Listing Prospectus

Norwegian Property ASA

Registration Document

Joint Arrangers:

Oslo, 7 June 2010

Important information

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1. Risk factors

1.1 MARKET RISK

1.1.1 Macro economic fluctuations

Norwegian Property is exposed to the economic cycle and macro economical fluctuations, since changes in the general economic situation could affect rent levels and the value of the Company's assets. There is risk associated with the general development of lease levels of commercial property for various segments and the locations where the Company owns properties. It is especially important what the market conditions are when lease contracts expire on the Company's properties.

1.1.2 Inflation risk

The Norwegian Central Bank's objective is to maintain annual long-term inflation level at a level of 2.5%. A lower rate of inflation may have a negative impact on the Company's revenues and liquidity. The majority of rental contracts in the Company's commercial property portfolio have a 100% CPI adjustment clause allowing the Company to adjust rental rates with the CPI development. On the majority of rental contracts in the Company's hotel portfolio the minimum rents have a CPI adjustment clause. The Company seeks to secure such regulation clauses in all new contracts.

1.1.3 Regulation risk

Changes in, or completion, of existing planning regulations by relevant authorities may significantly affect the operations of the Company's properties, including the interest of potential tenants in future rental of premises or interest of future purchasers of the properties. Furthermore, existing planning regulations may limit the possibility to further develop the properties.

1.1.4 Demand for office space and accommodation

The demand for office/retail space and accommodation is influenced by several factors, on both a micro and macro level. Negative changes in the general economic situation, including business and private spending, may adversely affect the demand for office space and accommodation.

Regarding accommodation on a micro level, the relative attractiveness of regions and cities, both with regards to business and leisure, will affect business and leisure travel to the respective regions and cities, and hence the demand for accommodation. There are no guarantees that the regions that are attractive today remain to be attractive.

1.1.5 Supply of office and hotel space

The supply of office and hotel space is influenced mainly by construction and refurbishment activity. Historically, periods with good market conditions in the office property market and/or hotel market have been followed by increased construction of office and/or hotel properties. This may lead to oversupply and increased vacancies. The long lead time of construction may further increase this effect, as construction that has been started in general will be finalized regardless of any market slowdown.

1.2 OPERATIONAL RISK

1.2.1 Tenant risk

The financial status and strength of the Group's tenants, and thus their ability to service the rent etc. will always be a decisive factor when evaluating the risk of property projects. Contractual rights to terminate leases prior to expiry date, with subsequent vacancy of the premises, bankruptcy of tenants and possible adjustment cost in relation to new tenants or lower rent levels, will influence the rental income negatively. In Norgani Hotels (the Group's hotel business) some tenants/operators operate many of the Group's hotels. If one of these tenants/operators for example go bankrupt this may have material negative effect on the income of the Company.

Tenants of Norgani Hotels' properties situated in Sweden have by law, an indirect right to extension on fair market conditions upon expiration of the lease term. The tenant might be entitled

to compensation if the landlord refuses extension or if the conditions offered for extension are deemed to be unfair.

Breach of obligations under rental contracts and disputes with tenants, may cause losses and costs for the Company.

1.2.3 Revenue based leases

Norgani Hotels' leases are mainly operator revenue based which means that factors affecting the revenue of the tenants (such as quality of the tenants' operations and general market conditions) will affect the rental income of Norgani Hotels.

1.2.4 Risk related to Aker Hus – the headquarter of Aker Solutions ASA

The construction of Aker Hus, Aker Solutions ASA's new headquarter at Fornebu, was completed in November 2007. Pursuant to the sale and purchase agreement entered into in 2005, Aker ASA is as a main rule obligated to cover costs and losses arising from construction costs exceeding the initial budget. Aker ASA's liability applies to costs/claims forwarded to Aker ASA by November 2010. Costs/claims related to the property, which arise after this cut-off date shall be born by the owner of the property (which is a subsidiary of the Company). Furthermore, it cannot be ruled out that i.a. the development of local infrastructure at Fornebu may lead to costs for and claims against the property owners at Fornebu and that such costs/claims may arise later than November 2010. In particular, there are uncertainties as to whether the future solution for public transport at Fornebu may lead to claims against the owner of the property and other property owners at Fornebu.

1.2.5 Lease contract Middelthunsgate 17

The lease contract between a subsidiary of Norwegian Property and Nordea Bank Norge ASA regarding Nordea Bank Norge ASA's rent of the property Middelthunsgate 17 in Oslo, includes certain restrictions on the following companies' direct or indirect ownership of the property (where indirect ownership also may be interpreted to include ownership in Norwegian Property): DnB NOR ASA, Sparebank 1, Danske Bank or any group or associated company of any of these companies. If any of these companies, without prior written consent of Nordea Bank Norge ASA, separately or jointly acquire a controlling interest in the Company, the tenant may claim a 30% reduction of rent as long as the violation of the restrictions persists. Further, the said premises shall not be used by competing companies as long as the lease contract with Nordea Bank Norge ASA is in force.

1.2.6 Legal claims / legal matters / pre-emption rights

Norwegian Property and Norgani Hotels are, and may in the future be, subject to legal claims from tenants, counterparties in completed sales transactions due to warranty claims or otherwise, authorities, including tax authorities and other third parties. No assurance can be given to the outcome of any such claims.

There are contractual and statutory pre-emption rights (*in Norwegian "forkjøpsrett"*) applicable upon sale of some of the office and hotel properties (or companies holding the properties). Even if such rights have been waived, not used or were not applicable in the Group's acquisitions, such rights may be exercised in subsequent transactions, and the existence of such pre-emption rights may imply a reduced value on the properties. In addition, there are contractual pre-emption rights for tenants that may limit the landlords' flexibility, and/or reduce property value.

1.2.7 Relationship with Property Managers

If the property managers do not fulfil their obligations under the property management agreements this may negatively impact the Company's value.

1.2.8 Maintenance / Technical condition / Operating risk

Maintenance of the properties is mainly regulated so that the landlord is responsible for external maintenance and that the tenant covers other operating costs (e.g. internal maintenance) in the premises leased. In addition, the landlord is in several of the lease contracts obliged to cover the costs of replacement of technical installations. There is a general risk that costs for maintenance and replacements, upgrading, etc., for which the Company is responsible may be larger than assumed. The landlord's potential obligation will depend on the technical state and condition of the lease object. In particular, the Company will incur costs in relation to adaptation to new tenants

The intention of the NEAS-agreement, through the fixed price system, is to reduce this risk. However, the NEAS-agreement does not cover the Norgani properties. Furthermore, the NEAS-agreement was in May 2010 terminated with effect from 1 May 2011.

1.2.9 Hidden defects and emissions - pollution

In respect of some of the Company's properties, and the ground on which some of the properties are placed, pollution/use of toxic material is known to the Company. Further, some of the properties acquired are situated in areas where it is not unlikely that the ground is polluted, based on the history of the site/area. The risks relating to pollution in the ground and in the properties and associated buildings largely rest on the Company. Such pollution may render further development of the properties/ground, and excavation, more expensive (due to required soil surveys or otherwise) and subject to approval from authorities.

1.2.10 Preservation areas

Some of the buildings on Aker Brygge and parts of Middelthunsgate 17 are regulated for preservation purposes. For Aker Brygge this includes the original buildings from the shipyard period. These buildings are regulated as "special area preservation (business, office, food and drink, cinema, museum)" and may not be demolished. In addition there are restrictions on the altering of the exteriors of the buildings.

In a report prepared in 2006 by ICOMOS Norway (International Council of Monuments and Sites) with support from the Directorate of Cultural Heritage, Aker Brygge is listed as one of several buildings/cultural heritage environments from the 20th century, which are recommended to be preserved under the statutes of cultural heritage. According to the report, the preservation value is attached to the general town planning works and the authentic 1980s features in the architectural look/facade. The interiors are considered less suitable for preservation, not least due to the requirements for changes to offices and retail areas.

