Information Memorandum

NORWEGIAN PROPERTY

regarding potential acquisition of shares in

Oslo Properties AS

(as owner of Norgani Hotels ASA)

norgani

Financial Advisor

SEB ENSKILDA

7 November 2007

Important Information

This Information Memorandum has been prepared by Norwegian Property in connection with its investment in Oslo Properties, including the entering into of certain put and call option arrangements whereby Norwegian Property may become owner of more than 90 per cent of the shares in Oslo Properties (the "Transaction"), in conjunction with Oslo Properties' voluntary and mandatory offer for all shares in Norgani Hotels.

The Information Memorandum has been prepared in accordance with the Continuing Obligations section 3.5.

This Information Memorandum shall not be construed as an offering of shares or securities, but is solely issued in order to provide the market with information about Norwegian Property and the Transaction.

This Information Memorandum has been submitted to Oslo Børs for inspection and approval prior to publication. The Information Memorandum is not a prospectus and has neither been inspected nor approved by Oslo Børs in accordance with the rules that apply to a prospectus.

Parts of this Information Memorandum relates to future events, including projections and expectations. Future events involve risk and uncertainty, and may therefore vary materially from the predictions provided herein. No assurance can therefore be given that the projections will be fulfilled. We refer to section 7 "Risk factors" for an account of some of the risks related to Norwegian Property, Oslo Properties, Norgani and the Transaction.

The content of this Information Memorandum must not be construed as legal, business or tax advice.

The distribution of this Information Memorandum in certain jurisdictions may be restricted by law. Norwegian Property requires persons in possession of this Information Memorandum to inform themselves about, and to observe, any such restrictions.

This Information Memorandum is subject to Norwegian law. Any dispute arising in the respect of or in connection with this Information Memorandum is subject to the exclusive jurisdiction of the Norwegian Courts, with Oslo District Court as legal venue.

All inquiries relating to this Information Memorandum must be directed to Norwegian Property. No other person is authorized to give any information about or to make any representations on behalf of the Company in connection with the Transaction. If any such information is given or made, it must not be relied upon as having been authorised by Norwegian Property. The information contained herein is at the date hereof and is subject to change, completion and amendment without further notice. The delivery of this Information Memorandum shall not imply that there has been no change in Norwegian Property's affairs or that the information set forth herein is correct as of any date subsequent to the date hereof.

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Definitions and Glossary of Terms

These abbreviations and definitions also refer to the pages prior to this section

Company or Norwegian Property	Norwegian Property ASA
Continuing Obligations	Continuing obligations of stock exchange listed companies as approved by Oslo Børs ASA on 30 November 2005 and amended on 6 March 2007
Information Memorandum	This Information Memorandum, prepared pursuant to the Continuing Obligations section 3.5
NOK	Norwegian Kroner, the lawful currency of the Kingdom of Norway
Norgani Hotels	Norgani Hotels ASA, a public limited liability company incorporated under the laws of Norway
Norwegian Public Limited Companies Act	The Norwegian Act relating to Public Limited Liability Companies of 13 June 1997 No. 45 (*Allmennaksjeloven*)
Oslo Børs	Oslo Børs ASA (translated Oslo Stock Exchange).
Oslo Properties	Oslo Properties AS, a private limited liability company incorporated under the laws of Norway
Transaction	Norwegian Property's subscription of 17.5 per cent of the shares in Oslo Properties and the entering into put and call option arrangements whereby Norwegian Property may become the owner of more than 90 per cent of the shares of Oslo Properties
VPS	The Norwegian Central Securities Depository (*Verdipapirsentralen*)

1 RESPONSIBILITY STATEMENT

This Information Document has been prepared in connection with the Transaction described herein.

The Board of Directors of Norwegian Property ASA hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

7 November 2007

The Board of Directors of Norwegian Property ASA

Knut Brundtland
Chairman

Torstein Ingvald Tvenge
Board member

Anne Birgitte Fossum
Board member

Jostein Devold
Board member

Hege Bømark
Board member

2 THE TRANSACTION

2.1 Overview of the Transaction

2.1.1 Investment agreements regarding Oslo Properties

On 17 September 2007, Norwegian Property entered into investment agreements regarding Oslo Properties with Scanprop AS (a company owned by EQT), Scandic Hotels AB, A. Wilhelmsen Capital AS, Annual Classic AS and certain financial investors.

Norwegian Property committed to subscribe to 3,500,000 shares in Oslo Properties, representing approximately 17.5 per cent of the total share capital of Oslo Properties, for a subscription price of NOK 100 per share. The subscription took place in the minutes from the extraordinary general meeting of Oslo Properties on 25 September 2007.

According to the investment agreement entered into with the financial investors, Norwegian Property has a right, but not an obligation, to acquire the financial investor's shares in Oslo Properties (call option), such shares representing approximately 20 per cent of the total share capital of Oslo Properties. The call options expire on 1 July 2008. Furthermore, each of the financial investors has the right, but not an obligation, to sell its shares in Oslo Properties to Norwegian Property (put option). The financial investors may only exercise the put options for settlement on 1 July 2008. The strike price (purchase price) to be paid upon exercise of the put and call options is NOK 112 per share for settlement in cash.

According to the investment agreement entered into with Scanprop AS, Scandic Hotels AB, A. Wilhelmsen Captial AS and Annual Classic AS, Norwegian Property has a right, but not an obligation, to acquire the shares in Oslo Properties held by Scanprop AS and Scandic Hotels AB (call option), such shares representing approximately 55.9 per cent of the total share capital of Oslo Properties. The call options are not time limited. Furthermore, each of Scanprop AS and Scandic Hotels AB has the right, but not an obligation, to sell its shares in Oslo Properties to Norwegian Property (put option). The put options may be exercised at any time following 1 July 2008. The strike price (purchase price) to be paid upon exercise of the put and call options are acquisition cost of NOK 100 per share plus a fixed interest rate (in average approximately 8.8% p.a.). Upon exercise of the put and call options regarding Scanprop AS and Scandic Hotels AB, Norwegian Property may elect to settle the strike price either in cash or in shares in Norwegian Property against a minor discount.

Thus, Norwegian Property has call options and has issued put options whereby Norwegian Property may become the owner of more than 90 per cent of the shares of Oslo Properties.

According to the investment agreements, Norwegian Property shall have the right to designate 3 of a total of 5 members of the board of Oslo Properties, including the chairman.

Oslo Properties conducts no business and has no activities apart from owning shares in Norgani Hotels (see below).

2.1.2 Voluntary and mandatory offer regarding Norgani Hotels

On 17 September 2007, Oslo Properties launched a voluntary offer for all the shares in Norgani Hotels for a purchase price of NOK 91 per share. The offer period expired on 24 September 2007. The voluntary offer was i.a. conditioned upon Oslo Properties receiving acceptance from 80 per cent. Oslo Properties held 5,217,900 shares in Norgani Hotels at the time of launching the voluntary offer, representing 13.2 per cent of the total share capital of Norgani Hotels. On 21 September 2007, Oslo Properties increased the offer price under the voluntary offer to NOK 94 per share. Furthermore, the acceptance level was decreased to 67 per cent. The same day, Oslo Properties acquired 10,509,712 shares in Norgani Hotels for a purchase price of NOK 94 per share, whereafter Oslo Properties owned shares in Norgani Hotels representing 39.74 per cent of the total share capital. The voluntary offer was completed on 3 October 2007. On 8 October 2007, Oslo Properties launched a mandatory offer for the shares in Norgani Hotels not already owned by Oslo Properties for a purchase price of NOK 94 per

share. The offer period under the mandatory offer ends on 5 November 2007. At the same time as launching the mandatory offer, Oslo Properties gave notice of a compulsory acquisition of all shares in Norgani Hotels not already owned by it. The compulsory acquisition became effective on 8 October 2007. Thus, as of 8 October 2007, Oslo Properties was the owner of 100 per cent of the shares of Norgani Hotels.

