFN portfolio including expenses was appr. NOK 2.330 million before tax adjustment. Value of transaction before tax adjustment and expenses was NOK 2.199 million.

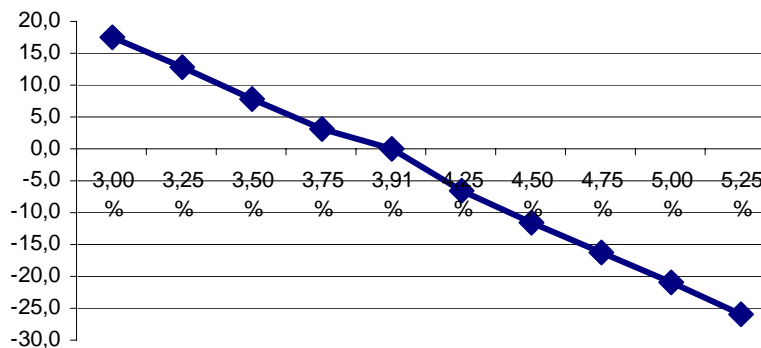
(\*) Simplified calculation of net asset value when market rents are changing, based on current debt profil

# Financing - Key numbers

Interest bearing debt and hedging	31.01.2007 *)	31.12.2006	30.09.2006
Total interest bearing debt	12 626	10 978	9 896
- of which hedged	10 191	9 943	8 027
Hedging ratio (%)	81 %	91 %	81 %
Qualifying for hedge accounting	6 000	5 750	5 000
Average remaining duration, hedging	6,1	6,2	6,6
Average interest	5,05 %	5,16 %	5,14 %
Average margin	0,63 %	0,76 %	0,80 %
Average remaining duration, loan	6,9	7,0	6,7

\*) After acquisition of IFN-portfolio

Effect on P&L from changes in short term interest



## 5 years swap market quotation:

September 30	4,40%
December 31	5,02%
February 12	5,25%

Based on hedging status as of January 31, and current net interest bearing debt position

# Norwegian Property's AAA properties

- **Norwegian Property is a unique Nordic investment case with high quality properties in Norway**
- **Prime market**
  - Norway's economy has very strong growth prospects and we see a significant upside potential in rent levels
- **Prime properties**
  - Our properties have a very high technical standard
- **Prime locations**
  - Mainly Oslo/CBD and Stavanger
- **Prime tenants**
  - Solid blue chip companies and governmental tenants
- **Prime lease contracts**
  - Average duration of approximately eight years





# Overview of portfolio



## 2007 E

### Portfolio

Number of properties	55
Number of sqm	722 542
Average size per property (sqm)	13 137
Average value per sqm (NOK)	24 991
Average value per property (mnok)	328
Average rent per gross sqm	1 473

### Valuation (NOK million)

Market value	18 057
Gross rent	1 064,0
Opex	60,5
Net rent	1 003,5
Gross yield (2007e)	5,9 %
Net yield (2007e)	5,6 %

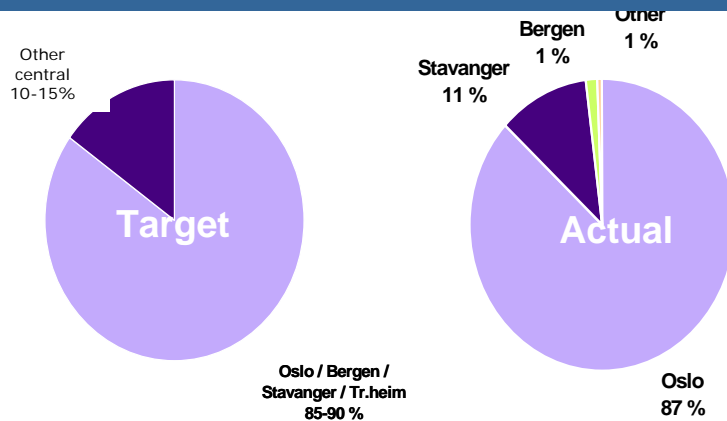
Duration (years)	7,3
CPI adjustment (2007)	96 %
Vacancy (rent)	0,8 %