Parts of Middelthunsgate 17 are regulated as "special area preservation (offices)" in the zoning plan approved on 24 July 1985. This entails a general ban on demolishing and restrictions concerning reconstruction, extension etc.

1.2.11 Risk from use of title companies

In order to achieve full title and legal protection for the acquisition of a property, a requirement pursuant to the Norwegian Land Registration Act is that the acquisition shall be duly registered in the land register. In this context legal protection means that the buyer of the property is protected from the seller's or former owner's creditors seizing the property and further against subsequent competing legal rights over the property. If an acquisition is not registered on the property's home page in the land register, and the seller, or a former owner goes bankrupt or the seller's creditors seize the property etc, the buyer's ownership rights to the property may be challenged.

However, registering the acquisition and thus obtaining legal title is subject to stamp duty of 2.5% of the property's market value. In major property transactions in Norway, it is normal practice that the buyer does not register the acquisition. As an alternative, the buyer may often (in addition to purchasing the property) acquire the shares or parts in a company, which holds the title to the property. This structure is to a large extent used in the Company's property portfolio. However, from a legal point of view there may be uncertainties connected to such structure. E.g. it has not been decided or clarified under Norwegian law whether the seller's or former owner's creditors can seize the property in situations where title companies are sold. The Norwegian Supreme Court passed a decision in 2008, which was relevant to, and to some extent confirmed, this possible risk. However, the Company is free to carry out the registration with the land register, which, however, would trigger stamp duty of 2.5% of market value.

1.3 FINANCIAL RISK

1.3.1 Financial leverage and bank debt

The Group remains highly leveraged. As of 31 December 2009, the Group had a total interest bearing debt of approximately NOK 18, 378 million, including approximately NOK 648 million of short-term financial debt (including current portion of long-term debt). The Group also had total shareholders' equity of NOK 4, 917 million.

It is the Company's objective to strengthen the Group's financial position and to improve its long term loan to value position from current levels. In 2009, the Company has sold one property with a value of NOK 324 million, and an obligation to acquire a hotel property at the end of 2009 has been terminated. In the light of the current financial situation, no dividend was paid out for the year

2008. Furthermore, in addition to carrying out the Private Placement and the Subsequent Offering, the Company has renegotiated the terms of its interest bearing debt.

Although the Company seeks to strengthen the Group's financial position, the degree of financial leverage currently existing may have several adverse consequences. For example, the Company will be required to manage the Group's businesses in a way to service its debt obligations. Also, as is customary for holding companies, the ability of the companies in the Group to make future scheduled payments on its outstanding indebtedness may depend on, among other things, the ability to obtain access to the earnings and cash balances of their subsidiaries or otherwise realise their value (which may be subject to legal and contractual restrictions), as well as on the future operating performance of the Group and its ability to refinance its indebtedness where necessary. There can be no assurance that the Company, or any of its subsidiaries as part of the Group, will be able to service its debt obligations or will have access to such earnings or cash balances in the future.

The Company's ability to make scheduled payments or to refinance the Group's obligations with respect to its indebtedness depends on the Group's financial operating performance, which, in turn, is subject to prevailing macro economic and competitive conditions and to financial, business and other factors beyond its control, including those described under Section 1.3.7 "Norwegian Property's business, earnings and financial condition have been and will continue to be affected by the current crisis in the global markets and the deterioration in the global economic outlook" below. There can be no assurance that the Group will have a level of cash flow from operations sufficient to permit the Company or the relevant subsidiary to pay the principal, premium, if any, and interest on its indebtedness.

If the Group's cash flow and capital resources are insufficient to fund its debt service obligations, the Company may be forced to reduce or delay capital expenditures, sell assets or seek to obtain additional equity capital or restructure or refinance the Group's debt. There can be no assurance that such alternative measures would be successful or would permit the Group to meet its debt service obligations. In the absence of such operating results and resources, the Group could face substantial liquidity problems and might be required to dispose of material assets or operations, to meet its debt service and other obligations. There can be no assurance as to the ability of the Company to consummate such sales or that such proceeds would be adequate to meet the obligations then due.

In the event that the Group is unable to generate sufficient cash flow and the Group is otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on its indebtedness, or if the Group otherwise fails to comply with the various covenants in the instruments governing such indebtedness the Company could be in default under the terms of the agreements governing such indebtedness.

1.3.2 Fulfilment of loan obligations

The loan facilities of the Group contain certain requirements as regards the financial condition of the Company and its subsidiaries (financial covenants) relating to i.a. interest coverage ratio, debt service coverage ratio, loan-to-value covenants, change of control etc. and other obligations of financial nature in addition to repayment obligations at the respective maturity dates.

No assurance can be given that the relevant Group company will be able to satisfy all these terms and conditions at all times, or that its lenders will waive or change the terms to avoid an actual or expected default of the above mentioned conditions. This could mean that repayment of loans are accelerated by lenders, including acceleration based on cross-default provisions, which could itself oblige the Company to seek to refinance the Group's loans and the Company may be forced to divest properties. There can be no assurance that the Company will, if required, be able to refinance or enter into new loan facilities on satisfactory terms, and to the extent necessary to maintain its existing and future business.

1.3.3 Fair value adjustments

The Company's properties and certain financial derivatives are included at fair value in the Company's consolidated financial statements. The fair value of the properties is impacted by a number of external factors, including interest rates, rental market for the properties, credit margins, the financial institutions lending conditions (including covenants, requirements for equity in transactions and availability of fund) and conditions in the investor market (including investors required return on capital and balance in the transaction market for properties). Changes in fair value are recorded quarterly in the income statement and, with respect to the properties, are among other input also based on third party valuations. Consequently, adjustment based on

changes in fair value may negatively affect the Company's profit & loss accounts and equity. This may in turn, among other things, have an impact on the Company's ability to satisfy its obligations (financial covenants) under its loan agreements.

1.3.4 Interest rate fluctuations

Norwegian Property is to a large extent financed by debt and will be exposed to interest rate fluctuations. Any period of rapid increase in interest rates may hence negatively affect the Company's cash flows, profitability and valuation of the underlying assets. Norwegian Property seeks to limit its interest rate risk through entering into fixed interest rate contracts/swaps for a major part of its outstanding loans. Interest rate fluctuations will influence the fair value of the Company's portfolio of financial derivatives and thereby lead to changes in the financial results. The interest rate level over time will also be an important factor in the development of the value of the properties and the return, which investors can obtain. Indirectly the interest rate level could also affect rent levels by having a negative impact on the revenue of the tenants, as rent level is also relevant when re-negotiating/renewing or entering into new leases.

1.3.5 Tax risk

Changes in laws and rules regarding tax and duties may involve new and changed parameters for investors and the Company. This may involve a reduction in the profitability of investing in property and the profit after tax for the Company. Tax implications of transactions and dispositions of the Company are to some extent based on judgment of applicable tax law and regulations. Even if the Company is of the opinion that it has assessed tax law in good faith, it could not be ruled out that the tax authorities and courts may conclude differently.

The Company has no assurance that the tax losses carried forward related to Norgani Hotels are usable, either within the country they appeared or across the Nordic region. Furthermore, Norgani Hotels do not have any assurance for when and how these losses may be utilized against profits.

1.3.6 Exchange rate risk

A substantial part of Norgani Hotels' revenues and expenditures are paid in foreign currency (SEK, DKK and EUR). As a result, Norgani Hotels is exposed to market risks resulting from fluctuations in foreign currency exchange rates. A material drop in the value of any such foreign currency as compared to NOK could result in an adverse effect on Norgani Hotels' cash flow and revenues. Even though the Company to a reasonable extent seeks to raise interest bearing debt in the same currency as revenue, and uses currency derivatives to tune the interest rate position, equity exposure remains in such currencies, and a material change of any such currency as compared to NOK could result in an adverse effect on Norgani Hotels' equity.