In extraordinary general meeting of Norgani Hotels on 25 October 2007, it was resolved to apply for delisting of the Norgani Hotels shares from Oslo Børs.

2.1.3 Agreement between Oslo Properties and Scandic Hotels AB

In connection with the voluntary offer Oslo Properties and Scandic Hotels AB have agreed on a strategic agreement whereby the principles for new and long-term lease contracts between Scandic Hotels AB and Norgani Hotels have been set out. These conditions will through renegotiation be incorporated into the property lease agreement of each of the individual hotels. The rent levels will be increased with a total of EUR 10.5 million to reflect current market levels, and new minimum rent levels at 70% of agreed rent will be imposed. The agreement also set out the terms on how the cost of maintenance and refurbishment is going to be distributed between Norgani and Scandic. These conditions are in line with normal market practice. The new lease contracts include all hotels leased by Scandic Hotels AB and are valid from 1 January 2008. The average duration for these lease contracts is extended from 6 to 13 years. Scandic Hotels represents about 60 per cent of Norgani Hotels rental income. It should be noted that the impact of this agreement is not reflected in the external valuation reports included in Appendix 3.

2.1.4 The combined company

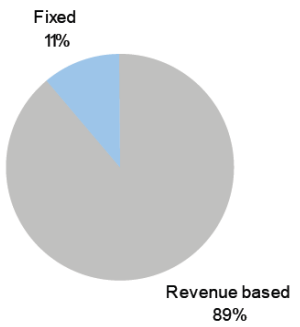
All the figures in this document regarding the combined company (Norwegian Property and Norgani Hotels combined together) assume that the options are exercised. This means that Norwegian Property for the purposes of this Information Memorandum is considered to be the owner of more than 90% of the shares in Norgani Hotels. There is however no certainty that this is a valid description of the combined company on the date of a potential exercise of the options.

2.2 Background and the reasons for the Transaction

Norwegian Property believes that Norgani Hotels represents a highly attractive investment opportunity with a quality property portfolio exposed to a hotel market in strong growth. An acquisition of Norgani Hotels represents an important industrial opportunity for Norwegian Property. Norwegian Property's ambition is to build the Nordic region's leading property company and as part of this strategy Norwegian Property seeks a certain exposure towards the hotel segment.

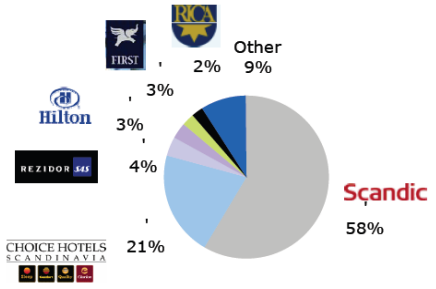
Norwegian Property believes Norgani Hotels has a strong portfolio with solid, blue-chip tenants. The largest tenants are Scandic and Choice Hotels which represent respectively 58 and 21 per cent of Norgani Hotels' total 12,830 rooms. Contracts are mainly revenue based assured with minimum rents, which gives upside in a growing marked. For a large part of the portfolio Norgani Hotels has also has obtained seller guaranteed rent levels with average remaining duration of approximately 2 years. None of Norgani Hotels' hotels are operated under *management agreements*. All hotel properties in Norgani Hotels' portfolio are leased out to hotels operators on property lease contracts. These hotel operators operate the hotel under their own or associated brand. By not entering into management agreements Norgani Hotels can maintain a small and flexible organization with strong focus on core business operations.

Revenues (contract structure) – Norgani Hotels



Source: Norgani Hotels

Tenant distribution* - Norgani Hotels



* By number of rooms

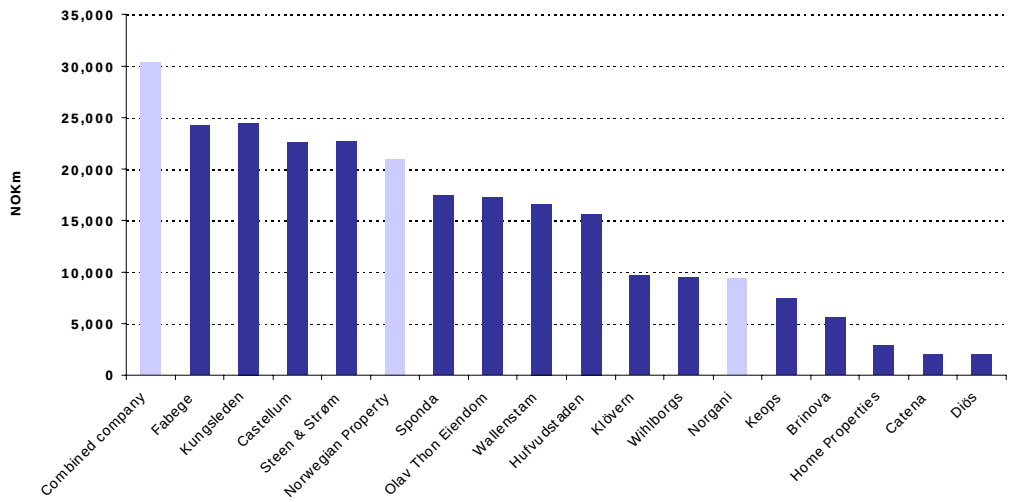
Norwegian Property believes that the acquisition of Norgani Hotels gives a good exposure to the hotel sector in the Nordic region, which the Company considers to be a very good investment. The Nordic hotel market has shown high growth in RevPar (revenue per available room), with an average annual growth of 4.1% for the period from 1995 to 2006. In 2007 the growth was 14% in the first six moths in Norway and respectively 8% and 10% in the first five moths in Sweden and Finland. The World Travel and Tourism Counsel expect the industry to continue to grow across the world, averaging around 5 percent per cent annually over the next ten years.

As can be seen from the figure below, the acquisition of Oslo Properties, subject to exercise of the put and/or call options, will make Norwegian Property the largest listed Nordic real estate company in terms of enterprise value.

Norwegian Property believes the potential increased size of the Company will generate several cost synergies. The increased size will i.a. create better bargain power toward suppliers and only one stock exchange listing will lower administrative costs. In addition the combined company is expected to have substantial potential to refinance debt at lower margins and to increase gearing of the total portfolio. Norwegian Property expects these synergies to amount to NOK 35 – 40 million per year.