\* Proforma as of January 31., including IFN-portfolio

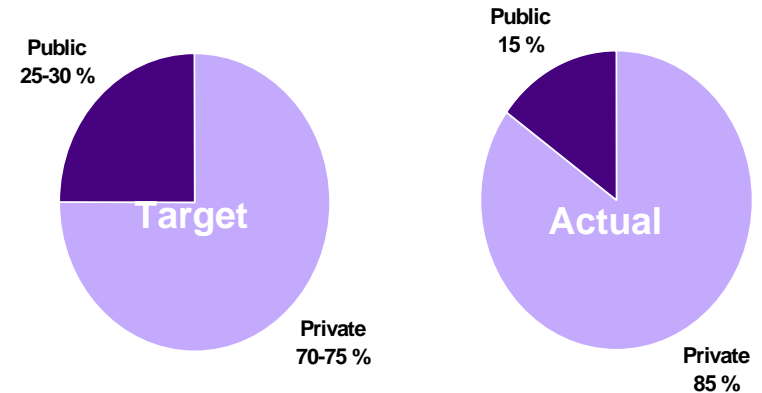
# Norwegian Property

## – Present portfolio fulfills all the main targets

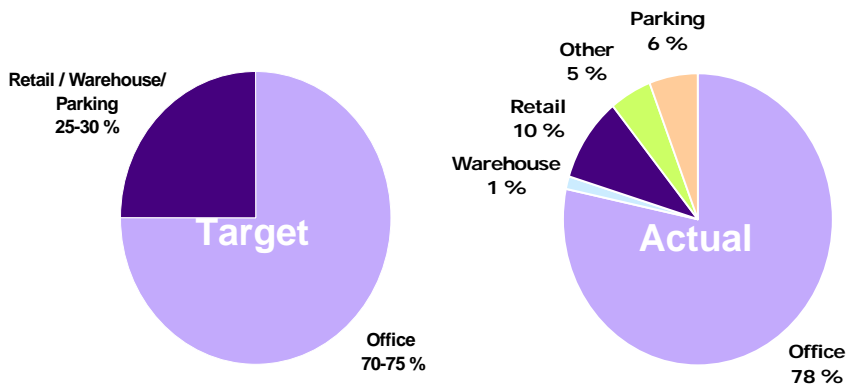
### Geographic focus\* – target & actual



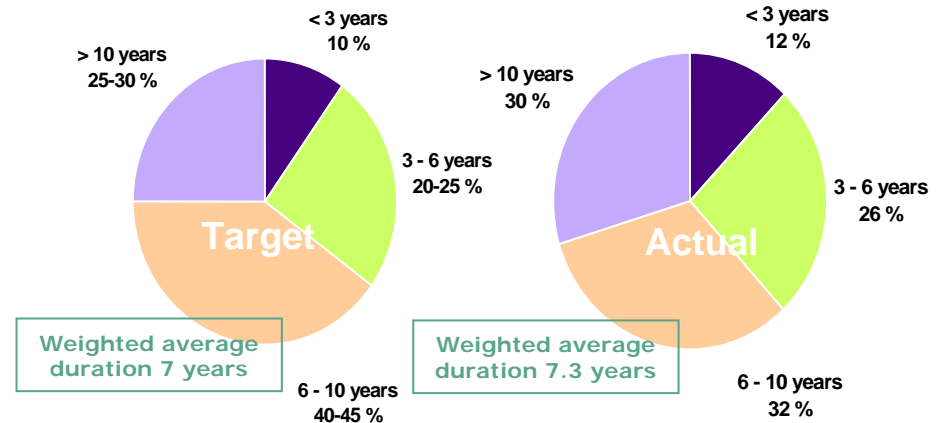
### Tenant mix\*\* – target & actual



### Property mix\*\* – target & actual



### Lease duration mix (Y)\*\*\* – target & actual



\*Including Drammensveien 144 and Industrifinans properties

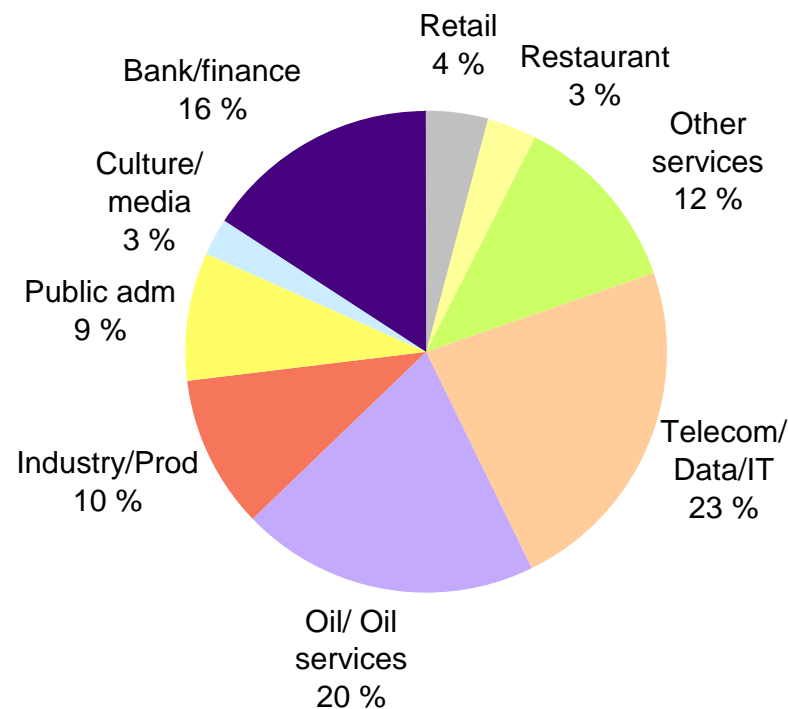
\*By Value rent \*\*By rent \*\*\*Contractual rent