1.3.7 Norwegian Property's business, earnings and financial condition have been and will continue to be affected by the current crisis in the global financial markets and the deterioration in the global economic outlook

Norwegian Property's performance is influenced by the economic conditions in the markets in which it operates. The global economy and the global financial system have been experiencing a period of uncertainty and significant difficulties since August 2007 and the financial markets have deteriorated substantially since September 2008. This has led to severe dislocation of financial markets around the world and unanticipated levels of illiquidity, resulting in the development of significant problems at a number of the world's largest companies and financial institutions. In response to market instability and illiquidity, a number of governments have intervened in order to inject liquidity and capital into, and to stabilise, financial markets, and, in some cases, to prevent the failure of the financial institutions. Despite this intervention, the volatility of, and market disruption have continued to a degree unprecedented in recent history. The market dislocation has also been accompanied more recently by recessionary conditions and trends in a number of economies across the world. These conditions have produced downward pressure on stock prices and on availability of credit for companies. Continued deterioration in the economies throughout the world, including the state of the economy, equity and bonds markets, the availability and cost of credit, the property sector generally, business and consumer confidence, employment trends, inflation, the liquidity of global financial markets and market interest rates may significantly impact Norwegian Property's earnings and financial position. The exact nature of all the risks and uncertainties Norwegian Property faces as a result of the current global financial crisis and global economic outlook cannot be predicted and many of these risks are outside of Norwegian Property's control. In addition, disruption, uncertainty or volatility in the stock and credit markets may limit Norwegian Property's ability to access the capital necessary to grow its business.

1.3.8 Vendor rental guarantees/Credit risks on sellers

Norgani Hotels has received rental guarantees from sellers of properties for a limited period of time guaranteeing a certain rent level. These rental guarantees will expire successively and the last guarantee will expire on 31 December 2012. Only limited security is established for these guarantees. Consequently, Norgani Hotels takes to a large extent the credit risk on the sellers. Furthermore, the risks related to the level of Norgani Hotels' income increase when the guarantees expire given the large extent of revenue based leases.

1.3.9 Agreements with Fearnley syndicate

According to the original share purchase agreement entered into in 2006 between Norgani Hotels and a Fearnley syndicate regarding sale to the syndicate of one Clarion hotel and three Scandic hotels, Norgani Hotels has guaranteed a certain rent and cost level.

Furthermore, companies within the Fearnley syndicate have rights to sell (put options) the Clarion hotel and/or the three Scandic hotels comprised by the share purchase agreement to Norgani Hotels. The aggregate purchase price for all four hotels should both of the put options be exercised is about DKK 578 million. The share purchase agreement of 2006 has been renegotiated. On 9 June 2009, Norgani Hotels entered into two agreements with companies within the Fearnley syndicate whereby the put options related to the four hotels may be exercised towards Norgani Hotels during a period starting from 1 March 2011 (instead of from 1 January 2010) and ending 31 December 2012, with a three months settlement period (instead of 30 days). Furthermore, the Company has guaranteed the rightful fulfilment of Norgani Hotels' obligations according to the said put options. The implementation of the amendment agreements is subject to completion of the Private Placement.

There are risks related to these agreements as Norgani Hotels may incur higher costs than anticipated given the guaranteed rent and cost level and as the Group may be unable to secure required financing of the acquisition from internal and/or external sources should the syndicate exercise its put options.

2. Definitions

Annual Report of 2008	- Norwegian Property ASA's annual report of 2008.
Annual Report of 2009	- Norwegian Property ASA's annual report of 2009.
Board or Board of Directors	- the board of directors of the Company
Companies Registry	- the Norwegian Registry of Business Enterprises (*Foretaksregisteret*)
EBIT	- earnings before interest and taxes (Operating earnings)
EBITA	- earnings before interest, taxes and amortisation (Gross operating earnings after depreciation)
EBITDA	- earnings before interest, taxes, depreciation and amortisation (Gross operating earnings)
Group	- the Company and its subsidiaries from time to time
IFRS	- International Financial Reporting Standards
ISIN	- International Securities Identification Number
Listing Prospectus	- Registration Document and Securities Note
NOK	- the lawful currency for the time being in Norway
NGAAP	- generally accepted account principles in Norway
Oslo Børs	- Oslo Børs ASA
Norwegian Property ASA or the Company or the Issuer or the Borrower	- Norwegian Property ASA, company reg. no. 988 622 036
RevPAR	- Revenue per Available Room

3. Persons responsible

3.1 Persons responsible for the information

Persons responsible for the information given in the registration document are as follows:
Norwegian Property ASA, Stranden 3A, 0250 Oslo

3.2 Declaration by persons responsible

Responsibility statement:
This Listing Prospectus has been prepared by Norwegian Property ASA with a view to providing a description of relevant aspects of Norwegian Property ASA in connection with the Bond Issue and an investment therein. We confirm that, taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 7 June 2010

For Norwegian Property ASA

Disclaimers:
Joint Arrangers
Nordea Bank ASA, Nordea Markets and DnB NOR Bank ASA, DnB Markets have assisted the Company in preparing the Listing Prospectus. Neither Nordea Bank ASA, Nordea Markets nor DnB NOR Bank ASA, DnB Markets has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Arrangers expressively disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Listing Prospectus or any other information supplied in connection with bonds issued by Norwegian Property ASA or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Company. Each person receiving this Listing Prospectus acknowledges that such person has not relied on the Joint Arrangers or on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Oslo (Norway), 7 June 2010

Nordea Bank ASA, Nordea Markets

DnB NOR Bank ASA, DnB Markets

4. Statutory Auditors

4.1 Names and addresses

Deloitte AS
Karelyst Allé 20
Postboks 347 Skøyen
0213 Oslo

Tel. +47 23 27 90 00
Fax. +47 23 27 90 01

State Authorized Public Accountant (Norway) Bernhard Lyngstad has been liable for the Auditor's report for 2008 and 2009.

Deloitte AS is member of The Norwegian Institute of Public Accountants.

5. Information about the Issuer

Legal name: Norwegian Property ASA

Address:
Stranden 3A
0250 Oslo

Mailing address:
P.O. Box 1657 Vika,
N-0120 Oslo

Tel: +47 22 83 40 20
Fax: +47 22 83 40 21

Registration number: 988 622 036
Date of incorporation: 20 July 2005 (active from May 2006)

The Company is a publicly listed company organized under the laws of Norway, including the Public Limited Companies Act.

6. Presentation of the Company

6.1 Principal activities

6.1.1 Introduction

Norwegian Property is a leading Norwegian property company. Measured by portfolio value, it is one of the largest listed property companies in the Nordic region, with assets valued at NOK 23.7 billion at the end of 2009. The company has robust revenues, predictable costs and solid cash flow.

The company has two business areas: commercial property and hotel property. While the first of these falls under the parent company Norwegian Property ASA and a number of subsidiaries, hotel property is organised in the wholly owned Norgani Hotels subsidiary.

Norwegian Property's goal is to create stable and long-term value through continued development of its businesses as leading, fully integrated property companies in the office and hotel sectors respectively, and increasingly focus on all value drivers of the value chain including property management, letting, property development and transactions/finance.

In February 2010 Norwegian Property ASA announced that the company had initiated a strategic process with the aim to refine the business as two separate, independent companies for office and hotel properties respectively, and to intentionally complete such a process during 2010. This will most likely lead to either a demerger and initial public offering of the company's hotel business organized today in its wholly-owned hotel sub-holding subsidiaries Oslo Properties AS / Norgani Hotels AS, or a trade sale of the above-mentioned subsidiaries, or possibly any other hybrid or combination thereof. In any case, a completion of the announced separation process will not lead to a change of the current issuing entity, as the Issuer of the Bond is the ultimate parent company Norwegian Property ASA, and the current pledge of the Bond is represented by four office properties which will continue to constitute and be an important part of the core strategy of the Issuer Norwegian Property ASA post a possible separation of the hotel business.

Furthermore, the strategic intention of a separation of the hotel business through e.g. a sale or a demerger, is to streamline the company's business, dedicate its resources to areas in the group where value can most effectively be created for its stakeholders, and to reduce the overall risk of the group. Hence, a separation of the hotel business will – in the view of the Issuer and everything else being equal – not impact with material adverse effect on the Issuer's ability to perform its payment obligations under the Bond Agreement. The Issuer's ability to perform under and comply with the existing covenants will – everything else being equal – not be negatively impacted by a separation of the hotel business.