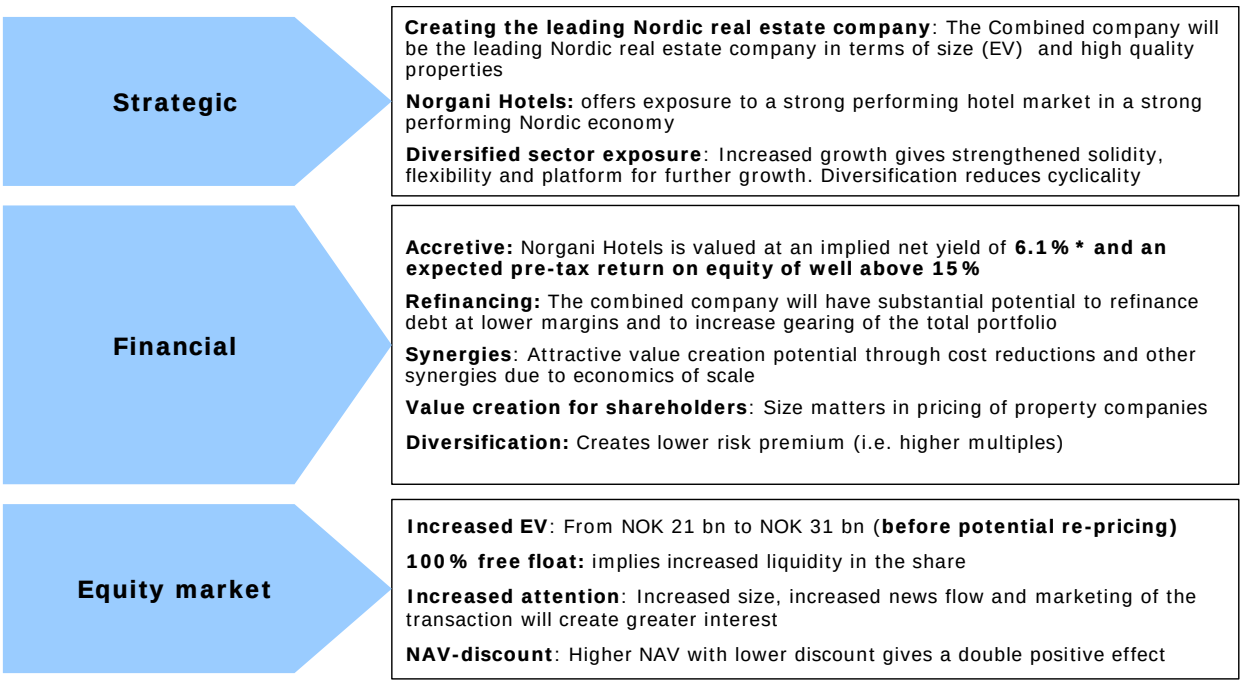
The acquisition of Norgani Hotels through acquisition of shares in Oslo Properties is also expected to create more attention on Norwegian Property. The increased size will lead to more frequent news flow, and in combination with the increased size itself, this implies increased liquidity in the Norwegian Property share. This creates the possibility for reduced discount to NAV and thus reprising potential of the listed stock.

Listed Nordic property companies measured by enterprise value



Source: SEB Enskilda/Datastream

The below figure sums up the main reasoning behind the acquisition of Norgani Hotels through acquisition of shares in Oslo Properties.



*source: SEB Enskilda and Pareto Research

2.3 Financing of the Transaction

2.3.1 Oslo Properties – equity

In several equity issues during September 2007 and early October 2007 Oslo Properties raised equity. As of 10 October 2007 the total number of issued shares in Oslo Properties was 20,050,000, and the total paid in equity from shareholders was NOK 2,005 million. The major shareholders are listed in the table below.

Shareholders Oslo Properties AS	**Number of shares**	**Total subscription equity (NOK)**	**% holding**
Norwegian Property ASA	3 500 000	350 000 000	17,5 %
A. Wilhelmsen Capital AS	1 300 000	130 000 000	6,5 %
Scanprop AS / Scandic Hotels AB	11 200 000	1 120 000 000	55,9 %
Annual Classic AS	50 000	5 000 000	0,2 %
Financial investors	4 000 000	400 000 000	20,0 %
Total	**20 050 000**	**2 005 000 000**	**100,0 %**

The shares held by Scanprop AS has been transferred to Snake Holding Guernsey Ltd (a company controlled by EQT), and Snake Holding Guernsey Ltd has assumed the position of Scanprop AS under the investment agreement referred to in section 2.1.1 above.

2.3.2 Norwegian Property's shareholding in Oslo Properties

On 25 September 2007 Norwegian Property subscribed for 3,500,000 shares in Oslo Properties for a subscription price of NOK 100 per share corresponding to NOK 350 million (and approximately 17.5% of the total share capital of Oslo Properties). The subscription was financed by available cash in Norwegian Property.

As regards the put and call option arrangements entered into by the Company in relation to Oslo Properties, see section 2.1.1 above. As regards the shares held by A. Wilhelmsen Capital AS, the Company has no contractual right or obligation to acquire such shares.

With available cash and the option of settling the share purchase from Scanprop AS and Scandic Hotels AB with shares in Norwegian Property, Norwegian Property has available cash to finance further acquisitions of shares in Oslo Properties. If and when relevant, Norwegian Property will decide on the final sources of financing of the potential acquisition of additional shares in Oslo Properties.

2.3.3 Debt raised in Oslo Properties and Norwegian Property

Oslo Properties has entered into a loan agreement with Nordea Bank Norge ASA and Skandinaviska Enskilda Banken AB (publ) for a NOK 1,700 million term loan (the "**Acquisition Facility**") with to partly finance Oslo Properties' acquisition of shares in Norgani Hotels. The Acquisition Facility has a maturity of three years from signing, and is secured by a first priority pledge of all available assets of Oslo Properties, including the company's shares in Norgani Hotels and deposit accounts. The facility is also secured by Norwegian Property's shares in Oslo Properties and a guarantee from Norwegian Property.

The main terms for the Acquisition Facility include:

- *Interest:* NIBOR + an applicable margin of 150 basispoint, to be adjusted to 100 basispoints if Loan To Value of Oslo Properties including Norgani Hotels is below 75%.
- *Interest rate hedging:* Each of the Norwegian Property group and Norgani Hotels group shall maintain an interest rate hedge of minimum 70 per cent of the interest rate exposure relating to its outstanding financial indebtedness from time to time.
- *Financial covenants:* Covenants apply to Norwegian Property group as described in section 3.5 (main terms for the Term Loan Facility). The Oslo Properties group shall maintain a Loan To Value below 90% for the first two years, and 75% thereafter. The Norgani Hotels group shall maintain a Loan To Value below 85% and a Senior Interest Cover of minimum 1.6.
- *Other covenants:* The facility is governed by undertakings that are customary for credit facilities of this nature including:
    - Negative pledge over assets.
    - Pari passu related to unsecured debt.
    - Restrictions on new financial indebtedness without the prior approval of the lending banks.
    - Restrictions on mergers, demergers and amalgation without the lenders approval.
    - Mandatory prepayment provisions relating to disposal of properties (save for some substitution opportunities) and cash flow generation in Norgani Hotels ASA above a certain threshold.
    - Change of control: in the event of Norwegian Property being delisted from Oslo Børs or, alternatively a person or persons acting in consent obtain control of more than 50% of the shares in Norwegian Property or the shares in Oslo Properties, the lenders may require a full repayment of the loan within 120 days.
    - Restrictions on dividends from Oslo Properties.

