NORWEGIAN PROPERTY

PRELIMINARY FINANCIAL REPORT
FOURTH QUARTER 2008

4TH QUARTER HIGHLIGHTS

- **The group is in compliance with all financial covenants in various loan agreements as of 31 December.**
- **Total market value for the property portfolio before tax adjustments is NOK 27,574 million, compared to NOK 27,743 at the end of the third quarter, implying a net yield for the office portfolio of 6.4% and 7.0% for the hotel portfolio.**
- **Net Asset Value (equity per share) is NOK 24.80 per share. Adjusted Net Asset Value based on EPRA-standard is NOK 30.14 per share.**
- **The company recorded improved cash flow from operation, and rental income is up by NOK 15.8 million to NOK 466.0 million in the fourth quarter of 2008 (NOK 450.2 million[1]).**
- **Operating profit before fair value adjustments was NOK 389.2 million (NOK 382.1 million) reflecting stable operation and quality assets.**
- **Loss before tax, reflecting fair value adjustments was NOK 2,508.2 million (profit of NOK 111.4 million).**
- **Norwegian Property has an objective to strenghten the financial posision and to reach a long term loan to value target of 60 to 65 per cent. In 2008 Norwegian Property sold eight properties amounting to a total of NOK 2,120 million.**
- **An extraordenary general meeting, elected on 19 December 2008 a new Board of Directors, chaired by Tormod Hermansen and with Harald Grimsrud, Synne Syrrist, Gry Mølleskog and Nils K. Selte as board members.**
- **The board will propose that no dividend is paid for 2008.**

[1] Figures in brackets refer to the same period one year before

MARKET CONDITIONS

OFFICE RENTAL MARKET

The general weakening of macroeconomic conditions continued throughout the last quarter of 2008. Most businesses seem to be in or are preparing for a general downturn, and unemployment in the Nordic region is increasing. The Nordic region, and Norway in particular, is expected to be less impacted than the rest of the Euro-zone by reductions in GDP growth. A reduction in the demand for office space is nonetheless to be expected, though the effects have only to a limited extent been observed so far.

Supply of new office capacity into the market is relatively limited compared to previous economic cycles, and the general credit contraction is expected to inhibit many of the potential new projects from being started.

Generally office vacancy is expected to increase, though not to the extent in the last property downturn (early this century). Office rents have peaked and in some areas rents are down. Payable rents on Norwegian Property's commercial properties are however still perceived to be significantly below prevailing market rents.

HOTEL MARKET

The strong hotel cycle in the Nordic market over several years is softening. In November the market is seeing negative RevPAR[2] growth rates in all countries where Norgani has hotels. As of November (the last available market data) growth rates year to date are still positive, and 2008 has been the best hotel market ever in the Nordic region.

RevPAR growth (2008 versus 2007)	Jan-Dec % change
Sweden	3.0 %
Stockholm	2,6 %
Norway	4.2 %
Oslo	2,1 %
Finland*	4.5 %
Helsinki	-1.1 %
Denmark* (occupancy)	-3.2 %

* Finland and Denmark are Jan-Nov figures

Source: Statistic Central Bureaus in Sweden, Norway, Finland and Denmark

TRANSACTION MARKETS

There has been few transactions in the market for commercial property in the fourth quarter, especially in the Norwegian market. Potential buyers are restricted by limited access to financing and general uncertainty. An improvement in the transaction market is not expected before credit is more readily available.

FINANCIAL PERFORMANCE

ACCOUNTING PRINCIPLES AND CONSOLIDATED ENTITIES

The fourth 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. The report is not audited.

The property Grev Wedels plass 9 was agreed sold in September 2008 and the transaction was completed in January 2009. The property has been included for the full quarter.