The company's office portfolio comprises 48 commercial properties located in Oslo, Bærum and Stavanger as of 31 December 2009. Good locations and long-term leases with financially sound tenants ensure a robust rental income. Norwegian Property has a number of large and financially sound tenants in both private and public sectors, with the 25 largest tenants accounting for approximately 73 per cent of rental income. The office portfolio has a low vacancy.

The hotel business – Norgani Hotels – comprises 74 properties in the Nordic region. Tenants of Norgani Hotels include leading international and regional chains such as Scandic Hotels (including Hilton), Choice Hotels Scandinavia and Rezidor. These chains account for roughly 88 per cent of rental income. The portfolio largely comprises three- and four-star hotels, which have historically had more stable turnover than the high-end hotel segment.

6.1.2 History

Norwegian Property was founded in May 2006 with the long-term ambition of becoming the largest and most liquid investment option for commercial property in Norway.

In May 2006 the initial 30 properties were acquired at a value of approximately NOK 9.1 billion. Anders Wilhelmsen Group and Fram Management, two major Norwegian property developers, joined the company as founding fathers in Q1 2006.

A total of NOK 17.2 billion was invested in a total of 55 properties between May and January 2007. The total area is about 723 000 square metres, with an annual rental income of roughly NOK 1.1

billion. Virtually the entire portfolio is covered by leases, with an average remaining term of about 7.3 years. Petter Jansen joined the company as president and CEO on 28 August 2006. The remainder of the management team was recruited and joined during the autumn 2006.

Plans for an initial public offering and an application for a stock market listing were announced on 27 October 2006. Totalling NOK 1.2 billion, the IPO was implemented at a price of NOK 53,40 per cent and oversubscribed six times. The share was noted on Oslo Stock Exchange on 15 November with the ticker code NPRO.

Soon after the listing, Norwegian Property was also included in the international property indices from FTSE EPRA/NAREIT Global Real Estate Index Series.

In July 2007 Norwegian Property acquired 4 office- and retail properties at Aker Brygge, CBD in Oslo, for NOK 1,740 millions from DnB Nor Bank ASA.

In September 2007 Norwegian Property achieved control over the largest Nordic hotel property investor, Norgani Hotels ASA. Norgani Hotels owns 74 hotels and conference properties. All the shares in Norgani Hotels ASA were acquired in the fourth quarter through the Oslo Properties investment company owned 17,5% by Norwegian Property. Through agreements Norwegian Property secured the right to acquire more than 90% of Oslo Properties.

In February 2008 Norwegian Property entered into an agreement with NEAS ASA regarding management and operation of the Norwegian office portfolio. Under the agreement NEAS will assume responsibility for management and the day to day operations of NPRO's properties during 2008 and 2009. The agreement involves future ownership costs during the agreement period will be secured at a level of 10-12 % below current levels.

A rights offering raising a gross proceeds of NOK 2,500 million was completed in July 2008. Funds raised were used for take out of minorities in Oslo Properties with put/call options and strengthening of balance sheet.

In line with the company's investment strategy there has been in progress continuous effort to trim and optimise the portfolios in both office and hotel segments. During 2008 Norwegian Property completed the sales of eight properties, and another two during the first quarter of 2009. One hotel property (under development) was also sold during the first quarter of 2009. In June 2009 the company raised NOK 1,200 million in a private placement, which was followed by another NOK 300 million in a subsequent "repair issue" in August 2009. At the same time the company renegotiated some terms and conditions on some of the most critical loan facilities.

Petter Jansen resigned as CEO of the company on 1 October 2010, and Mr Olav Line started as new CEO effective 1 January 2010. In March 2010 the company raised NOK 544 million in a private Placement, and one more property was disposed during first quarter 2010.

6.1.3 Strategy

The overall long-term object is to be the largest and most liquid investment option for Norwegian commercial property, and to create stable and long-term value for shareholders and other stakeholders by continuing to develop the group's businesses as leading fully integrated companies in the office and hotel segments respectively. The company announced in February 2010 its refined strategy to increasingly become a fully integrated property company primarily within the office segment, and also increasingly focus on all the value drivers of the value chain for property companies, including property management, letting, property development and transactions/finance. Norwegian Property should be a preferred partner for clients, both new and existing tenants.

The principal strategy is to invest in, manage, let and develop prime, attractive and centrally located properties in strong and prosperous cluster . The emphasis is on securing long-term leases, adjusted in accordance with key performance indicators. Tenants will normally be large and solid companies and public bodies, in order to reduce risk associated with leases. The company has announced its intention to reduce its leverage down to 60%-65% over time. A large portion of the long term debt will continue to be hedged at fixed interest rates.

Open communication combined with clear goals and strategies will help to ensure confidence in the investor market. A broad shareholder base comprising Norwegian and international investors will contribute to a high level of liquidity for the share. The number of shareholders doubled during

2009, and the turnover of the shares has increased significantly. In December 2009 the company share was included in the Oslo Stock Exchange's OBX index, which embraces the 25 most-traded shares on the exchange.

6.2 Business Overview

6.2.1 Hotel property

The hotel property business area embraces Norgani Hotels, which ranks as the largest owner of such assets in the Nordic region with its 73 hotel properties and one conference centre in Norway, Sweden, Denmark and Finland.

The core business is to create value by investing in, managing and developing hotel properties in close collaboration with their operators. Turnover in the hotel business has expanded rapidly as a result of increased tourism and business travel, but suffered during the financial turmoil especially in 2009. The travel and leisure sector is still one of the largest and fastest-growing industries internationally over time. Reflecting global trends, development in the Nordic region has also been positive. Norgani Hotels is focused on owning properties which are expected to be more robust against revenue fluctuations rooted in economic trends than the high-end hotel market.

- The goal is to have a well-diversified portfolio of three- and four-star hotels, located primarily in Nordic towns with more than 50 000 inhabitants.
- These properties will generally be fully developed, in attractive locations and with at least 150 rooms.
- Hotel management is handled by established operators. Cultivating and further extending collaboration with the largest and most professional players in the Nordic region has a high priority.
- Leases with hotel operators will be turnover- based (rather than pure management contracts), with primarily minimum rents so that Norgani and the operator have a shared interest in securing the highest possible revenues.

The hotel property portfolio

Norgani Hotels owned a total of 73 hotels and one congress centre at 31 December 2009. The hotel properties have a combined capacity of 12 822 rooms and an area of 671 480 square metres. Virtually all the space is leased for hotel operation, but some hotel properties also have small areas leased for other types of activity.

Hotels in Norway	Operator	Location	Rooms
Quality Hotel & Resort Kristiansand	Choice	Kristiansand	210
Quality Hotel & Resort Hafjell	Choice	Øyer	210
Comfort Hotel Børsparken	Choice	Oslo	198
Comfort Hotel Alexandra	Choice	Molde	163
Comfort Hotel Holberg	Choice	Bergen	149
Quality Hotel & Resort Fagernes	Choice	Fagernes	139
Clarion Collection Hotel Bastionen	Choice	Oslo	99
Quality Hotel Articus	Choice Franchise	Harstad	75
Radisson SAS Lillehammer Hotel	Franchise	Lillehammer	303
Radisson SAS Hotel Bodø	Radisson/SAS	Bodø	191
Scandic Bergen Airport	Scandic	Bergen	197
Scandic KNA	Scandic	Oslo	189
Rica Hotel Hamar	Rica	Ringsaker	176
Rica Hotel Bodø	Rica	Bodø	113
Total Norway			2412

Hotels in Denmark	Operator	Location	Rooms
Comfort Hotel Europa	Choice	Copenhagen	230
Clarion Collection Hotel Myfair	Choice	Copenhagen	105
Comfort Hotel Excelsion	Choice	Copenhagen	99
Total Denmark			434