Norwegian Property has entered into a loan agreement with Nordea Bank Norge ASA and Skandinaviska Enskilda Banken AB (publ) for an up to NOK 450 million term loan ("**Acquisition Facility 2**"). The purpose of the Acquisition Facility 2 is to provide a loan to Oslo Properties to be used for part-financing of the acquisition of shares in Norgani Hotels and refinancing of certain debt in Norgani Hotels. As of October 31, NOK 200 million has been drawn on this facility.

The facility has a tenor of one year from signing. Interest margins, financial covenants and other covenants are basically in line with the Acquisition Facility. A separate agreement has been entered between Norwegian Property and Oslo Properties reflecting the terms in the Acquisition Facility 2.

In addition Norwegian Property and Oslo Properties will issue guarantees for some or all of Norgani Hotel's current or future debt in order to facilitate change of control processes relating to current debt or refinancing of current debt.

3 NORWEGIAN PROPERTY

3.1 Company description

Norwegian Property established its operations as a property investment company in 2006. The following is a short description of Norwegian Property before the potential acquisition of Norgani Hotels through acquisition of shares in Oslo Properteis. The Company's aim is to deliver attractive returns to its shareholders and to give investors access to a listed and liquid property company share. The property portfolio (pre the potential acquisition of Norgani Hotels) consists of 59 high-standard commercial holdings with attractive locations mainly in Oslo and Stavanger. The properties mainly comprise office areas, warehouses, shopping areas and parking in connection with the office areas.

The property portfolio was valued at approximately NOK 20.9[1] billion as at 30 June 2007, and is acquired at a total cost of roughly NOK 19[1] billion. Covering some 762,500[1] square meters, the properties will yield gross rent in 2007 of some NOK 1.15 billion. Virtually all the area is leased, and the weighted average remaining duration for these leases at 30 September 2007 was approximately 7.0 years.

Norwegian Property, registration number 988 622 036, is a Norwegian public limited liability company incorporated under the laws of Norway and subject to the Norwegian Public Limited Liability Companies Act. Norwegian Property was incorporated on 20 July 2005 (under the name Tekågel Invest 83 AS, renamed Norwegian Property AS on 29 April 2006). Norwegian Property's headquarter is in Oslo, Norway. Its registered office is Stranden 3A, Oslo, Norway, telephone: +47 22 83 40 20, facsimile: +47 22 83 40 21. The postal address is P.O. Box 1657, Vika, 0120 Oslo, Norway. The Norwegian Property shares are listed on the Oslo Stock Exchange under the ticker code "NPRO" and are registered in the VPS under the International Securities Identification Number ("ISIN") NO 001 0317811.

3.2 History and important events

Year	Significant events
July 2005	• Incorporation (name: Tekågel Invest 83 AS), but no business operations in 2005
Winter/spring 2006	• Initial plan to create a listed Norwegian property company with focus on office and retail properties in the largest Norwegian cities.
April/May 2006	• Name change into Norwegian Property AS and then Norwegian Property ASA
May 2006	• Norwegian Property completed its first private placement of NOK 1.75 billion, at a share-price of NOK 50 per share.
June 2006	• Norwegian Property settled the acquisition of its first 28 properties with a total value of approx. NOK 8.4 billion. The sellers contributed with a total of NOK 1.35 billion in new equity, subscribed at a price of NOK 50 per share. • The company secured the long term interest rate for NOK 7.6 billion, at 5.2 percent p.a. (incl. margin) with an average duration of 6.3 years. • Norwegian Property was listed on the Norwegian OTC-list • The company settled the acquisitions of Finnestadveien 44 in Stavanger and Lysaker Torg 35 (the "If-building") located at Lysaker. Total contract value was about NOK 1 billion.
July 2006	• Norwegian Property settled the acquisition of C. J. Hambros plass 2 (the "Ibsen-block"), for a price of about NOK 1.2 billion. The property has a total area of 38.000 sqm.

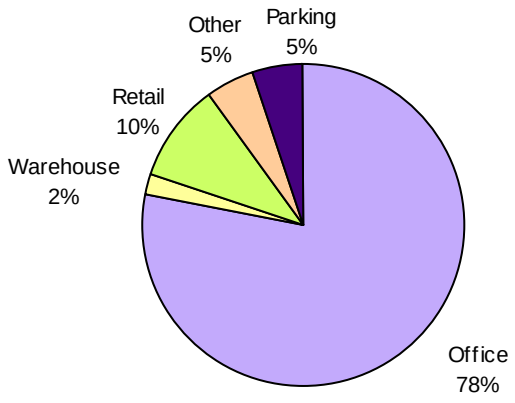
[1] These numbers includes 4 office and retail properties at Aker Brygge, acquired from DnB NOR Bank ASA in July 2007.

Year	Significant events
	• Norwegian Property settled the acquisition of Drammensveien 134 (building 2-6) and 149 ("the Esso-building"). The acquisition price is approximately NOK 1 billion. • The company announces the hiring of Petter Jansen as the new CEO of the company. • The company successfully completed a private placement of NOK 300 million.
September 2006	• Norwegian Property settled the acquisition of Grev Wedels plass 9 (the "Fearnley-building") and agreed price of approx NOK 755 million. • Norwegian Property settled the acquisition of Kokstad Næringseiendom in Bergen Norwegian Property settled the acquisition of Gardermoen Næringseiendom • Application for listing on Oslo Børs
October 2006	• Norwegian Property settled the acquisition of the new headquarter of Aker ASA and companies within the Aker ASA group for approximately NOK 1.5 billion. The property is under construction and is estimated to be completed in November 2007. • The listing application was approved by the board of Oslo Børs
November 2006	• Norwegian Property listed on Oslo Stock Exchange. The initial public offering was oversubscribed six fold at a final price of NOK 53.50.The total transaction of 27 million shares raced NOK 1.445 million.
November 2006	• Norwegian Property acquired Drammensveien 144 in Oslo for NOK 356 million. This property is fully occupied by a solid lessee on a long-term lease.
December 2006	• Norwegian Property has acquired a portfolio of 11 office properties in Nydalen and two office properties at Økern for NOK 2,199 million from Rasmussengruppen. The property portfolio consists of approximately 116,200 square meters of mainly office premises.
March 2007	• Norwegian Property completed a private placement of 6,968,641 million shares at a subscription price of NOK 71.75 per share, raising gross proceeds of approx. NOK 500 mill.
July 2007	• Norwegian Property acquired 4 office and retail properties at Aker Brygge in Oslo, for NOK 1,740 million from DnB NOR Bank ASA.
September 2007	• Norwegian Property acquires 17.5 % of the shares in Oslo Properties, and enters into agreements whereby Norwegian Property may become owner of more than 90% of the shares of Oslo Properties. Oslo Properties launched voluntary and mandatory offer for all of the outstanding shares in Norgani Hotels, and is now owner of 100% of the shares in Norgani Hotels. These transactions and their impact are further described in this Information Memorandum.