# Solid tenants

## 25 largest tenants

Tenant	Contract rent 2007 E		Duration years
1 Aker ASA/Aker Kværner ASA	78,3	7,4 %	12,8
2 EDB Business Partner ASA	75,5	7,1 %	12,3
3 Nordea	43,7	4,1 %	7,1
4 SAS	40,4	3,8 %	10,0
5 If Skadeforsikring	38,4	3,6 %	5,8
6 Statoil	35,3	3,3 %	4,8
7 Total E&P	27,5	2,6 %	11,1
8 Get (UPC)	26,2	2,5 %	4,4
9 Leif Høegh	25,9	2,4 %	13,2
10 Telenor	25,8	2,4 %	8,8
11 Aker Kværner Offshore Partner	23,0	2,2 %	2,9
12 Netcom AS (Tele 2)	22,6	2,1 %	5,7
13 Skanska Norge AS	21,1	2,0 %	8,4
14 Fokus bank	19,9	1,9 %	6,1
15 Astrup Fearnley	19,2	1,8 %	10,5
16 Hafslund	18,2	1,7 %	12,0
17 Nera ASA	17,8	1,7 %	4,7
18 Ementor Norge AS	17,7	1,7 %	5,7
19 Oslo Sporveier	17,0	1,6 %	8,5
20 Simonsen Advokatfirma DA	16,7	1,6 %	5,9
21 Rikshospitalet	16,2	1,5 %	15,1
22 TDC Norge AS	15,2	1,4 %	4,3
23 Arbeidsdirektoratet	14,3	1,3 %	4,7
24 GlaxoSmithKlein	14,3	1,3 %	10,0
25 TietoEnator	12,5	1,2 %	5,7
<b>TOTAL 25 LARGEST TENANTS</b>	<b>682,7</b>	<b>64,2 %</b>	<b>8,7</b>
Other tenants	381,3	35,8 %	4,7
<b>TOTAL ALL TENANTS</b>	<b>1 064,0</b>	<b>100,0 %</b>	<b>7,3</b>