Hotels in Sweden	Operator	Location	Rooms
Scandic Alvik	Scandic	Stockholm	325
Scandic Malmen Stockholm	Scandic	Stockholm	327
Scandic Star Sollentuna	Scandic	Stockholm	269
Scandic Kundens Kurva	Scandic	Stockholm	257
Scandic Helsingborg Nord	Scandic	Helsingborg	237
Scandic Backadal	Scandic	Gothenburg	234
Scandic Elmia	Scandic	Jønköping	220
Scandic Örebro Väst	Scandic	Ørebro	204
Scandic Gävle Väst	Scandic	Gävle	200
Scandic Uppsala Nord	Scandic	Uppsala	184
Scandic Västerås	Scandic	Västerås	174
Scandic Ferrum	Scandic	Kiruna	171
Scandic Umeå Syd	Scandic	Umeå	161
Scandic Segevång	Scandic	Malmø	166
Scandic Luleå	Scandic	Luleå	160
Scandic Sundsvall Nord	Scandic	Sundsvall	159
Scandic Lindköping Nord	Scandic	Linköping	150
Scandic Norrköping Nord	Scandic	Norrköping	150
Scandic Kalmar Väst	Scandic	Kalmar	148
Scandic Bromma	Scandic	Stockholm	144
Scandic Klarälven	Scandic	Karlstad	143
Scandic Uplandia	Scandic	Uppsala	133
Scandic Södertälje	Scandic	Södertälje	131
Scandic Östersund	Scandic	Östersund	129
Scandic Växjø	Scandic	Växjø	123
Scandic Hasselbacken	Scandic	Stockholm	112
Scandic Bollnäs	Scandic	Bollnäs	111
Quality Hotel Luleå	Choice	Luleå	209
Quality Hotel Prince Philip	Choice	Stockholm	201
Quality Hotel Ekoxen	Choice	Linköping	190
Quality Hotel Grand Kristianstad	Choice	Kristianstad	149
Quality Hotel Winn, Gothenburg	Choice	Gothenburg	121
Quality Hotel Prisma	Choice	Skøvde	107
First Hotel Linköping	First/Tribe	Linköping	133
First Hotel Mårtenson	First/Tribe	Halmstad	103
First Hotel Royal Star	First/Cadhotels	Stockholm	103
Best Western Royal Corner	BW/Revhaken Hotels	Växjø	158
Best Western Mora Hotell & Spa	Best Western	Mora	135
Ibis Stockholm Syd	Accor Hotels	Stockholm	190
Radisson SAS Hotell, Linköping	Radisson/SAS	Linköping	91
Stadshotellet Princess Sandviken	Stadshotellet i Sandviken AB	Sandviken	84
Total Sweden			6896

Hotels in Finland	Operator	Location	Rooms
Scandic Continental	Scandic	Helsinki	512
Scandic Grand Marina	Scandic	Helsinki	462
Scandic Tampere City	Scandic	Tampere	263
Scandic Kajunus	Scandic	Kajaani	191
Scandic Rosendahl	Scandic	Tampere	213
Scandic Jyväskylä	Scandic	Jyväskylä	150
Scandic Kuopio	Scandic	Kuopio	137
Scandic Espoo	Scandic	Espoo	96
Scandic Luosto	Scandic	Luosto	59
Scandic Marina Congress Center	Scandic	Helsinki	
Hilton Helsinki Kalastajatorpaa	Hilton	Helsinki	238
Airport Bonus Inn	Citymac Travels	Vantaa	211
Serena Korpilampi	Savonlinnan	Espoo	150
Comfort Hotel Pilotti	Bonfinn	Vantaa	112
Imatran Valtionhotelli	Rantasipi	Imatra	149
Total Finland			3135

Rents and markets

More than half the hotel rooms owned by Norgani (54 per cent) is located in Sweden, with 19 and 24 per cent in Norway and Finland respectively. Norgani Hotels only has three hotels in Denmark, with about three per cent of rooms. Sweden's share of the company's total turnover is relatively lower, at 46 per cent, while Norway, Denmark and Finland represent relatively higher proportions. This reflects the location, size and segment of the hotels, as well as differences in market rates for hotel rooms.

Robust leases

All but one of the leases are turnover-based. The hotel owner's share of occupancy turnover (room price) normally amounts to 25-40 per cent, and the share of other revenue (food and beverages) lies between eight and 12 per cent. With the exception of three hotels, the leases also contain provisions on minimum rents which are inflation-adjusted annually and independent of hotel turnover. For most of the hotels acquired by Norgani, the seller agreed at the time of acquisition to guarantee a certain minimum rental income above the minimum payable by the hotels. The number and effect of the seller guarantees will decrease until 2012.

With turnover-based leases, the hotel owner is normally responsible for external maintenance while the operator meets ongoing operating costs. As a general rule, the hotel owner is responsible for replacing technical installations while the operator handles on-going maintenance. The usual practice for other investment in the property is to agree a split between owner and operator. The average remaining term of the leases is 9.5 years.

Other leases

Norgani has leased some minor areas to tenants other than the hotels, such as restaurants, shops or bars.

Operators

Norgani emphasises the importance of relationships with the most important Nordic players. These often achieve greater market penetration through coordination of marketing and loyalty programmes. They also have professional operations organisations and a strong focus on positioning, operational tools and product development. One aim of the company's long-term strategy is to secure a rather larger spread of lessees through a possible future expansion of the portfolio Scandic Hotels (including two Hilton hotels in Finland) and Choice, which are the two largest Nordic chains, account between them for more than 80 per cent of the hotel rooms and the rental income.

Market

The hotel market is often split into three main areas – property, operation and distribution. In the past, these three roles were usually combined. But they have increasingly become more professionalised, with players specialising more in the various parts of the value chain. Some participants are involved in several of these areas. Norgani has specialised in the hotel owner role. Norgani's biggest competitors on the ownership side are other hotel property companies, other large property companies and funds, and insurance companies. In addition, a number of the operators have their own property portfolios to some extent. Major players in the Nordic hotel property market are the Olav Thon group, Pandox, Home Properties, the Wenaas group, Norlandia, Host and Capman.

Operators

Hotels are increasingly being marketed through chains. Although hotels outside such chains are still in the majority in the Nordic area, most of the large operators in this region have growth ambitions. The chain-affiliated hotels account for the biggest share of turnover. Common branding gives travellers confidence in the quality of the hotels, while loyalty programmes encourage further purchases. Affiliation also provides the hotels with economies of scale in a number of areas.

Growing capacity utilisation and increase in RevPAR

Viewed overall, the Nordic hotel market had a very good year in 2008, with strong economic growth and expanding business travel in the first half. However, the trend reversed towards the end of the year, and 2009 was a relatively weak year with a general decline in RevPAR.

Organisation

Norgani has offices in Oslo, Stockholm and Helsinki, and its administration and finance function are partly integrated with Norwegian Property. The company has 18 employees, and that number was stable during 2009. Norgani Hotels' ambition is to be a leading player in the development and\ administration of hotel properties in the Nordic region.

6.2.2 Commercial property

This business area comprises the management of 48 commercial properties with a contractual rental income of NOK 1.05 billion per year.

The combined market value of the portfolio at 31 December 2009 was NOK 14.8 billion. Norwegian Property's principal strategy is the acquisition, letting, development and ownership of high-quality commercial properties with good locations. Its ambition is to achieve the greatest possible value creation through efficient operation of the properties and by exploiting the development potential in the portfolio. Purchase and sale of properties form a natural part of the company's efforts to create the greatest possible long term value.

Portfolio of commercial properties

Gross rental income from the office premises totalled NOK 1 043.9 million (2008: NOK 1 079.4 million). The average remaining term of the portfolio's leases at 31 December was five years (2008: 5.6 years), and rents are adjusted annually by an average of 97.1 per cent of the CPI.

The sale of two properties totalling NOK 1 billion was completed during 2009. A contract on the sale of Grev Wedels plass 9 was signed in September 2008 and implemented in January 2009. The sales contract for Drammensveien 144 in Oslo was signed in February 2009, with the transaction closed in March 2009.