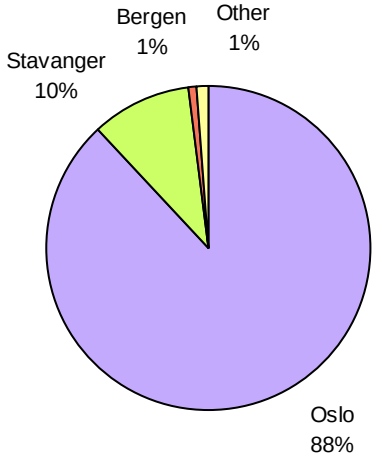
3.3 The property portfolio

Norwegian Property owns 59 properties, mainly located in Oslo and Stavanger. Norwegian Property's properties mainly comprise office areas, warehouses, shopping areas and parking in connection with the office areas. On Aker Brygge Norwegian Property also owns a shopping centre with outlets and restaurants.

Portfolio mix (by gross rental income)



Geographic location



The table below lists the main facts of the property portfolio as at 30 September 2007.

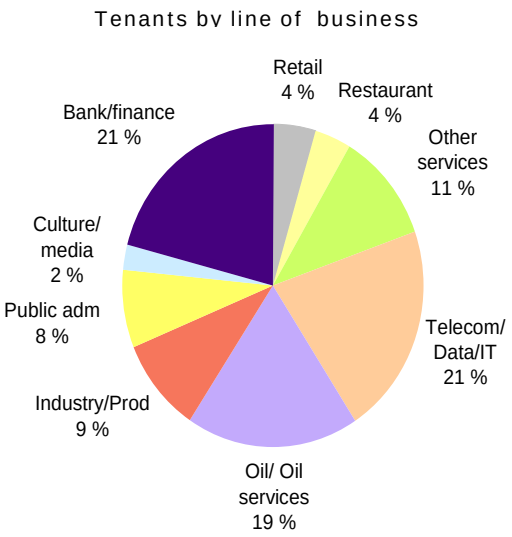
Norwegian Property's main activity is ownership and rental of prime office buildings in prime locations within Norway's largest cities. There are no material differences in risks and returns in the economic environments in which the Company is operating. Consequently, the Company is only present in one business segment and one geographic market.

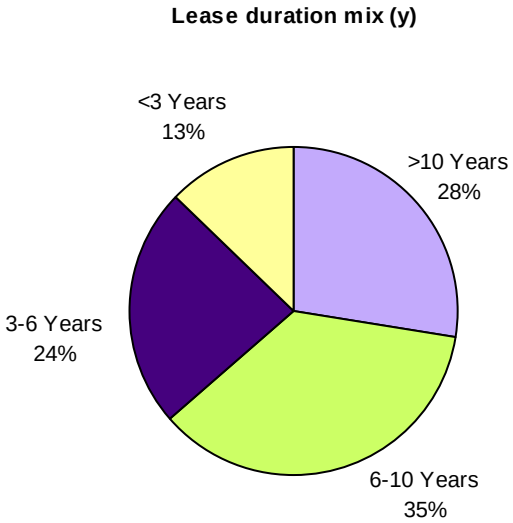
	PROPERTY FACTS						RENT FACTS			
	Space split (sqm)									
Property	Offices	Retail / Rest-aurant	Ware-house	Indoor parking	Other	Total sqm	Vac-ancy %	CPI	Dur. pr 30.09.07	Gross rent 2007
OSLO/AKERSHUS										
CBD										
Aker Brygge - total	28 979	21 585	4 817	2 061	491	57 933	0,2 %	95 %		149,4
Aker Brygge (Kaibygning I)	23 015	3 810	4 670	0	0	31 495	0,0 %	100 %		82,5
Drammensveien 60	8 593	797	1 208	275	0	10 873	0,0 %	100 %		19,5
Grev Wedels plass 9	17 357	0	724	5 363	3 818	27 262	0,0 %	100 %		43,9
Ibsenkvartalet	31 775	1 538	3 421	0	857	37 591	1,4 %	100 %		65,1
Stortingsgaten 6	4 709	726	244	560	0	6 239	0,0 %	100 %		20,3
Total CBD	**114 428**	**28 456**	**15 084**	**8 259**	**5 166**	**171 393**	**0,4 %**	**98 %**	**5,0**	**380,6**
Skøyen										
Drammensveien 134 - building 2-5	19 866	0	3 194	5 432	0	28 492	1,2 %	75 %		39,8
Drammensveien 134 - building 1 and 6	15 301	640	1 779	4 009	0	21 729	0,0 %	100 %		39,5
Drammensveien 144	9 150	0	148	1 450	107	10 855	0,0 %	100 %		18,0
Drammensveien 149	10 402	0	2 083	4 006	0	16 491	10,9 %	87 %		23,8
Hovfaret 11	4 377	0	569	0	696	5 642	0,0 %	100 %		10,6
Nedre Skøyen vei 24	3 630	0	1 215	0	0	4 845	0,0 %	100 %		11,8
Nedre Skøyen vei 26 A-E	11 444	0	696	398	5 084	17 622	0,0 %	100 %		34,0
Nedre Skøyen vei 26 F	8 767	0	0	4 235	497	13 499	0,0 %	100 %		22,4
Total Skøyen	**82 937**	**640**	**9 684**	**19 530**	**6 383**	**119 174**	**1,5 %**	**93 %**	**8,6**	**200,0**
Oslo West/Lysaker/Fornebu										
Aker Hus	40 254	0	0	18 089	0	58 343	0,0 %	100 %		77,5
Forskningsveien 2	19 902	0	0	4 058	0	23 960	0,0 %	100 %		38,1