[2] Revenue per available room

KEY FIGURES

			4th Quarter 01.10 - 31.12		Year to date 01.01 - 31.12	
			2008	2007	2008	2007
Profit and loss						
Gross rent		NOK million	466,0	450,2	1 866,8	1 195,7
Operating profit		NOK million	(1 008,0)	484,1	(2 591,0)	2 264,7
Operat. prof. ex. fair value adj.		NOK million	389,2	382,1	1 583,1	1 036,3
Profit before tax		NOK million	(2 508,2)	111,4	(5 118,9)	1 650,6
Net profit		NOK million	(2 308,8)	81,7	(4 190,7)	1 189,9
Balance sheet						
Market value of investment portfolio		NOK million	27 312,6	31 113,9		
Equity		NOK million	5 001,2	6 830,9		
Interest bearing debt	1)	NOK million	21 840,6	23 232,1		
- of which interest hedged		NOK million	18 284,0	16 040,2		
Equity %		%	17,3 %	20,1 %		
Pre tax return on equity (annualised)		%	-167,6 %	6,5 %	-86,5 %	27,0 %
Cash flow						
Cash flow from operating activities		NOK million	670,0	363,0	1 715,7	1 066,9
Cash position		NOK million	174,2	635,5		
Key numbers, shares						
No. of shares issued		Million	201,6	105,5		
Average number of shares in period		Million	201,6	105,5	157,2	103,8
Pre tax profit per share		NOK	(12,44)	1,06	(32,56)	15,90
Basic earnings per share (EPS)	2)	NOK	(11,45)	0,77	(26,65)	11,46
Operating cash flow per share		NOK	3,32	3,44	10,91	10,28
Interest bearing debt per share		NOK	108,32	220,58		
Book value per share		NOK	24,80	63,20		
Deferred property tax per share		NOK	7,47	22,18		
Goodwill per share		NOK	(4,39)	(10,10)		
Financial derivative instr. per share		NOK	2,25	(4,45)		
Net asset value per share (EPRA)	3)	NOK	30,14	70,84		

1) Not including the liability to acquire shares in Oslo Properties AS at year-end 2007 (NOK 1 595.8 million).

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.

RESULTS FOR THE FOURTH QUARTER

Gross rental income for the fourth quarter was NOK 466.0 million (NOK 450.2 million). In addition Norwegian Property has received payments under rental guarantees of NOK 1.5 million in the fourth quarter, which are not included in the result.

Maintenance and property related expenses for the quarter were NOK 38.6 million (NOK 35.4 million) corresponding to 8.3 % of gross rental income. Group and administrative expenses increased to NOK 38.1 million, reflecting timing effects in the quarter(NOK 32.7 million). Operating profit before value adjustment of investment property was NOK 389.2 million (NOK 382.1 million).

Fair value adjustment of properties was negative by NOK 1,175.3 million (profit of NOK 92.7 million). See separate section on principles for valuation of investment properties. A write-down of goodwill of NOK 221.0 million related to reduction in deferred tax on investment properties in Norgani Hotels has been charged in the fourth quarter

Net financial items were negative by NOK 1,500.2 million (minus NOK 372.7 million) in the fourth quarter. Net financial items include minus NOK 1,166.4 million (minus NOK 45.5 million) relating to reduced market value of financial derivatives caused by lower interest rates. Interest expenses relating to the acquisition financing of Norgani Hotels / Oslo Properties was NOK 41.7 million. Financial cost include NOK 44.5 million relating to incease in foreign currency debt.

Profit before tax for the fourth quarter was negative by NOK 2,508.2 million (NOK 111.4 million). Calculated tax was NOK -199.4 million (NOK -29.7 million), primarily relating to changes in deferred tax, which does not have any cash flow impact. Ordinary loss (profit) for the period was thus NOK -2,308.8 million (profit of NOK 81.7 million).

RESULTS FOR THE FULL YEAR

Gross rental income for the full year increased to NOK 1,866.8 million (NOK 1,195.7 million in 2007). In addition Norwegian Property has received payments under rental guarantees (NOK 6.0 million), which are not included in the result.

Maintenance and property related expenses for year were NOK 152.2 million (NOK 81.4 million) corresponding to 8.2% of gross rental income. The increase mainly reflects the acquisition of Norgani Hotels, which has a higher cost ratio than the commercial properties portfolio. Group and administrative expenses were NOK 131.6 million (NOK 77.9 million). The increase from 2007 reflects the acquisition of Norgani Hotels and use of resources on group level, mainly relating to structural processes. Operating profit before value adjustment of investment property was NOK 1,583.1 million (profit of NOK 1,036.3 million).

Fair value adjustment of properties was reduced by NOK 3.987.5 million for the full year (positive by NOK 1,219.1 million). See separate section on principles for valuation of investment properties. The group recorded realized gains from sale of investment properties of NOK 34.4 million for the year.