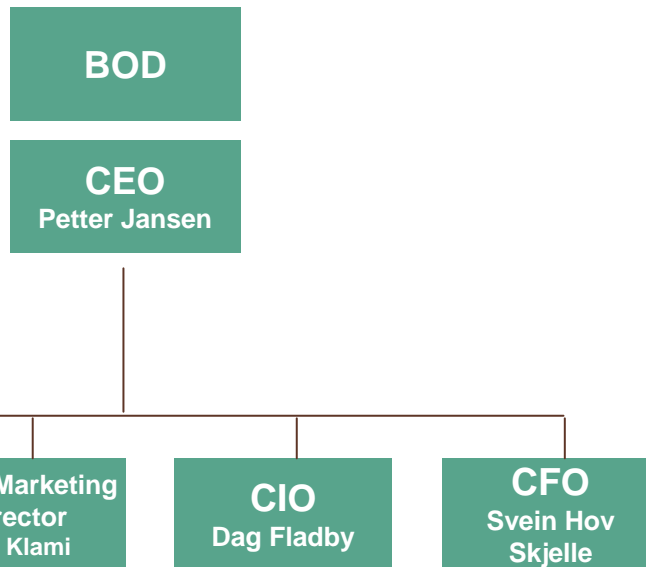
## Tenants by line of business



\* Proforma as of January 31., including IFN-portfolio

# Organisation

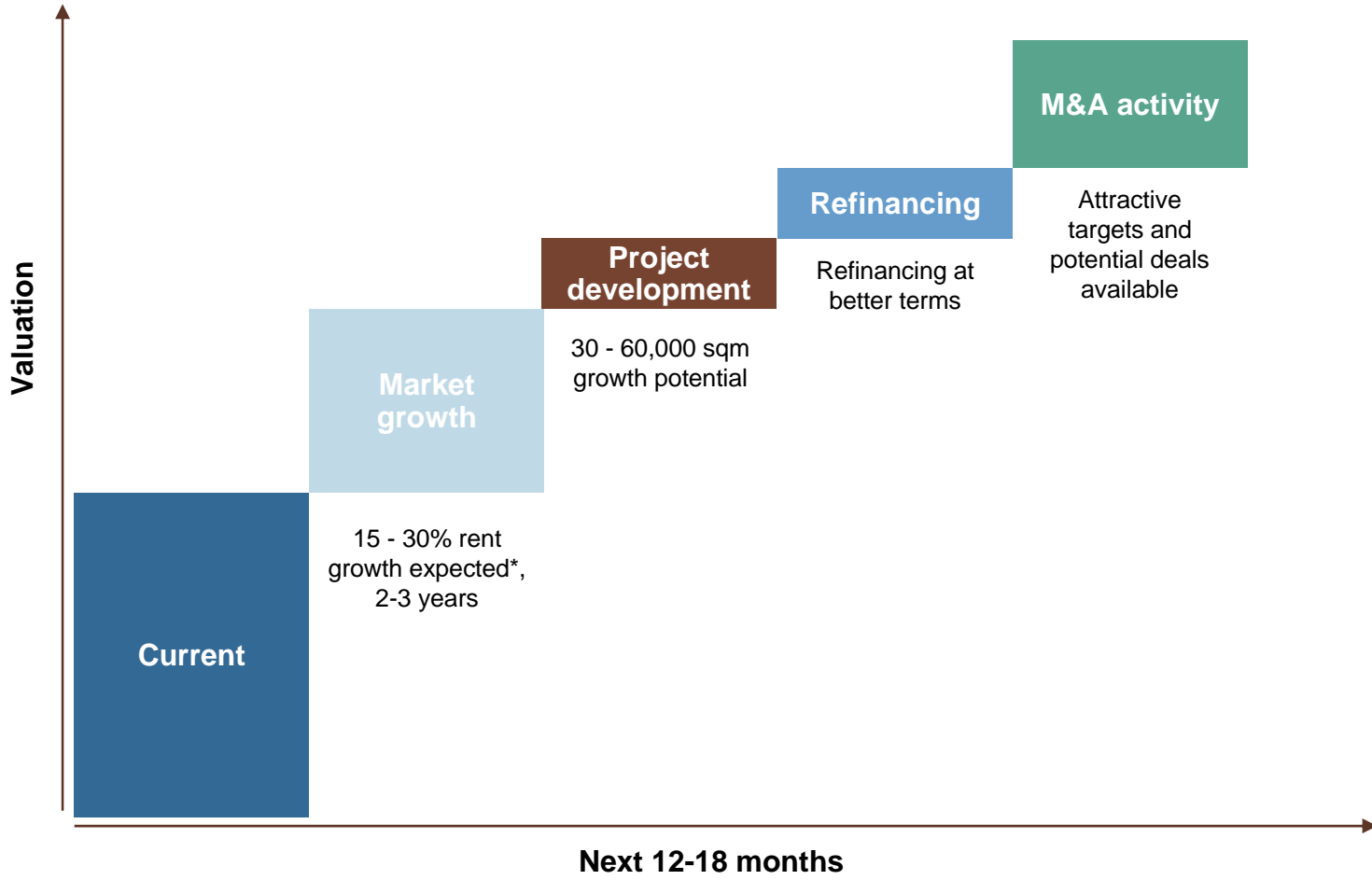
## Organisation overview



## Key issues organisation

- **A strong and competent board**
- **Management team recruited and operational**
- **Complete organisation by Summer 2007**
  - A total of 15-20 employees expected to be in place during 1H 2007
  - Several functions to be filled
- **Facility management**
  - Currently outsourced to 7 different partners
  - Bid in process in order to reduce number of partners, reduce cost and improve service

# Four main value drivers



\*Based on estimated market rents 2007 and further according to market reports Union Næringsmegling, DnBNOR Næringsmegling, Akershus Eiendom.

# Norwegian commercial property market

## ■ Preliminary market reports

### – Oslo

- Supply even lower than previously anticipated, around 100 000 sqm, supply expected to lag demand for the next few years, balance reached later than previously anticipated
- Overall vacancy reduced to between 6% and 7%, in CBD vacancy is below 2.5%
- Prime quality top rent increasing from NOK 2 700 per sqm in Q4 to NOK 3 500 per sqm in Q1
- 17% average rent increase in 2H 2006 in Vika, Aker Brygge, Skøyen, Lysaker and Fornebu
- Rent still 14% below peak from Q3 2001 in real terms

### – Stavanger

- Vacancy in line with CBD in Oslo, strong rental development

## ■ Property transactions

- All time high transaction volume in 2006
- Yields maintained at good levels end 2006 / beginning 2007

Low vacancy and little supply will drive rental prices for another two to three years

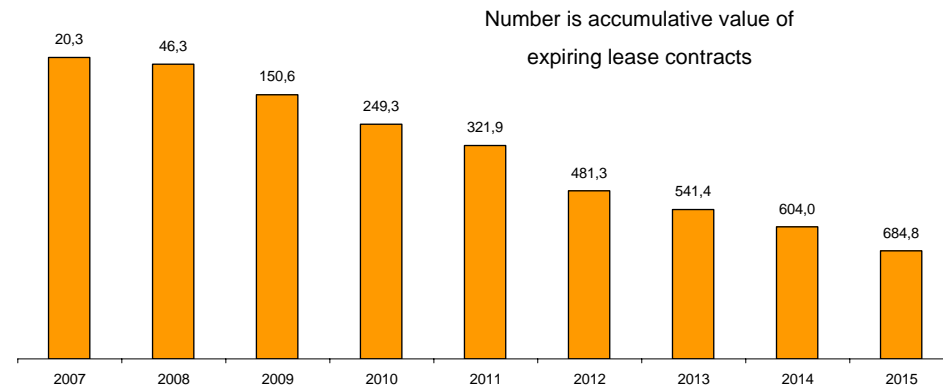


\*Sources: Eiendomsspar, Akershus Eiendom, DnB Nor Næringsmegling and Enskilda Markets

# Norwegian Property Prime contracts - and upside rent potential

- **The average length of the lease contracts is currently 7.3 years**
  - NOK 250 million up for renegotiation over next 4 years
- **The lease contracts are automatically adjusted according to the CPI annually**
  - Weighted average of 96% adjustment on total portfolio)
  - CPI adjustment for 2006/2007 was 2.67%
- **Current focus**
  - Renegotiation of contracts due in 2007, 2008 and 2009
  - Tenants with changing needs (expansion, relocation etc.)
  - Development potential
    - Currently 2 000 sqm at Aker Brygge is in process
    - Processes relating to remaining portfolio