	PROPERTY FACTS						RENT FACTS			
	Space split (sqm)									
		Retail /							Dur.	Gross
		Rest-	Ware-	Indoor		Total	Vac-		pr	rent
Property	**Offices**	**aurant**	**house**	**parking**	**Other**	**sqm**	**ancy %**	**CPI**	**30.09.07**	**2007**
Lysaker Torg 35	14 422	0	412	7 100	0	21 934	0,0 %	100 %		38,5
Magnus Paulssons vei 7	5 357	0	0	1 861	0	7 218	0,0 %	100 %		9,8
Middelthunsgate 17	26 847	0	3 473	3 000	0	33 320	0,0 %	100 %		43,8
Oksenøyveien 3	10 200	0	0	2 700	0	12 900	0,0 %	100 %		16,5
Total Oslo West/Lysaker/Fornebu	**116 982**	**0**	**3 885**	**36 808**	**0**	**157 675**	**0,0 %**	**100 %**	**8,8**	**224,2**
Nydalen										
Gjerdrums vei 8	8 158	0	109	2 389	0	10 656	4,7 %	96 %		11,5
Gjerdrums vei 10 D	2 052	0	0	0	0	2 052	0,0 %	97 %		2,9
Gjerdrums vei 14	634	0	812	0	0	1 446	0,0 %	100 %		1,4
Gjerdrums vei 16	4 224	0	757	3 171	0	8 152	0,0 %	97 %		7,1
Gjerdrums vei 17	803	0	0	0	0	803	0,0 %	100 %		1,3
Gullhaug Torg 3	7 868	0	0	0	0	7 868	0,0 %	40 %		9,4
Gullhaugveien 9-13	23 176	0	7 553	12 628	0	43 357	5,8 %	100 %		43,3
Maridalsveien 323	11 646	0	2 600	5 573	1 096	20 915	5,3 %	100 %		26,2
Nydalsveien 15	3 001	750	85	0	0	3 836	0,0 %	100 %		6,0
Nydalsveien 17	0	1 560	0	0	0	1 560	0,0 %	100 %		3,4
Sandakerveien 130	6 520	0	0	3 560	0	10 080	0,0 %	100 %		14,7
Total Nydalen	**68 082**	**2 310**	**11 916**	**27 321**	**1 096**	**110 725**	**3,4 %**	**95 %**	**4,9**	**127,2**
Oslo North/East										
Kolstadgaten 1	5 479	0	0	0	0	5 479	0,0 %	75 %		8,6
Oslo Airport Gardermoen	0	0	0	0	20 976	20 976	0,0 %	100 %		23,8
Økernveien 9	8 816	1 700	0	2 245	0	12 761	0,0 %	100 %		17,0
Østre Aker vei 20	6 163	0	820	1 203	0	8 186	0,0 %	75 %		8,0
Østre Aker vei 22	2 339	0	1 637	0	0	3 976	2,7 %	92 %		4,1
Total Oslo North / East	**22 797**	**1 700**	**2 457**	**3 448**	**20 976**	**51 378**	**0,1 %**	**93 %**	**8,4**	**61,5**
TOTAL OSLO / AKERSHUS	**405 226**	**33 106**	**43 026**	**95 366**	**33 621**	**610 345**	**0,9 %**	**97 %**	**6,8**	**993,5**
STAVANGER										
CBD										
Badehusgaten 33-39	*12 973*	0	*2 540*	*2 315*	*3 700*	21 528	*0,0 %*	*70 %*		*22,7*
Nedre Holmegate 30-34	*3 076*	1 023	*85*	*1 173*	*0*	5 357	*0,0 %*	*100 %*		*4,6*
Forus/Airport										
Forusbeen 35	*17 674*	0	*0*	*3 750*	*0*	21 424	*0,0 %*	*100 %*		*25,9*
Grenseveien 19	*5 390*	0	*0*	*0*	*0*	5 390	*0,0 %*	*98 %*		*8,5*
Grenseveien 21	*27 721*	0	*0*	*0*	*0*	27 721	*0,0 %*	*50 %*		*29,2*
Maskinveien 32	*4 561*	0	*0*	*525*	*0*	5 086	*0,0 %*	*100 %*		*5,1*
Strandsvingen 10	*2 059*	0	*0*	*0*	*0*	2 059	*0,0 %*	*80 %*		*2,9*
Svanholmen 2	*2 883*	6 580	*0*	*0*	*0*	9 463	*0,0 %*	*100 %*		*8,8*
Sandnes										
Elvegaten 25	*6 096*	0	*0*	*0*	*0*	6 096	*0,0 %*	*100 %*		*6,2*
Mauritz Kartevolds plass 1	*3 610*	0	*0*	*0*	*0*	3 610	*0,0 %*	*70 %*		*3,3*
Stavanger - other										
Finnestadveien 44	*22 032*	0	*0*	*0*	*0*	22 032	*0,0 %*	*100 %*		*29,0*
Total Stavanger	**108 075**	**7 603**	**2 625**	**7 763**	**3 700**	**129 766**	**0,0 %**	**84 %**	**6,5**	**146,1**
BERGEN										
Kokstadveien 23	*8 600*	0	*0*	*0*	*13 466*	22 066	*0,0 %*	*50 %*		*17,3*
Total Bergen	**8 600**	**0**	**0**	**0**	**13 466**	**22 066**	**0,0 %**	**50 %**	**4,0**	**17,3**
GROSS TOTAL	**521 901**	**40 709**	**45 651**	**103 129**	**50 787**	**762 177**	**0,7 %**	**95 %**	**6,7**	**1 156,9**

3.4 Tenants and lease contracts

Norwegian Property has a tenant portfolio of attractive and solid organizations and companies. The tenants consist of companies within several different lines of service, with Oil/ Oil Service, Telecom/Data/IT and Financial services representing 62%. The figure to the left below illustrates distribution of the lines of service in the tenant base. The weighted average duration of lease contracts is approximately 6.9 years (including the Aker Brygge portfolio). The figure to the right below illustrates the property portfolio duration profile.





Approx. 64 % of the rental income is derived from the 25 largest tenants. Average contract duration for these tenants is 7.9 years as of 30 September 2007.

	Tenant	Contract rent 2007	%
1	Aker ASA /Aker Kværner ASA	78.3	6.8%
2	EDB Business Partner ASA	75.5	6.5%
3	DnBNor Bank ASA	67.4	5.8%
4	Nordea	43.7	3.8%
5	SAS	40.4	3.5%
6	If Skadeforsikring	38.4	3.3%
7	Statoil	35.3	3.1%
8	Total B&P	27.5	2.4%
9	Get (prev. UPC)	26.2	2.3%
10	Leif Høegh	25.9	2.2%
11	Telenor	25.8	2.2%
12	Aker Kværner Offshore Partner	23.0	2.0%
13	Netcom AS	22.6	2.0%
14	Skanska AS	21.1	1.8%
15	Fokus Bank	19.9	1.7%
16	Astrup Fearnley / Astrup Fearnley sti.	19.2	1.7%
17	Hafslund ASA	18.2	1.6%
18	Nera ASA	17.8	1.5%
19	Ementor Norge As	17.7	1.5%
20	Oslo Sporveier	17.0	1.5%
21	Simonsen Advokatfirma DA	16.7	1.4%
22	Rikshospitalet	16.2	1.4%
23	TDC Norge AS	15.2	1.3%
24	Arbeidsdirektoratet	14.3	1.2%
25	GlaxoSmithKlein	14.3	1.2%
	TOTAL 25 LARGEST TENANTS	**737.6**	**64%**
	Other tenants	416.5	36%
	TOTAL ALL TENANTS	**1,154.1**	**100%**

3.5 Financial information

Norwegian Property was converted to a public limited company in May 2006 and acquired its first subsidiaries early June 2006. The Company conducted no operations in 2005. The financial statements for the Company for 2005 are attached hereto as Appendix 1. The accounting principles of Norwegian Property can be found in the Annual Report for 2006, see external link below:

Annual Report for 2006: http://www.newsweb.no/index.jsp?messageId=148793

The Company has released unaudited financial information for Q1 and Q2 with comparative statements for 2006, see external links below:

Q1 Interim Report: http://www.newsweb.no/index.jsp?messageId=150707
Q2 Interim Report: http://www.newsweb.no/index.jsp?messageId=157179

Profit and loss

The table below includes the unaudited consolidated IFRS income statement for Norwegian Property for the period from 01.04.07 to 30.06.07 and the period from 01.01.2007 to 30.06.2007. The table also includes audited consolidated IFRS income statement for 2006 for Norwegian Property, and audited NGAAP income statement for 2005 for Tekågel Invest 83 AS. Norwegian Property had no business operations before the Company acquired its first properties on 09.06.2006.