Net financial expenses were NOK 2,527.9 million (NOK 614.1 million) for the full year. Net financial items include minus NOK 1,201.4 million (NOK 276.7 million) relating to changes in market value of financial derivatives. Interest expenses relating to the acquisition financing of Norgani Hotels / Oslo Properties in September 2007 was NOK 207.4 million.

Loss before tax for the full year was NOK 5,118.9 million (profit of NOK 1,650.6 million). Calculated tax was NOK -928.2 million (NOK 460.7 million), primarily relating to changes in deferred tax, which does not have any cash flow impact. Ordinary loss for the period was thus NOK 4,190.7 million (profit of NOK 1,189.9 million). Minority interests were NOK -132.3 million (NOK 4.8 million). Loss after minority interest was NOK 4.058.4 million compared to a profit of NOK 1,185.0 million in 2007.

COUNTRY BREAK DOWN FOR HOTEL PORTFOLIO

Norgani Hotels was acquired in September 2007. For comparision the operational performance for 2008 has been compared with the official reported by Norgani Hotels for the same periods last year. Gross rental income was NOK 201.6 million, which is 15.7% higher than the same period last year. The increase is an effect of renegotiated Scandic lease agreements and generally strong hotel markets during 2008. In the third quarter 2007 a one-off effect in Sweden relating to termination of guarantee lease agreements on 19 hotels of NOK 36.9 million was recorded. Adjusting for this effect gross rental income increased by 18.9% for the full year. Gross rental income growth was positive in all regions both in the fourth quarter and for the full year.

	4th Quarter 01.10 - 31.12		**Year to date 01.01 - 31.12**	
Figures in NOK million	**2008**	**2007** 1)	**2008**	**2007**
Sweden - Ordinary rental income	*93.4*	*83.6*	*358.2*	*277.5*
Sweden - Term. of guarantee leases (one-off effect)	*-*	*-*		*36.9*
Sweden	93.4	83.6	358.2	314.4
Finland	56.2	41.8	215.6	185.2
Norway	44.3	42.3	182.1	170.2
Denmark	7.7	6.6	31.6	29.3
Gross rental income	**201.6**	**174.3**	**787.4**	**699.1**
Sweden	(9.9)	(4.7)	(36.0)	(19.8)
Finland	(7.4)	(6.5)	(28.5)	(27.9)
Norway	(5.0)	(5.8)	(10.5)	(11.8)
Denmark	(2.4)	(2.0)	(6.1)	(5.6)
Maintenance and property related costs	**(24.7)**	**(19.0)**	**(81.2)**	**(65.0)**
Sweden	83.5	78.9	322.2	294.7
Finland	48.7	35.3	187.0	157.4
Norway	39.3	36.5	171.5	158.4
Denmark	5.4	4.6	25.4	23.7
Net rental income	**176.9**	**155.3**	**706.2**	**634.1**

1) The 2007 figures are full period figures reported by the Norgani Hotels Group.

VALUATION OF PROPERTIES

DTZ Realkapital has for the commercial property portfolio, based on the same methods and principles as in the previous quarters, performed an external and independent valuation of the properties. In the fourth quarter Akershus Eiendom has performed an additional valuation for all properties. Reduced long term interest rates have been offset by increased yield requirements. Reduced expectations to future inflation rates and market rent after expiry of current lease contracts have had a significant negative impact on the valuations. Norwegian Property 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 the average of DTZ's and Akershus Eiendom's valuation. Total value of the Group's portfolio of commercial properties before adjustment for deferred tax was NOK 16,549 million as of 31 December 2008. NOK -750.9 million in loss from fair value adjustment of investment properties has been realised in the fourth quarter. In their report DTZ states that "abnormal" market conditions currently prevail and that there is likely to be a greater than usual degree of uncertainty in respect of the figures reported.

The portfolio of hotel properties has been valued by DTZ Realkapital (Sweden, Denmark and Norway) and Maakanta (Finland) based on the same principles as in previous periods. Also for the hotel portfolio an additional valuation has been performed by Akershus Eiendom. The hotel markets saw some weakening in the fourth quarter. The financing situation and transaction markets are impacted by the same effects as the commercial property markets. Total external valuations concluded with a total value of the hotel portfolio of NOK 11,026 million, which based on the same considerations as for the commercial properties has been applied in the valuation at the end of fourth quarter. In NOK the valuation of the properties has increased due to the weakening of NOK versus other major currencies, in the income-statement a fair value adjustment of minus NOK 424.4 million has been recorded for the hotel properties in the fourth quarter.