Work on renegotiating leases to secure an improved level of rent and on maintaining low vacancy was given priority during 2009.

Norwegian Property has financially sound and attractive organisations and companies as tenants. The 25 largest office tenants accounted for 72.8 per cent of annual rental income at 31 December 2009. A total of 121 leases were awarded or renegotiated in 2009 with a combined value of NOK 43.9 million, which represents an increase of 16.9 per cent from the level for the expired leases.

Norwegian Property is well positioned in the market for commercial property, with low vacancy in the portfolio, financially sound clients, long leases and an underlying potential for increasing the level of rents. A moderate proportion of the leases in the company's portfolio expire in 2010, with rather more expiring in 2011 and 2012. Given the expected development of the market, this also represents an opportunity to increase rental income.

Rental income

Norwegian Property's portfolio largely comprises office properties with associated warehousing and parking facilities. Some buildings include retail premises, and the company also owns the shopping centre and most of the restaurants at Aker Brygge, the heart of Oslo's central business district (CBD). Offices account for 69 per cent of the gross rental income.

The goal is to have a balanced range of maturities for the leases. Long-duration contracts provide a secure and long-term cash flow. The average remaining term for the company's leases is 5.0 years, slightly down from 31 December 2008.

Diversified tenant structure

Norwegian Property's ambition is to have a diversified structure of high-quality tenants in order to minimise the risk of contract defaults and loss of rental income. Sector exposure is well diversified, and is shown in the table. The 25 largest tenants account for 73 per cent gross rental income, and mainly comprise companies with good credit records or public institutions.

The largest tenants at 31.12.2009

Tenant	Rent (MNOK)	Duration (years)	Share of total	Public sector participation	Listed at group level
EDB Business Partner ASA	84,2	9,2	8,0%	√	√
Aker Solutions ASA	83,4	9,2	8,0%	√	√
DnB NOR ASA	72,7	3,3	6,9%	√	√
Nordea	46,4	4,1	4,4%	√	√
StatoilHydro ASA	43,2	3,1	4,1%	√	√
SAS Scandinavian Airlines Norge AS	43,1	6,9	4,1%	√	√
If Skadeforsikring	40,9	2,8	3,9%		√
Aker Offshore Partner AS	34,1	5,0	3,2%	√	√
Total E&P Norway AS	31,2	8,1	3,0%		√
Höegh Autoliners Management AS	28,2	10,2	2,7%		
Get AS	27,8	1,4	2,7%		
Telenor Eiendom Holding AS	27,4	5,7	2,6%	√	√
NetCom AS	24,2	2,9	2,3%	√	√
Skanska Norge AS	22,3	5,3	2,1%		√
Fokus Bank	20,3	3,1	1,9%	√	√
Atea ASA	18,8	2,7	1,8%		√
TDC AS	16,3	1,5	1,6%		√
NAV	15,5	1,7	1,5%	√	
Uno-X Energi Norge AS	14,5	3,9	1,4%		√
Tieto Norway AS	13,9	2,6	1,3%		√
BW Offshore AS	11,8	3,9	1,1%		√
Simonsen Advokatfirma DA	11,7	3,0	1,1%		
Økokrim	11,5	16,6	1,1%	√	
ErgoGroup AS	10,7	1,7	1,0%	√	
Schibsted Eiendom AS	9,6	4,0	0,9%		√
Total 25 largest tenants	763,6	5,5	72,8%	13/25	19/25
Other tenants	285,2	3,7	27,2%		
TOTAL ALL TENANTS	1048,9	5,0	100,0%		

Market

Like most other sectors of the economy, the commercial property market was affected by the international financial crisis and general economic downturn. Property values declined sharply during 2008 and 2009, and market rents also fell back from the peak reached in the spring/ summer of 2008. However, contractual rents for leases maturing in and 2010 and beyond often lie below even today's market rents.

During 2008 and 2009, Norwegian Property entered into or extended a number of leases where rents were increased by as much as up to 40-50 per cent from the previous level. The international financial crisis and subsequent economic downturn make for a more uncertain market outlook. The leasing market for commercial property tightened considerably in 2009, with falling rent levels. A period of lower economic growth and rising unemployment is expected. At the same time, the addition of new office capacity in the market is somewhat lower than in earlier macro-economic cycles. A number of planned development projects are likely to be postponed because of the uncertain market outlook combined with difficult credit markets.

Competitors

The property market remains highly fragmented. The largest property owners in Oslo and Stavanger are the life insurance companies, specialised property companies such as Olav Thon, Eiendomsspar and Entra Eiendom, and various fund structures (property funds and syndicates). Direct investment by foreign investors in the Norwegian market remains limited.

Commercial Property portfolio as of 31.12.2009

Property	Offices	Retail / Restaurant	Warehouse	Other	Indoor Parking	Residual	Total m²
Administrasjonsbygget	2,244	720	61			225	3,250
Dokkbygget	595	368	55			-54	964
Kaibygning II		1,628	702			160	2,490
Snekkerbygget	4,143		10			-18	4,135
Støperiet		1,417		491		228	2,136
Terminalbygget	10,716	4,025	1,216		2,062	860	18,879
Uteareal							
Verkstedhallene	10,921	12,976	1,438			2,973	28,308
Kaibygning I	23,015	3,832	5,029			-460	31,416
Drammensveien 60	8,593	797	1,483		377	377	11,627
Ibsenkvartalet	31,627	801	4,150	490		963	38,031
Stortingsgaten 6	4,460	867	919		470	464	7,179
Total CBD	**96,314**	**27,431**	**15,062**	**981**	**2,909**	**5,718**	**148,415**
Drammensveien 134 Hus 2	3,688		959			-138	4,509
Drammensveien 134 Hus 3	5,715		233			197	6,145
Drammensveien 134 Hus 4	3,831		773			127	4,731
Drammensveien 134 Hus 5	7,642		709		755	-656	8,450
Drammensveien 134 P-Hus					5,200		5,200
Drammensveien 134 Utearealer							
Drammensveien 134 Hus 1	5,418					0	5,418
Drammensveien 134 Hus 6	9,883	642	1,777		3,486		15,788
Drammensveien 149	10,695		1,622		4,006	160	16,483
Hovfaret 11	4,377		569	696			5,642
Nedre Skøyen vei 24	3,630		1,215				4,845
Nedre Skøyen vei 26 A-E	11,444		696	5,084	398		17,622
Nedre Skøyen vei 26 F	8,767			497	4,235		13,499
Total Skøyen	**75,090**	**642**	**8,553**	**6,277**	**18,080**	**-310**	**108,332**
Aker Hus	40,254				19,025		59,279
Lysaker Torg 35	14,422		412		7,100		21,934
Middelthunsgate 17	26,847		3,472		3,000		33,319
Oksenøyveien 3	7,477		1,381		2,877		11,735
Total Oslo West/Lysaker/Fornebu	**89,000**		**5,265**		**32,002**		**126,267**
Gjerdrums vei 10 D	2,052						2,052
Gjerdrums vei 14	712		734				1,446
Gjerdrums vei 16	4,206		775		2,139		7,120
Gjerdrums vei 17	803						803
Gjerdrums vei 8	7,988		279		2,389		10,656
Gullhaug Torg 3	7,868						7,868
Gullhaugveien 9-13	23,039		8,049		12,628	-359	43,357
Maridalsveien 323	11,646		2,600	1,096	5,573	0	20,915
Nydalsveien 15	3,001	750	85				3,836
Nydalsveien 17		1,560				0	1,560
Sandakerveien 130	6,520				3,560		10,080
Total Nydalen	**67,835**	**2,310**	**12,522**	**1,096**	**26,289**	**-359**	**109,693**
Kolstadgaten 1	5,479						5,479
Oslo Airport Gardermoen				20,976			20,976
Total Oslo North/East	**5,479**			**20,976**			**26,455**
Badehusgaten 33-39	16,673		2,540		2,315		21,528
Forusbeen 35	17,674				3,750		21,424
Grenseveien 19	5,390						5,390
Grenseveien 21	27,721						27,721
Maskinveien 32	4,561				525		5,086
Strandsvingen 10	2,059						2,059
Svanholmen 2	2,883	6,580				0	9,463
Finnestadveien 44	22,032						22,032
Total Stavanger	**98,993**	**6,580**	**2,540**	**0**	**6,590**	**0**	**114,703**
Total NPRO	**432,711**	**36,963**	**43,942**	**29,330**	**85,869**	**5,049**	**633,864**