Figures in NOK 1.000	2nd Quarter 01.04 - 30.06 2007	Year to date 01.01 - 30.06 2007	2006	2005
Rental income from properties	243,187	491,301	410,133	-
Other revenue	630	1,156	4,640	-
Gross rental income	**243,817**	**492,457**	**414,773**	**-**
Maintenance and property related costs	(14,276)	(28,387)	(22,216)	-
Other operating expenses	(15,331)	(31,338)	(40,846)	-
Total operating cost	**(29,607)**	**(59,726)**	**(63,062)**	**-**
Operating profit before fair value adj. of investment property	**214,210**	**432,731**	**351,711**	**-**
Gain from fair value adjustment of investment property	830,082	1,057,530	393,244	-
Operating profit	**1,044,291**	**1,490,261**	**744,955**	**-**
Financial income	13,140	27,771	13,521	-
Financial costs	(277,768)	(450,994)	(295,762)	-
Change in market value of financial derivative instruments	362,085	420,071	76,743	-
Net financial items	**97,458**	**(3,151)**	**(205,498)**	**-**
Profit before income tax	**1,141,749**	**1,487,110**	**539,458**	**-**
Income tax expense	(319,690)	(416,391)	(148,565)	-
Profit for the period	**822,059**	**1,070,719**	**390,893**	**-**
Minority interests	(11,910)	(12,686)	(1,256)	-
Profit after minority interest	**810,150**	**1,058,033**	**389,636**	**-**

Balance sheet

The table below includes the unaudited consolidated IFRS balance sheet as of 30.06.2007 and audited consolidated IFRS balance sheet as of 31.12.2006 for Norwegian Property, and audited NGAAP balance sheet as of 31.12.2005 for Tekågel Invest 83 AS.

Figures in NOK 1.000		30/06/2007	31/12/2006	31/12/2005
ASSETS				
Financial assets				
Financial derivative instruments		-	105,102	-
Total financial assets		**-**	**105,102**	**-**
Tangible assets				
Investment property		17,198,851	13,919,570	-
Development property		1,339,866	1,150,801	-
Other tangible assets		2,965	9,443	-
Total tangible assets		**18,541,682**	**15,079,814**	**-**
Total non-current assets		**18,541,682**	**15,184,916**	**-**
Current assets				
Financial derivative instruments		599,015	187,233	-
Seller guarantee for future rent		45,406	91,370	-
Accounts receivable		167,477	78,303	-
Other receivables		41,646	93,647	-
Cash and cash equivalents		1,100,340	1,252,462	104
Total current assets		**1,953,884**	**1,703,015**	**104**
Total assets		**20,495,567**	**16,887,931**	**104**
EQUITY				
Paid in equity		5,348,128	4,862,994	104
Other reserves		(4,563)	75,763	-
Retained earnings		1,183,965	389,636	-
Minority interests		57,520	44,834	-
Total equity		**6,585,051**	**5,373,227**	**104**
LIABILITIES				
Non-current liabilities				
Deferred tax liability		499,017	119,610	-
Financial derivative instruments		6,337	-	-
Interest bearing liabilities	1)	3,237,915	10,876,787	-
Total non-current liabilities		**3,743,269**	**10,996,397**	**-**
Current liabilities				
Financial derivative instruments		13,128	21,518	-
Interest bearing liabilities	1)	9,622,782	100,800	-
Accounts payable		82,226	109,197	-
Other liabilities		449,110	286,792	-
Total current liabilities		**10,167,246**	**518,307**	**-**
Total liabilities		**13,910,515**	**11,514,704**	**-**
Total equity and liabilities		**20,495,567**	**16,887,931**	**104**

1) On 5 July 2007 the refinancing of drawings under the current syndicated facility was completed. The new agreement comprise refinancing of drawings under the current syndicated facility, establishment of a new revolving credit facility and committed lines for transactions.
Drawings of NOK 9 452 million under the current syndicated facility are according to IFRS classified as current liabilities as of 30 June 2007.
Drawings under the new facility, except for first year's repayments, will be classified as non-current liabilities going forward.

Cash flow

The table below includes the unaudited consolidated IFRS cash flow statement for Norwegian Property for the period from 01.01.2007 and until 31.03.2007, the period from 01.04.07 to 30.06.07 and the period from 01.01.2007 to 30.06.2007. The table also includes audited consolidated IFRS cash flow statement for the period from 09.06.2006 to 31.12.2006. Norwegian Property had no business operations before the Company acquired its first properties on 09.06.2006.

	Figures in NOK 1.000	2nd Quarter 01.04 - 30.06 2007	1st Quarter 01.01 - 31.03 2007	Year to date 01.01 - 30.06 2007	Year 09.06 - 31.12 2006
	Profit before income tax	1,141,750	345,360	1,487,110	539,457
+	Depreciation of tangible assets	199	197	396	560
-/+	Gain from fair value adjustment of investment property	(830,082)	(227,448)	(1,057,530)	(393,244)
-/+	Gain from fair value adjustment of financial derivative instruments	(362,085)	(57,986)	(420,071)	(76,743)
+/-	Net financial items ex. market value adj. of financial derivative instruments	264,628	158,595	423,223	282,241
+/-	Change in short-term items	65,807	54,626	120,433	224,040
=	**Net cash flow from operating activities**	**280,216**	**273,344**	**553,560**	**576,311**
-	Payments for purchase of tangible fixed assets	(105,235)	(2,275,985)	(2,381,220)	(14,703,875)
-	Payments for purchase of financial and derivative instruments	-	-	-	(120,021)
=	**Net cash flow from investing activities**	**(105,235)**	**(2,275,985)**	**(2,381,220)**	**(14,823,896)**
+	Net change in interest bearing debt	109,270	1,773,840	1,883,110	10,977,587
-	Net financial items ex. market value adj. of financial derivative instruments	(264,628)	(158,595)	(423,223)	(282,241)
+	Capital increase	479,354	-	479,354	4,804,601
-/+	Dividend payments	(263,704)	-	(263,704)	-
=	**Net cash flow from financial activities**	**60,292**	**1,615,245**	**1,675,537**	**15,499,947**
=	**Net change in cash and cash equivalents**	**235,273**	**(387,396)**	**(152,123)**	**1,252,362**
+	Cash and cash equivalents at the beginning of the period	865,066	1,252,462	1,252,462	100
	Cash and cash equivalents at the end of the period	**1,100,340**	**865,066**	**1,100,340**	**1,252,462**

Consolidated statement of changes in equity

	Equity attributable to shareholders of the company						
Figures in NOK 1.000	Share capital	Share premium	Other paid in equity	Other reserves	Retained earnings	Minority interests	Total Equity
Opening balance equity 09.06.2006	**100**						**100**
Write-down	(100)						(100)
Total share issues	2,462,823	2,550,323					5,013,146
Total cost related to share issues, net of tax		(150,152)					(150,152)
Capital reallocation		(1,500,000)	1,500,000				-
Financial derivatives accounted to equity				75,763			75,763
Profit for the period					389,636		389,636
Minority interests						44,834	44,834
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		(14,865)					(14,865)
Dividend payments					(263,704)		(263,704)
Financial derivatives accounted to equity				(80,326)			(80,326)
Profit for the period					1,058,033		1,058,033
Minority interests						12,686	12,686
Total equity 30.06.2007	**2,637,039**	**1,211,089**	**1,500,000**	**(4,563)**	**1,183,965**	**57,520**	**6,585,051**