CASH FLOW

Net cash from operating activities and before net financial items was NOK 670.0 million (NOK 363.0 million) in the fourth quarter, and NOK 1,715.7 million (NOK 1,066.9 million) for the full year. Improvement in earnings before value adjustments and reductions in working capital, released NOK 289.1 million in the fourth quarter, mainly relating to normalisation of roll over periods for interest payments and amendments to some of Norgani's borrowing facilities.

In the fourth quarter net negative cash flow to investing activities was NOK 127.1 million (NOK 2,890.4 million), mainly relating to ordinary capital expenditures. For the full year net cash flow from investing activities were NOK 847.2 million as a consequence of sale of assets. Ordinary capital expenditures relating to the offices were NOK 16 million in the fourth quarter and NOK 105 million for the year, and to the hotel portfolio NOK 104 million in the quarter and NOK 203 million in 2008..

Net cash flow from financing activites was minus NOK 445.2 million (NOK 2,235.3 million) in the fourth quarter. For the full year financing activities was minus NOK 3,032.2 million. Net change in cash and cash equivalents in the fourth quarter was NOK 97.7 million and for the full year minus NOK 469.3 million. During 2008 the group has optimised the cash management system and renegotiated the loan agreements to include revolving credit facilities in order to reduce cash holdings.

BALANCE SHEET

Cash and cash equivalents as of 31 December 2008 were NOK 174.2 million compared to NOK 635.5 million at the beginning of the year. In addition the group had NOK 521 million in unused committed credit facilities. Total equity was NOK 5,001 million (NOK 6,831 million), corresponding to an equity ratio of 17.3 % (20.1 %). The Net Asset Value per share was NOK 24.80 (NOK 63.20). Net Asset Value based on EPRA's standard was NOK 30.14 (NOK 70.84).

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

Deferred tax liability on properties (on fair value adjustments)	1,245
- Deferred tax asset from carry forward losses	-680
Deferred tax liability (recorded as deferred tax liability)	**565**
Deferred tax liability (recorded as reduction in investment property)	**262**

FINANCING

Total consolidated interest bearing debt as of 31 December 2008 was NOK 21,828 million (NOK 24,820 million on 31 December 2007). The interest bearing debt has increased by a net of NOK 516 million during the fourth quarter. Due to changes in the exchange rates the Norgani debt in NOK has effectively increased by NOK 606 million during the fourth quarter. This increase has a corresponding positive effect on the valuation of the properites.

Interest bearing debt and hedging, 31 December 2008	**Norwegian Property**	**Norgani**	**Property financing**	**OPAS – acquisition financing**	**Incl. bank acquisition financing**	**Per 31.01.09 *)**
Total interest bearing debt (NOK million)	13 006	7 201	20 208	1 671	21 879	21 179
- Of which hedged (NOK million)	11 912	6 372	18 284	0	18 284	20 656
Hedging ratio (%)	92 %	88 %	90 %	0%	84 %	98 %
Cash and cash equivalents	153	17	170	4	174	304
Effective hedging ratio including cash (%)	93 %	89 %	91 %	0%	84 %	99 %
Committed, unutilised credit lines (short and long term)	466	55	521		521	471
Average interest, interest bearing debt	5.31%	6.02%	5.56%	9.23%	5.84%	5.02%
Average margin, interest bearing debt	0.57%	1.08%	0.75%	1.50%	0.81%	0.80%
Average duration, hedging contracts (years)	4.8	3.7	4.5	-	4.5	3.8
Average duration, borrowing	4.3	3.7	4.1	1.8	3.9	3.9

*) Adjusted for the completion of the Grev Wedels Place sale, hedges starting in January 2009 and roll over interests in January 2009.

During the fourth quarter Norwegian Property has reduced its exposure to floating interest, the group has effectively hedged most of the interest rate exposure for 2009. The average interest cost is expected to be reduced in 2009 compared to 2008.