## Contract duration profile (2007 rents)



# M&A

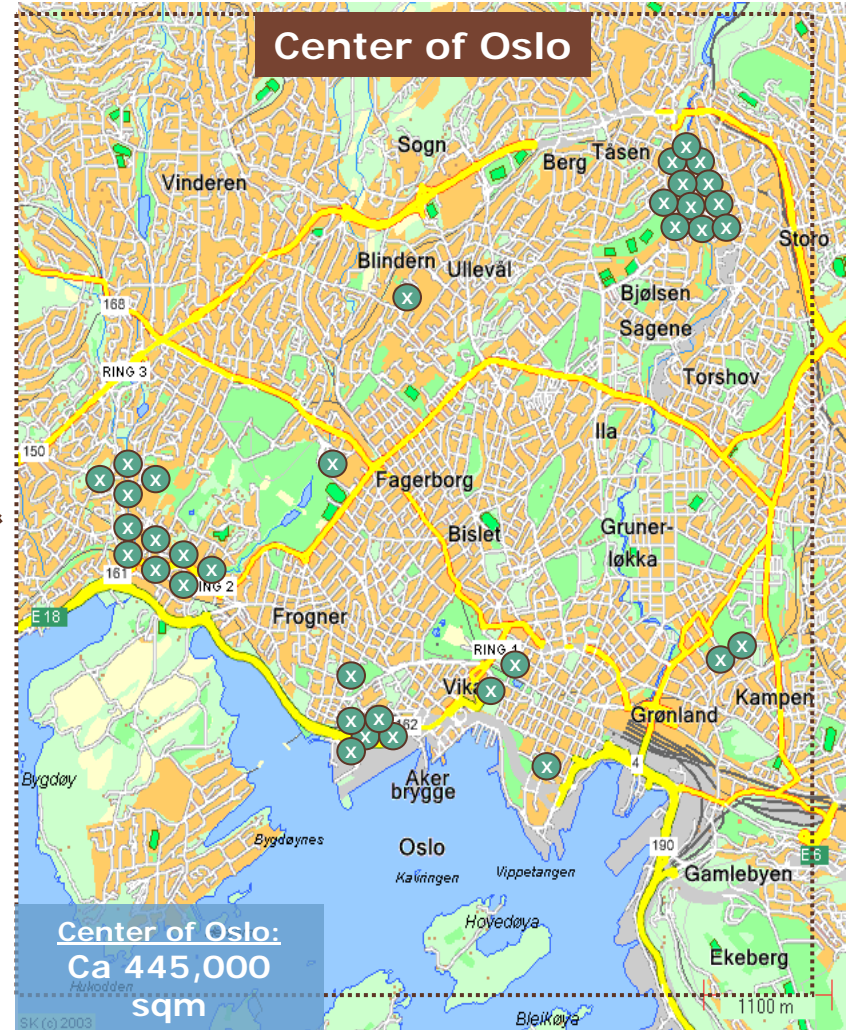
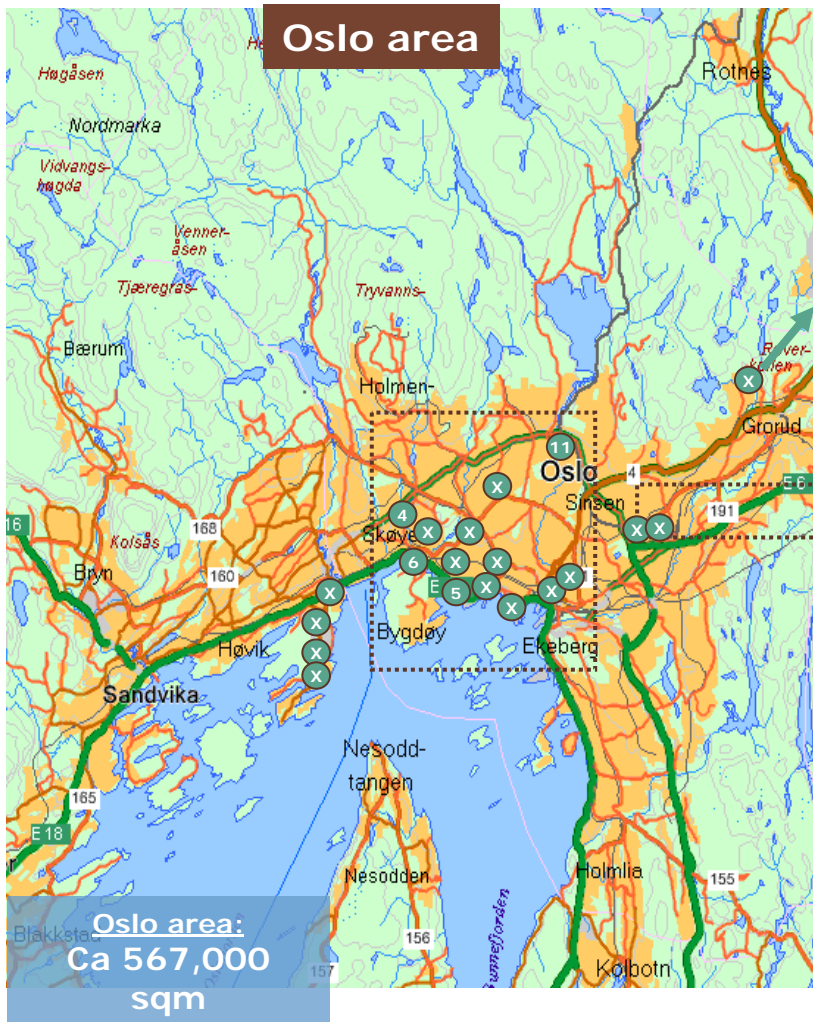
## - Main focus