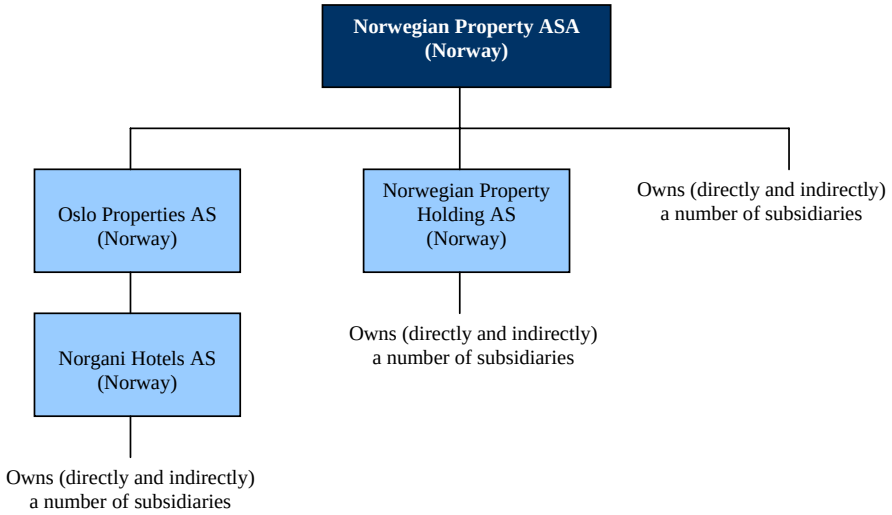
7. Organizational structure

7.1 Description of group that issuer is part of

Norwegian Property is the parent company in the Group with limited activity other than being the ultimate holding company.

The Company's properties are as a main rule each held by an individual subsidiary in so-called single purpose companies and in some cases the title is held by a separate legal entity. Some of the single purpose companies are limited partnership companies, which require at least two owners according to applicable law, and therefore usually 10% of each partnership company's shares are owned by a general partner which is a separate entity. The Company has about 250 subsidiaries.

The chart below shows a simplified overview of the company chart of Norwegian Property:



7.2 Description of the main companies in the current group

Below is a description of the main companies in the Group. The Company does not have any ownership interests or investments in any undertakings, other than these companies, that are likely to have a significant effect on the assessment of the Company's own assets and liabilities, financial position or profits and losses.

7.2.1 Norwegian Property ASA

Norwegian Property is the parent company in the Group. The Company has limited activity other than being a holding company. The Company was incorporated on 20 July 2005, is located in Oslo, Norway and has a total of 14employees. The Company has a total of around 250 subsidiaries.

7.2.2 Norwegian Property Holding AS

Norwegian Property Holding AS is a Norwegian limited liability company organised under Norwegian laws. The company was incorporated on 13 September 2006 with organisation number 990 298 211. The company has limited activity other than being a holding company and has no employees. The company is located in Oslo, Norway.

7.2.3 Oslo Properties AS (100%)

Oslo Properties is a Norwegian limited liability company incorporated on 2 January 2007 with organisation number 990 727 716 and located in Oslo, Norway. Oslo Properties is the sole owner of Norgani Hotels as described in more detail in Section 6.8 below. The company has limited other activity than being a holding company and has a no employees.

8. Trend Information

8.1 Outlook

The underlying macroeconomic development, measured by changes in GDP, has moved in a positive direction since the third quarter 2009, however there are still much uncertainty and set-backs as to the continuity of the effects of the financial crisis. A further economic recovery is thus expected to be weak, and for commercial properties some reduction in market rent levels and increasing vacancy may still be expected for a period going forward. With a market leading portfolio of attractive properties, Norwegian Property is well positioned within this market, with low (but increasing) vacancy, long contracts and an underlying potential of rent uplifts.

Norwegian Property has good routines for maintenance, operations and cost control, and is focused on maintaining the close follow up of each property. Further, customer contact and renegotiating contracts of the office portfolio at improved rent levels is a prioritized area. The company has through a period with significant market insecurity had a portfolio with low vacancy. During the last quarters vacancy has increased marginally, and it is expected that the office vacancy level will remain well below the average market vacancy. Within the hotel portfolio, the main focus will be on operations and maintenance of properties in cooperation with the hotel operators in order to together maximize revenues.

The financial restructuring was completed in the third quarter 2009, and improved equity levels and renegotiated loan agreement have strengthened the Group's balance sheet and secured the financial position of the company. Improved economic prospects combined with a strengthened financial platform makes the company well positioned for further development. Going forward, the main focus will be on good operations and development of the company's property portfolio. With the leading hotel and office portfolio in the market, Norwegian Property has a good foundation for being a key player in the property market.

8.2 Statement of no material adverse change

There has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements.

9 . Administrative, management and supervisory bodies

9.1 Information about persons

Board of directors

The table below set out the names of the members of the Company's board

Name	Position	Business address
Arvid Grundekjøn	Chairman of the board since 2010	P.O. Box 1657 Vika, 0120 Oslo
Nils Selte	Board member since 2009	P.O. Box 1657 Vika, 0120 Oslo
Jon Erik Brøndmo	Board member since 2010	P.O. Box 1657 Vika, 0120 Oslo
Synne Syrrist	Board member since 2009	P.O. Box 1657 Vika, 0120 Oslo
Gry Mølleskog	Board member since 2009	P.O. Box 1657 Vika, 0120 Oslo

Arvid Grundekjøn (born 1955)

Mr. Grundekjøn holds an MSc degree in Business and Economics from NHH (Norges Handelshøyskole) from 1979 and a law degree from the University in Oslo. He has a licence to practice law from 1981.
Grundekjøn holds the following board positions: Board chairman of Statkraft AS since 2004, Sparebanken Pluss since 2006, Sigma-fondene AS since 2009, Creati AS since 2000, A. Wilhelmsen Foundation, Board member of DS Norden and Vetro Solar AS, both since 2009 Member of the board of representatives in Storebrand.
Shareholdings: 50 000
Share options: 0

Nils Selte (born 1965)

Mr Selte is currently CFO of Canica AS - an investment company owned by Mr Stein Erik Hagen and his family. He has held executive positions in several companies such as the Hakon Group, ICA Ahold and Canica AS. He is a board member of Jernia AS and several companies in the Canica Group.
Mr Selte holds an MBA degree from the Norwegian School of Economics and Business Administration (NHH).
Shareholdings: 479 000
Share options: 0

Jon Erik Brøndmo (born 1964)

Brøndmo holds a finance degree from University of Colorado from 1988. In addition, he holds an MBA from BI Norwegian School of Management from 1994. Brøndmo has experience from the following board positions: Board member of Choice Hotels Scandinavia from 2005 to 2007
Board member of Home Properties AB from 2004 to 2009, Board member of Home Invest AS from 1997 to 2006, working chairman of Cenium AS; a company developing technology for hotels and resorts, working chairman of ECO 1 Biofyringsolje AS, working chairman of 2634 Holding AS.
Shareholdings: 0
Share options: 0

Synne Syrrist (born 1972)

Mrs. Syrrist holds a MSc Engineering degree from NTNU and an AFA/CEFA degree from NHH. She holds several board positions in investment companies within the DnBNOR group.
She is chairman of the board of DnBNOR Shippinginvest I ASA, Lpg Ships I AS and several other shipping investment companies within DnBNOR, board member of Scandinavian Industry development and Camposol AS.
Shareholdings: 0
Share options: 0