The group is in compliance with the financial covenants in the different loan facilities as of 31 December 2008. The headroom to covenants on interest coverage and loan to value was reduced due to lower real estate value and increased financial costs in 2008. Management maintains close and strong relations with key creditors and is following the development closely.

PROPERTY PORTFOLIOS

OFFICE PORTFOLIO

As of 31 December 2008 Norwegian Property owned 50 office and retail properties. 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 (87% of gross rent) and Stavanger (13% of gross rent). The company's properties mainly comprise office areas (69% of area), warehouses and parking in relation to the office areas (20% of gross area) and retail and restaurant areas (6% of gross area). Other areas comprise 5% of gross area.

As of 31 December 2008 the total annual contracted gross rental income for the office portfolio was NOK 1,119.7 million (NOK 1,073.6 million excluding Grev Wedels Plass 9) compared to NOK 1,170.0 million at the end of 2007. The reduction in run-rate is related to sale of properties. Average ratio for CPI-adjustment for the portfolio is 97%. The average vacancy in the portfolio was 0.7%. Average remaining duration of the rental contracts was 5.6 years (6.5 years at the end of last year). Over the next four and a quarter years (including 2012) an estimated contract volume of NOK 495 million is up for renewal. In the valuation the current portfolio is assumed to have a rent reversionary potential of 13.7%, if the rents are adjusted to market rents.

Total value of the office portfolio was assessed to NOK 16,549 million per 31 December 2008. Based on current payable rent this implies a net yield of 6.4% (based on 2009-rent) when assuming 5.6% expenses on the property level. If applying estimated market rents the implied net yield is 7.1%.

HOTEL PORTFOLIO

At the end of December 2008, Norgani's portfolio comprised 73 hotels and one congress centre with a total of 12,822 rooms and 671,480 sqm. In addition Norgani Hotels had agreed to buy Park Inn Hotel in Oslo upon completion in 2009. The hotel will comprise

119 rooms, conference- and restaurant facilities and will be operated by Rezidor Hotel Group.

Geographical split	% Rooms	% Revenue
Norway	19%	23%
Sweden	54%	45%
Finland	24%	28%
Denmark	3%	4%

By the end of the fourth 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 approx. 74% 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 remaining duration of the lease agreements was 10.1 years.

Operators	% Rooms	% Revenue
Scandic (including Hilton)	60%	63%
Choice	21%	22%
Rezidor	5%	6%
First	3%	2%
Best Western	2%	1%
Rica	2%	2%
Others	7%	5%

Total estimated market value of the hotel portfolio is NOK 11,026 million at 31 December. Gross rental income for Norgani Hotels in 2008 was NOK 787.4 million. This corresponds to a implicit net yield of 7.0% if adusting for operating expenses at property level of 10%, applying the same exchange rates on gross rental income as of 31 December. .

SHAREHOLDERS

Total number of shares as of 31 December 2008 was 201,635,416. The company had a total of 1,395 registered shareholders at the end of December, which represents an increase of 470 shareholders year-on-year. During fourth quarter a total of 64.4 million shares were traded, or almost 1/3 of the total number of shares issued. Norwegian Property currently enjoys an average trading liquidity equal to 3.6 times the market average at the Oslo Stock Exchange. Below are the largest shareholders registered with the Norwegian Central Securities Depository (VPS):

Largest shareholders	Country	Shares	Stake
AWILHELMSEN CAPITAL AS	NOR	23,254,334	11.53%
CANICA AS	NOR	9,246,467	4.59%
DEUTSCHE BANK AG LONDON	GBR	9,026,994	4.48%
BGL	LUX	8,796,924	4.36%
CREDIT SUISSE SECURITIES	GBR	7,955,885	3.95%
FRAM REALINVEST AS	NOR	7,250,700	3.60%
FRAM HOLDING AS	NOR	7,250,700	3.60%
TRONDHEIM KOMMUNALE PENSJONSKASS	NOR	6,199,700	3.07%
VITAL FORSIKRING ASA	NOR	6,089,907	3.02%
BANK OF NEW YORK, BRUSSELS BRANCH	BLE	5,805,945	2.88%
AWECO INVEST AS	NOR	5,486,765	2.72%
SEB ENSKILDA ASA	NOR	4,839,699	2.40%
BANK OF NEW YORK MELLON	USA	4,475,027	2.22%
FGCS NV RE TREATY	NLD	3,954,666	1.96%
BANK OF NEW YORK, BRUSSELS BRANCH	BLE	3,950,150	1.96%
BANK OF NEW YORK, BRUSSELS BRANCH	BLE	3,934,381	1.95%
WENAASGRUPPEN AS	NOR	3,683,219	1.83%
OPPLYSNINGSVESENETS FOND	NOR	2,962,731	1.47%
SKAGEN VEKST	NOR	2,893,000	1.43%