- Priorities
  - Preferably off market or larger portfolios
  - Evaluating portfolios totalling NOK 10 – 15 billions
  - New investments must meet investment requirements
    - Geography and quality
    - Financial requirements based on current interest rates
- The IFN portfolio - an example
  - 13 attractive office properties of approx. 116,200 sqm and gross rent of approx. NOKm 135.2 in Nydalen and Økern
  - Average return on equity is 14%
  - Great potential for increased rental income due to re-negotiation of lease contracts
    - Average office rent per sqm in the portfolio is approximately NOK 1,270
    - Office market rent in Nydalen is, according to Akershus Eiendom, approximately NOK 1,470 per sqm
    - 24 % of the leases expire within 3 years and 67 % expire within 5 years
  - Considerable development potential in Gullhaugveien 9-13 in Nydalen



# Norwegian Property

## - Centrally located properties in the Oslo area



\*Including Drammensveien 144 and Industrifinans properties

# Financing of portfolio

- **Initially financed by syndicate of NOK 12 billion facility**
- **Refinanced NOK 1 billion in Nykredit**
- **Plan refinancing of NOK 2 billion with Norwegian Bond Issue**
- **Initiating Securitization process**
- **Target further improvement in margins and amortisation structure**
  - Current average margin 63 bp
  - Current amortisation 1.7% p.a.

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## Average interest expense

<b>31 January 2007</b>	<b>Fixed</b>	<b>Floating</b>
Share of total debt	81 %	19 %
Current interest rate	4,39 %	3,91 %
Average margin	0,63 %	0,63 %
Average initial cost	0,12 %	0,12 %
TOTAL	5,14 %	4,66 %
<b>Average interest for total portfo</b>	<b>5,05 %</b>	

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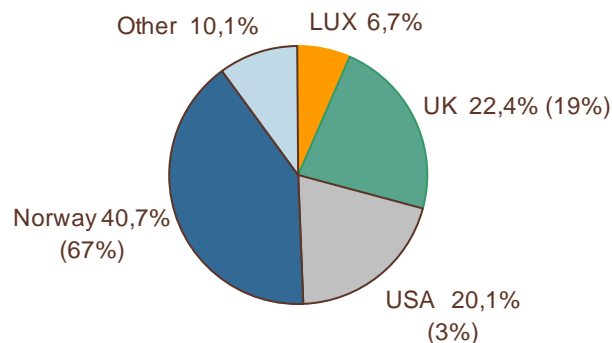
# Broad shareholder base

## - liquid trading on Oslo Stock Exchange

### Key share details

- **No. of shares outstanding: 98.5m**
- **Last traded share price: NOK 72**
- **No. of shareholders: 986**
  - Norwegian: 817
  - Non-Norwegian: 169
- **Trading volume (YTD 2007 – Feb 12)**
  - Total no of trades: 2 533
  - Total shares traded: 70.1m
  - Average annual trading per share: 5,9

### Shareholder distribution by domicile



Source: VPS

### 20 largest shareholders\*

Name	Country	% stake
A WILHELMSSEN CAPITAL	NOR	12,3 %
STATE STREET BANK (NOMINEE)	USA	6,6 %
FRAM REALINVEST AS	NOR	4,1 %
FRAM HOLDING AS	NOR	4,1 %
CREDIT SUISSE SECURITIES	GBR	3,9 %
VITAL FORSIKRING ASA	NOR	3,3 %
BANK OF NEW YORK, ALPINE	USA	3,3 %
AWECO INVEST AS	NOR	2,9 %
MELLON BANK (NOMINEE)	USA	2,8 %
MORGAN STANLEY & CO. (NOMINEE)	GBR	2,5 %
FORTIS BANK LUXEMBOURG	LUX	2,3 %
MORGAN STANLEY AND CLIENT (NOMINEE)	GBR	2,0 %
BNP PARIBAS SEC., UK RESIDENTS (NOMINEE)	GBR	1,8 %
OPPLYSNINGSVESENETS FOND	NOR	1,7 %
JPMORGAN CHASE BANK M.STANLEY	GBR	1,7 %
BANK OF NEW YORK	GBR	1,6 %
MELLON BANK (NOMINEE)	USA	1,6 %
LANI DEVELOPMENT AS	NOR	1,4 %
JPMORGAN CHASE BANK (NOINEE)	GBR	1,3 %
INVESTORS BANK & TRUST (NOMINEE)	USA	1,3 %
<b>Others</b>		<b>37,7 %</b>
<b>Total</b>		<b>100,0 %</b>