Gry Mølleskog (born 1962)
Mrs Mølleskog is currently senior client partner of Korn Ferry International. She has previously worked as chief of staff at the Norwegian Royal castle and has further held various positions in SAS - latest as senior vice president in Stockholm. Mrs Mølleskog is educated at the Norwegian School of Management (BI).
Shareholdings: 0
Share options: 0

Senior Management

The table below set out the names of the members of the Senior Management

Name	Position	Business address
Olav Line	COO since January 2010	P.O. Box 1657 Vika, 0120 Oslo
Svein Hov Skjelle	CFO sinne January 2010	P.O. Box 1657 Vika, 0120 Oslo
Aili Klami	COO since 2006	P.O. Box 1657 Vika, 0120 Oslo
Anders Vatne	CEO Norgani Hotels since 2008	P.O. Box 1657 Vika, 0120 Oslo

Olav Line (born 1958) CEO

Olav Line (b. 1958) joined Norwegian Property in January 2010 as Chief Executive Officer. Prior to joining Norwegian Property, Mr. Line held the position as Chief Executive Officer of Steen & Strøm AS where he was employed since 2003. Olav Line has 25 years of experience from the Norwegian and Nordic commercial real estate markets, inter alia through leading positions in NSB, Storebrand and Andenæs. Mr. Line holds an M.Sc. degree in civil engineering from the Norwegian Institute of Technology (NTNU).
Shareholdings: 62000
Share options: 0

Svein Hov Skjelle (born 1967) CFO

Svein Hov Skjelle (1967) took up the position as CFO of Norwegian Property in January 2010 Prior to this he served as CFO of Entra Eiendom. Skjelle has previously held the position as CFO of Norwegian Property in the period from 2006 to 2009. Former work experience also includes positions as CEO and CFO of TeleComputing Group and CFO of Merkantildata (now Ementor). Skjelle holds an MBA from the Norwegian School of Economics (NHH) and is qualified as authorized financial analyst (CFA).
Shareholdings: 54000
Share options: 0

Aili Klami (born 1956) COO

Aili Klami was appointed as Chief Operating Officer and member of group management in Norwegian Property in December 2006. From 1996 to 2006 she worked in the Norwegian real estate company Avantor ASA as Vice President of sales, as marketing manager and as head of administration. Earlier, Ms Klami spent 10 years with the real estate company Nydalens Compagnie. She is a graduate of the Norwegian School of Management and has taken a number of courses in property management, management and sales.
Shareholdings: 0
Share options: 0

Anders Vatne (born 1965) CEO Norgani Hotels

Anders Vatne came to Norgani Hotels from international consulting firm Horwath Consulting in 2008. Vatne has an MBA degree from the Norwegian School of Management (BI), and a degree from the Norwegian School of Hotel Management. Anders Vatne has wide experience in the tourist industry including the international consulting, the position as Executive Vice President in Thon Hotels (formerly Rainbow Hotels), and positions in Inter Nor Hotels and Choice Hotels.
Shareholdings: 0
Share options: 0

9.2 Administrative, management and supervisory bodies conflicts of interest

There are no conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and/or other duties.

10. Share and shareholder information

Norwegian Property was founded in May 2006 and listed on the Oslo Stock Exchange on 15 November 2006. Its shares are traded on the Oslo Stock Exchange's main list under the ticker NPRO, and registered in the Norwegian Central Securities Depository with Nordea Securities as registrar. The share has the securities number ISIN NO 001 0317811.

Norwegian Property has 498 596 832 ordinary shares with a nominal value of NOK 0.50. The company has one share class. Each share carries one vote. Norwegian Property held none of its own shares at 31 December 2009.

10.1 Shareholder structure

Norwegian Property had 3 275 registered shareholders at the end of the 2009, corresponding to a 1.7 per cent increase compared with the end of the previous quarter, and an increase of 134.7 per cent relative to the end of 2008. Non-Norwegian shareholding has to a large extent come back, and accounted for approximately 39 per cent of the share capital at the end of 2009. The liquidity in the share has increased considerably, with an average turnover in the third quarter of about 4.3 million shares per day. As a consequence of the capital increase, total number of issued shares was doubled during the third quarter. Total share capital in the company as per 31.12.2009 was NOK 226 635 416 divided among 453 270 082 shares with a par value per share of NOK 0.50.

The shareholder register is dominated by institutional investors and professional players in the Nordic and international commercial property and hotel sectors.

20 Largest shareholders at 31.12.2009

Name	Percentage (%)	Share	Nationality
CANICA AS	5.2 %	23,374,467	NORWAY
AWILHELMSEN CAPITAL AS	5.1 %	23,254,334	NORWAY
FOLKETRYGDFONDET	4.2 %	19,264,000	GREAT BRITAIN
SKAGEN VEKST	3.5 %	16,000,000	NORWAY
BGL BNP PARIBAS	3.3 %	14,773,022	LUXEMBOURG
STATE STREET BANK & TRUST CO.	2.8 %	12,803,023	U.S.A.
STATE STREET BANK AND TRUST CO.	2.0 %	9,257,960	U.S.A.
BANK OF NEW YORK MELLON SA/NV	1.8 %	8,076,920	BELGIUM
AWILHELMSEN CAPITAL II AS	1.5 %	6,934,000	NORWAY
BANK OF NEW YORK MELLON	1.5 %	6,845,570	U.S.A.
MORGAN STANLEY & CO INC. NEW YORK	1.4 %	6,156,877	U.S.A.
TRONDHEIM KOMMUNALE PENSJONSKASSE	1.3 %	6,099,700	NORWAY
VITAL FORSIKRING ASA	1.3 %	6,089,907	NORWAY
BANK OF NEW YORK MELLON SA/NV	1.3 %	6,006,031	BELGIUM
REKA AS	1.3 %	6,000,000	NORWAY
FGCS NV RE TREATY	1.2 %	5,645,701	NETHERLANDS
FRAM HOLDING AS	1.2 %	5,500,000	NORWAY
HOLBERG NORGE	1.2 %	5,500,000	NORWAY
AWECO INVEST AS	1.2 %	5,486,765	NORWAY
RBC DEXIA INVESTOR SERVICES BANK	1.2 %	5,428,000	LUXEMBOURG
Sum 20 largest	**43.8 %**	**198,496,277**	
Remaining shareholders	56.2 %	254,774,555	
Total	**100.0 %**	**453,270,832**	

11. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses.

11.1 Historical Financial Information

The consolidated financial statements have been prepared in accordance with the IFRS and IFRIC as adopted by the European Union and additional Norwegian disclosure requirements in the Norwegian Accounting Act in force at 31 December 2009. The parent company's financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles at 31 December 2009. The directors' report for the group and the parent company complies with the requirements of the Norwegian Accounting Act and Norwegian Accounting Standard no 16 at 31 December 2009.

Financial Information Consolidated annual accounts	2008	2009
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Cash Flow Statement	Page 13	Page 29
Notes to Annual Accounts	Page 14	Page 30
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Annual- and Quarterly reports are published on the following website:

http://www.npro.no/default.asp?V_ITEM_ID=459

11.3 Statement of audited historical financial information

The historical financial information for 2008 and 2009 has been audited.

11.4 Last year of latest financial information

The last year of audited financial information is 2009.

11.5 Legal arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company and/or Group's financial position or profitability.

11.6 Significant change in the issuer's financial or trading position

There has been no significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which interim financial information has been published.

12. Documents on Display

The following documents (or copies thereof) may be inspected for the life of the Registration Document at the headquarters of Norwegian Property ASA, Stranden 3A, 0250 Oslo

(a) the memorandum and articles of association of Norwegian Property ASA;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at Norwegian Property ASA's request any part of which is included or referred to in the Registration Document;

(c) the historical financial information of Norwegian Property ASA and its subsidiary undertakings for each of the two financial years preceding the publication of the Registration Document.

Cross Reference List

Reference in Registration Document	Refers to
11. Financial Information	Annual report 2008 page 9-35 Annual report 2009 page 25-62