GOLDMAN SACHS INT. - EQUITY -	GBR	2,695,048	1.34%
OTHER SHAREHOLDERS	NOR	71,883,174	35.65%
Total number of shares as of 31 December 2008		**201 635 416**	**100.00 %**

OUTLOOK

The general macro environment and the property markets in the Nordic region have turned weaker during the second half of 2008. Both the hotel and office markets are slowing down, with RevPAR and office rents expected to fall in 2009 for the first time in many years. In its office segment Norwegian Property has a strong position with low vacany, long term leases and a certain potential for increasing average rent in the current market. The hotel business is after a positive development getting into a more volatile environment. The Norgani hotels are situated in four countries in the Nordic region and benefiting from minimum rents which effectively reduces the potential dowside.

The magnitude of the down turn is uncertain and in the light of this the main focus for the management is to strengthen the financial position and to maintain a strong and predictable cash flow going forward. Major efforts will be focused on operations and on renegotiating rents maintaining current low vacancy and improving rental levels further. In the hotel portfolio key focus is on co-operation with the operators in order to maximize revenue growth going forward.

Norwegian Property ASA
The board of directors, 11 February 2009

Tormod Hermansen
Chair

Harald Grimsrud
Deputy Chair

Synne Syrrist

Gry Mølleskog

Nils K. Selte

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FINANCIAL CALENDAR
1st Quarter 2009: 30 April 2009
For additional information see www.npro.no

CONSOLIDATED INCOME STATEMENT

	4th Quarter 01.10 - 31.12		Year to date 01.01 - 31.12	
Figures in NOK 1.000	**2008**	**2007**	**2008**	**2007**
Rental income from properties	465,979	449,301	1,866,774	1,193,189
Other revenue	0	875	0	2,497
Gross rental income	**465,979**	**450,176**	**1,866,774**	**1,195,686**
Maintenance and property related costs	(38,615)	(35,386)	(152,151)	(81,424)
Other operating expenses	(38,116)	(32,654)	(131,562)	(77,943)
Total operating cost	**(76,731)**	**(68,040)**	**(283,713)**	**(159,367)**
Operating profit before fair value adjustments and gains	**389,248**	**382,136**	**1,583,062**	**1,036,319**
Gain from fair value adjustment of investment property	(1,175,324)	92,690	(3,987,503)	1,219,138
Gain from sales of investment property	(990)	9,262	34,362	9,281
Impairment of goodwill	(220,968)	-	(220,968)	-
Operating profit	**(1,008,034)**	**484,088**	**(2,591,047)**	**2,264,738**
Financial income	5,195	16,029	26,627	67,972
Financial costs	(338,974)	(343,215)	(1,353,046)	(958,863)
Change in market value of financial derivative instruments	(1,166,410)	(45,510)	(1,201,439)	276,749
Net financial items	**(1,500,190)**	**(372,696)**	**(2,527,858)**	**(614,143)**
Profit before income tax	**(2,508,223)**	**111,392**	**(5,118,905)**	**1,650,595**
Income tax expense	199,423	(29,724)	928,194	(460,736)
Profit for the period	**(2,308,800)**	**81,668**	**(4,190,711)**	**1,189,859**
Minority interests	(0)	8,168	132,322	(4,829)
Profit after minority interest	**(2,308,800)**	**89,837**	**(4,058,389)**	**1,185,030**