\*) As of 13 February 2007

# Summary

## - Attractively positioned in a prime property market

- **Norwegian Property is a prime real estate investment play in a strong Norwegian market in the years to come**
- **Norwegian Property offers unique exposure to high quality real estate in mainly Oslo/CBD and Stavanger**
- **Management focus going forward**
  - Exploit the expected 15%-30% rental growth potential
  - 30-60,000 sqm. expansion potential in existing portfolio
  - Continue refinancing at improved terms
  - Evaluate attractive M&A possibilities
  - Cost reduction initiative for Facility Management
- **Norwegian Property targets attractive returns to investors**
  - Attractive return on equity
  - Attractive dividend yield
  - Liquid share



NORWEGIAN PROPERTY

## Questions ?

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# Property overview – page 1

Property	PROPERTY FACTS						RENT FACTS			
	Space split (sqm)						Vacancy %	CPI	Duration	Gross rent pr 31.01.07
Offices	Retail / Restaurant	Ware-house	Indoor parking	Other	Total sqm					
<b>OSLO/AKERSHUS</b>										
<b>CBD</b>										
Aker Brygge - total	30 012	23 289	1 789	1 302	1 103	57 495	0,0 %	100 %	3,5	149,4
Drammensveien 134 - building 2-5	21 846	0	1 214	4 625	0	27 685	0,0 %	100 %	3,4	39,3
Drammensveien 134 - building 1 and 6	14 643	1 207	1 616	3 195	0	20 661	0,0 %	100 %	10,6	40,4
Drammensveien 144	9 150	0	148	1 450	107	10 855	0,0 %	100 %	11,9	18,0
Drammensveien 149	10 433	0	2 044	3 980	0	16 457	10,9 %	100 %	4,6	22,7
Drammensveien 60	8 593	797	1 483	0	0	10 873	0,0 %	100 %	8,6	19,5
Grev Wedels plass 9	16 405	2 601	83	5 589	3 621	28 299	0,0 %	100 %	6,4	44,0
Ibsenkvartalet (C.J. Hambros plass 2)	31 872	1 713	2 938	0	1 624	38 147	0,0 %	100 %	7,7	64,1
Hovfaret 11	4 377	0	569	0	694	5 640	0,0 %	100 %	12,1	10,6
Nedre Skøyen vei 24	3 630	0	696	0	520	4 846	0,0 %	100 %	12,1	8,6
Nedre Skøyen vei 26 a-e	11 444	0	1 093	1 234	3 850	17 621	0,0 %	100 %	12,1	34,0
Nedre Skøyen vei 26 f	8 767	0	0	4 235	497	13 499	0,0 %	100 %	12,1	22,4
Stortingsgaten 6 (99%)	5 084	851	242	0	0	6 177	0,0 %	100 %	5,9	20,3
<b>Total CBD</b>	<b>176 255</b>	<b>30 458</b>	<b>13 915</b>	<b>25 610</b>	<b>12 016</b>	<b>258 254</b>	<b>0,6 %</b>	<b>100 %</b>	<b>6,8</b>	<b>493,5</b>
<b>Oslo West/Lysaker/Fornebu</b>										
Aker Hus (Snarøyveien)	35 556	0	0	18 089	4 698	58 343	0,0 %	100 %	12,1	77,9
Forskningsveien 2	19 902	0	0	4 106	0	24 008	0,0 %	100 %	12,5	38,1
Lysaker Torg 35	14 422	0	412	7 100	0	21 934	0,0 %	100 %	5,7	38,5
Magnus Poulssons vei 7	5 357	0	0	1 861	0	7 218	0,0 %	100 %	8,4	9,8
Middelthunsgate 17	26 847	0	3 472	3 000	0	33 319	0,0 %	100 %	7,0	43,8
Oksøyveien 3	10 200	0	0	2 700	0	12 900	0,0 %	100 %	5,4	16,5
<b>Total Oslo West/Lysaker/Fornebu</b>	<b>112 284</b>	<b>0</b>	<b>3 884</b>	<b>36 856</b>	<b>4 698</b>	<b>157 722</b>	<b>0,0 %</b>	<b>100 %</b>	<b>9,4</b>	<b>224,6</b>
<b>Nydalen</b>										
Gjerdrums vei 8	8 158	0	109	2 389	0	10 656	7,1 %	96 %	5,0	11,5
Gjerdrums vei 10 D	2 052	0	0	0	0	2 052	12,3 %	100 %	7,9	2,4
Gjerdrums vei 14	634	0	812	0	0	1 446	0,0 %	100 %	3,0	1,4
Gjerdrums vei 16	4 224	0	757	3 172	0	8 153	0,0 %	97 %	5,0	7,3
Gjerdrums vei 17	803	0	0	0	0	803	0,0 %	100 %	6,0	1,3
Gullhaug Torg 3	7 868	0	0	0	0	7 868	0,0 %	100 %	6,9	9,4
Gullhaugveien 9-13	23 652	0	7 077	6 031	0	36 760	6,9 %	100 %	4,7	38,2
Maridalsveien 323	11 646	0	2 600	5 573	1 096	20 915	3,2 %	100 %	14,3	26,2
Nydalsveien 15	3 001	750	85	0	0	3 836	0,0 %	100 %	10,5	5,9
Nydalsveien 17	0	1 560	0	0	0	1 560	0,0 %	100 %	18,3	3,4
Sandakerveien 130	6 520	0	0	3 560	0	10 080	0,0 %	100 %	4,4	14,7
<b>Total Nydalen</b>	<b>68 558</b>	<b>2 310</b>	<b>11 440</b>	<b>20 725</b>	<b>1 096</b>	<b>104 129</b>	<b>4,1 %</b>	<b>99 %</b>	<b>5,5</b>	<b>121,5</b>
<b>Oslo North/East</b>										
Kolstadgaten 1	5 479	0	0	0	0	5 479	0,0 %	75 %	3,6	8,6
Oslo Airport Gardermoen	0	0	0	0	20 976	20 976	0,0 %	100 %	12,9	23,8
Økernveien 9	12 761	0	0	0	0	12 761	0,0 %	100 %	8,4	17,0
Østre Aker vei 20	6 163	0	666	1 203	0	8 032	0,0 %	75 %	2,1	8,0
Østre Aker vei 22	2 339	0	1 637	0	0	3 976	1,6 %	92 %	3,0	4,1
<b>Total Oslo North / East</b>	<b>26 742</b>	<b>0</b>	<b>2 303</b>	<b>1 203</b>	<b>20 976</b>	<b>51 224</b>	<b>0,1 %</b>	<b>93 %</b>	<b>8,3</b>	<b>61,5</b>
<b>TOTAL OSLO / AKERSHUS</b>	<b>383 839</b>	<b>32 768</b>	<b>31 542</b>	<b>84 394</b>	<b>38 786</b>	<b>571 329</b>	<b>0,9 %</b>	<b>99 %</b>	<b>7,4</b>	<b>901,0</b>