BUSINESS SEGMENTS

Figures in NOK 1.000	4th Quarter 01.10 - 31.12 2008	4th Quarter 01.10 - 31.12 2007 1)	Year to date 01.01 - 31.12 2008	Year to date 01.01 - 31.12 2007 1)
Commercial properties	264,370	275,898	1,079,420	1,010,507
Hotel properties	201,610	174,278	787,354	185,179
Gross rental income	**465,979**	**450,176**	**1,866,774**	**1,195,686**
Commercial properties	(13,876)	(16,380)	(70,985)	(61,498)
Hotel properties	(24,739)	(19,006)	(81,165)	(19,926)
Maintenance and property related costs	**(38,615)**	**(35,386)**	**(152,151)**	**(81,424)**
Commercial properties	(14,730)	(14,283)	(60,728)	(58,468)
Hotel properties	(22,736)	(18,312)	(69,766)	(19,415)
Oslo Properties	(649)	(60)	(1,067)	(60)
Other operating cost	**(38,116)**	**(32,655)**	**(131,562)**	**(77,943)**
Commercial properties	**235,763**	**245,236**	**947,707**	**890,541**
Hotel properties	**154,134**	**136,960**	**636,423**	**145,838**
Oslo Properties	**(649)**	**(60)**	**(1,067)**	**(60)**
Operating profit before fair value adjustments and gains	**389,248**	**382,136**	**1,583,062**	**1,036,319**
Gain from fair value adjustment of commercial properties	(750,934)	92,739	(2,905,192)	1,219,138
Gain from fair value adjustment of hotel properties	(424,391)	(48)	(1,082,311)	-
Gain from sales of commercial properties	-	9,281	7,174	9,281
Gain from sales of hotel properties	(990)	(19)	27,188	-
Impairment of goodwill	(220,968)	-	(220,968)	-
Commercial properties	**(515,170)**	**347,255**	**(1,950,312)**	**2,118,960**
Hotel properties	**(492,214)**	**136,893**	**(639,668)**	**145,838**
Oslo Properties	**(649)**	**(60)**	**(1,067)**	**(60)**
Operating profit	**(1,008,034)**	**484,088**	**(2,591,048)**	**2,264,738**
Net financial items for commercial properties	(197,748)	(172,991)	(767,453)	(731,584)
Net financial items for hotel properties	(94,347)	(88,486)	(351,595)	(93,472)
Net financial items for Oslo Properties/acquisition financing	(41,684)	(65,709)	(207,370)	(65,836)
Financial derivative instruments for commercial properties	(790,797)	(33,293)	(763,635)	292,564
Financial derivative instruments for hotel properties	(375,613)	(12,217)	(437,804)	(15,815)
Net financial items	**(1,500,189)**	**(372,696)**	**(2,527,858)**	**(614,143)**
Commercial properties	**(1,503,716)**	**140,971**	**(3,481,400)**	**1,679,940**
Hotel properties	**(962,174)**	**36,190**	**(1,429,068)**	**36,551**
Oslo Properties/acquisition financing	**(42,333)**	**(65,769)**	**(208,437)**	**(65,896)**
Profit before income tax	**(2,508,223)**	**111,392**	**(5,118,905)**	**1,650,595**
Income tax expense	199,423	(29,724)	928,194	(460,736)
Profit for the period	**(2,308,800)**	**81,668**	**(4,190,711)**	**1,189,859**
Minority interests	(0)	8,168	132,322	(4,829)
Profit after minority interest	**(2,308,800)**	**89,837**	**(4,058,389)**	**1,185,030**

1) Norgani Hotels AS (hotel properties) and Oslo Properties AS (acquisition financing of Norgani Hotels AS) are consolidated as part of the Norwegian Property ASA Group from 24 September 2007.

CONSOLIDATED BALANCE SHEET

Figures in NOK 1.000	12/31/2008	12/31/2007
ASSETS		
Non-current assets		
Financial derivative instruments	37 333	9 550
Goodwill	885 642	1 064 987
Investment property	27 312 567	31 113 889
Fixtures and equipment	9 858	2 965
Shares and interests	2 014	1 623
Receivables	11 192	1 575
Total non-current assets	**28 258 607**	**32 194 589**
Current assets		
Financial derivative instruments	127 475	678 673
Seller guarantee for future rent	-	6 200
Accounts receivable	172 125	186 369
Other receivables	193 896	180 780
Cash and cash equivalents	174 220	635 476
Total current assets	**667 716**	**1 687 498**
Total assets	**28 926 323**	**33 882 087**
EQUITY		
Paid in equity	7 738 094	5 348 120
Other reserves	390 766	7 818
Retained earnings	(3 127 701)	1 310 962
Minority interests	0	1 688 867
- Liability to acquire shares in subsidiaries	-	(1 524 863)
Total equity	**5 001 160**	**6 830 903**
LIABILITIES		
Non-current liabilities		
Deferred tax liability	565 496	1 521 767
Financial derivative instruments	106 272	-
Interest bearing liabilities	21 021 975	21 733 946
Total non-current liabilities	**21 693 743**	**23 255 713**
Current liabilities		
Financial derivative instruments	689 854	26 075
Interest bearing liabilities	818 611	1 498 193
Liability to acquire shares in subsidiaries	-	1 595 837
Accounts payable	29 432	44 086
Other liabilities	693 523	631 279
Total current liabilities	**2 231 420**	**3 795 470**
Total liabilities	**23 925 163**	**27 051 184**
Total equity and liabilities	**28 926 323**	**33 882 087**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in NOK 1.000	Share capital	Share premium	Other paid in equity	Other reserves	Retained earnings	Minority interests	Total Equity
	Equity attributable to shareholders of the company						
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**
Share issue, June 2008	2,403,846	96,154					2,500,000
Total cost related to share issues, net of tax		(110,967)					(110,967)
Financial derivatives accounted to equity				20,004			20,004
Dividend payments					(263,704)		(263,704)
Currency translation differences				363,886			363,886
Profit for the period					(4,058,389)	(132,322)	(4,190,711)
Minority interests					(116,570)	(31,681)	(148,251)
Total equity 31.12.2008	**5,040,885**	**1,197,209**	**1,500,000**	**390,766**	**(3,127,701)**	**0**	**5,001,160**

CONSOLIDATED CASH FLOW STATEMENT

		4th Quarter 01.10 - 31.12		**Year to date 01.01 - 31.12**	
	Figures in NOK 1.000	**2008**	**2007**	**2008**	**2007**
	Profit before income tax	(2,508,223)	111,392	(5,118,905)	1,650,595
-	Paid taxes in the period	(8,894)	(2,042)	(8,894)	(2,042)
+	Depreciation of tangible assets	608	166	2,141	766
+/-	Gain from sale of investment property	990	(9,281)	(34,362)	(9,281)
-/+	Gain from fair value adjustment of investment property	1,175,325	(92,690)	3,987,504	(1,219,138)
-/+	Gain from fair value adjustment of financial derivative instruments	1,166,409	45,510	1,201,439	(276,751)
+	Write-down of goodwill related to deferred tax on investment property	220,968	-	220,968	-
+/-	Net financial items ex. market value adj. of financial derivative instruments	333,780	327,187	1,326,419	890,892
+/-	Change in short-term items	289,051	(17,266)	139,368	31,831
=	**Net cash flow from operating activities**	**670,014**	**362,976**	**1,715,677**	**1,066,873**
+	Received cash from sale of tangible fixed assets and single purpose entities	0	227,393	1,311,029	227,393
-	Payments for purchase of tangible fixed assets and single purpose entities	(120,425)	(887,294)	(308,302)	(5,126,458)
-	Payments for purchase of subsidiaries	(6,678)	(2,230,544)	(155,521)	(3,464,347)
=	**Net cash flow from investing activities**	**(127,103)**	**(2,890,445)**	**847,206**	**(8,363,412)**
+	Net change in interest bearing debt	(155,914)	1,728,781	(3,843,536)	7,236,878
-	Net financial items ex. market value adj. and currency gain/loss	(289,260)	(327,187)	(1,270,799)	(890,892)
+	Capital increase	-	-	2,345,879	479,346
-	Dividend payments	-	-	(263,704)	(263,704)
+/-	Payments related to other financing activities	-	833,707	-	114,352
=	**Net cash flow from financial activities**	**(445,173)**	**2,235,301**	**(3,032,159)**	**6,675,979**
=	**Net change in cash and cash equivalents**	**97,737**	**(292,167)**	**(469,276)**	**(620,559)**
+	Cash and cash equivalents at the beginning of the period	68,626	924,070	635,476	1,252,462
+/-	Exchange rates	7,856	3,573	8,020	3,573
	Cash and cash equivalents at the end of the period	**174,220**	**635,476**	**174,220**	**635,476**