# Property overview – page 2

Property	PROPERTY FACTS						RENT FACTS				
	Space split (sqm)						Vacancy %	CPI	Duration	Gross rent pr 31.01.07	Gross rent / sqm
Offices	Retail / Restaurant	Ware-house	Indoor parking	Other	Total sqm						
<b>STAVANGER</b>											
<b>CBD</b>											
Badehusgaten 33-39	12 973	0	2 540	2 315	3 700	21 528	0,0 %	70 %	2,8	22,7	1 057
Nedre Holmegate 30-34	3 054	1 023	0	1 173	0	5 250	0,0 %	100 %	6,0	4,6	877
<b>Forus/Airport</b>											
Forusbeen 35	17 674	0	0	3 750	0	21 424	0,0 %	100 %	8,6	25,9	1 210
Grenseveien 19	5 390	0	0	0	1	5 391	0,0 %	53 %	1,3	6,4	1 193
Grenseveien 21	27 721	0	0	0	0	27 721	0,0 %	50 %	5,3	29,4	1 062
Maskinveien 32	5 086	0	0	0	0	5 086	0,0 %	100 %	6,1	5,0	993
Strandsvingen 10	2 059	0	0	0	0	2 059	0,0 %	80 %	7,2	2,9	1 393
Svanholmen 2	2 883	6 580	0	0	0	9 463	6,3 %	100 %	8,7	8,7	922
<b>Sandnes</b>											
Elvegaten 25	5 583	0	0	0	0	5 583	0,0 %	70 %	3,9	7,7	1 380
Mauritz Kartevolds plass 1	3 610	0	0	0	0	3 610	0,0 %	70 %	12,9	3,2	884
<b>Stavanger - other</b>											
Finnestadveien 44	21 832	200	0	0	0	22 032	0,0 %	100 %	11,0	29,0	1 315
<b>Total Stavanger</b>	<b>107 865</b>	<b>7 803</b>	<b>2 540</b>	<b>7 238</b>	<b>3 701</b>	<b>129 147</b>	<b>0,5 %</b>	<b>81 %</b>	<b>6,8</b>	<b>145,6</b>	<b>1 128</b>
<b>BERGEN</b>											
Kokstadveien 23	8 600	0	0	0	13 466	22 066	0,0 %	50 %	4,6	17,3	786
<b>Total Bergen</b>	<b>8 600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13 466</b>	<b>22 066</b>	<b>0,0 %</b>	<b>50 %</b>	<b>4,6</b>	<b>17,3</b>	<b>786</b>
<b>GROSS TOTAL</b>	<b>500 304</b>	<b>40 571</b>	<b>34 082</b>	<b>91 632</b>	<b>55 953</b>	<b>722 542</b>	<b>0,8 %</b>	<b>96 %</b>	<b>7,3</b>	<b>1 064,0</b>	<b>1 473</b>