Significant changes in the Company's financial or trading position since 30.06.07

On 12 July 2007 Norwegian Property announced its acquisition of 4 office and retail properties at Aker Brygge, CBD in Oslo, for NOK 1,740 million from DnB NOR Bank ASA. Total exposure at Aker Brygge after the transaction is 89,669 square meters and a gross rent of NOK 232 million. The investment is in line with Norwegian Properties overall strategy focusing on high quality, triple A properties, with prime locations and prime tenants. The properties consist of approximately 31,736 square meters of mainly office and retail/restaurant premises. The estimated gross rental income for 2007 is approximately NOK 82.5 million and net rental income is approximately NOK 77.4 million. The purchase price was based on a property value of NOK 1,754 million. The main tenant is DnB NOR Bank ASA (82% of rental income) and they have a four year contract with right to extend at market conditions. The rest of the tenants are mainly shops and restaurants with contracts having an average duration of 4.4 years. DnB NOR Bank's headquarter is situated at Aker Brygge and there is no vacancy

in the properties. 100% of the total portfolio is CPI adjusted annually. The properties were purchased at a net yield of approximately 4.5% on contract rent 2007/2008. These properties are included in the description of Norwegian Property's and its portfolio in this document.

Other than as set out above or otherwise in this document, there have been no significant changes in the Norwegian Property's financial or trading position since 30.06.07.

Debt financing

Total interest bearing debt as of 30 June 2007 was NOK 12,861 million (NOK 12,751 million per 31 March 2007). NOK 10,180 million (NOK 10,189 million per 31 March 2007) of the interest bearing debt has been hedged.

Interest bearing debt and hedging	31.12.2006	31.03.2007	30.06.2007	10.08.2007
Total interest bearing debt (NOK million)	10 978	12 751	12 861	13 172
- Of which hedged (NOK million)	9 943	10 189	10 180	10 174
Hedging ratio (%)	91 %	80 %	79 %	77 %
Average interest, interest bearing debt	5.16%	5.04%	5.13%	5.06%
Average margin, interest bearing debt	0.76%	0.60%	0.60%	0.56%
Average duration, hedging contracts (years)	6.2	5.9	5.7	5.6
Average duration, borrowing	7.0	6.1	5.9	5.9

Norwegian Property's ambition is to have competitive terms on the financing. Average interest as of 30 June was 5.13%, an increase from 5.04% at the end of the first quarter. The increase is related to increasing floating interests as a consequence of interest hikes in Norway. The effect of the refinancing efforts in June and July are illustrated in the table, average margin is reduced from 0.60% to 0.56% and average interest is reduced from 5.13% to 5.06%, even considering the additional increase in short term interests.

Average interest rates	30.06.2007 Fixed	30.06.2007 Floating	10.08.2007 Fixed	10.08.2007 Floating
Share of total debt	79 %	21 %	77 %	23 %
Current basis interest	4.39 %	4.50 %	4.39 %	4.74 %
Average margin	0.60 %	0.60 %	0.56 %	0.56 %
Expenses	0.12 %	0.12 %	0.03 %	0.03 %
TOTAL	5.11 %	5.22 %	4.98 %	5.33 %
Average interest for the interest bearing debt	5.13 %		5.06 % (*)	

(*) After the refinancing

Norwegian Property currently has the following debt facilities:

Type of debt facility	Lender	Principal debtor	Principal amount (MNOK)	Final maturity
Term loan facility	Bank syndicate lead by Nordea Bank Norge ASA	Norwegian Property Holding AS	9,600	06/06/2012
Revolving facility	Bank syndicate lead by Norde Bank Norge ASA	Norwegian Property ASA	1,400	04/01/2009
Bond issues	Bondholders (Norsk Tillitsmann ASA as loan trustee)	Norwegian Property ASA	386 302 823	22/03/2012 22/03/2010 22/03/2012
Commercial bonds	Nykredit Realkredit and Nykredit Bank	Skøyen Bygg 2 AS Skøyen Bygg 3 AS Skøyen Bygg 4 AS Skøyen Bygg 5 AS Skøyen Bygg ANS	961	31/12/2013
Commercial bonds	Nykredit Realkredit and Nykredit Bank	Innovasjonssenteret KS (80%)	475	31/12/2017
Bank facility	Storebrand Bank	Drammensveien 134 AS	509	31/03/2018
Bank facility	DnB NOR Bank	Drammensveien 144 AS	258	13/12/2030

The NOK 11,000 million term and revolving facilities (the "**Bank Facilities**") referred to above (and which were both established in July 2007) comprise the main debt facilities of Norwegian Property, whereas the other facilities listed above have been designated as stand-alone debt facilities to finance specific properties etc.

The main terms of the term loan facility include:

- *Interest*: NIBOR + an applicable margin of 60 bp.
- *Interest rate hedging*: Norwegian Property shall maintain an interest rate hedge of at least 70 per cent. of the interest rate exposure in relation to the outstanding financial indebtedness of the Group.
- *Financial covenants:* Norwegian Property must comply with agreed senior interest cover ("**ICR**"), loan to value ("**LTV**") and debt service coverage ("**DSCR**") ratios as follows: ICR of minimum 1.4 (increasing to 1.5 after 3 years) and LTV of minimum 85% and a DSCR of minimum 1.1.
- *Other covenants:* The Bank Facilities contain undertakings which are customary for credit facilities of this nature, including the following general undertakings:
  - Negative pledge over assets
  - Restrictions on new financial indebtedness without the prior approval of the lending banks (unless financed on a stand-alone/non-recourse basis and provided that the Group's financial covenants are complied with)
  - Mandatory prepayment provisions relating to disposal of properties (save for substitution of properties within 9 months)
  - Restrictions over the granting of loans, credit or guarantees
  - Restrictions on mergers, demergers, amalgamations without the lenders approval
  - Norwegian Property shall not pay dividends or make any other distributions to its shareholders if it is not in compliance with its financial covenants
- *Change of control:* In the event of Norwegian Property being de-listed from the Oslo Stock Exchange or, alternatively, a person or persons acting in concert obtaining or controlling

interest greater than 50% of the share capital or voting rights, the lenders may demand full repayment of the facility within 120 days after the occurrence of such event

- *Amortization/repayment:* The term loan facility shall be repaid by quarterly installments of 0.45% (1.80% per annum) commencing in October 2007 and shall mature in full on 6 June 2012.

In line with what is customary for facilities of this kind, the Bank Facilities are secured by way of, inter alia, first priority mortgages over Norwegian Property's and its subsidiaries' shares, properties (other than those separately financed as described above), trade receivables and bank accounts. The other debt facilities have been secured, inter alia, by way of first priority mortgages against the relevant properties.

Capital resources, capitalisation and indebtedness

The table below shows the Company's un-audited consolidated capitalization and net indebtedness based on the pro forma figures as of 30 June 2007.

Amounts in NOK 1,000	30 June 2007
Shareholders' equity (A)	**6 585 051**
Current debt	
Guaranteed	13 128
Secured	9 622 782
Unguaranteed / unsecured	531 336
Total current debt	**10 167 246**
Non-current debt	
Guaranteed	6 337
Secured	3 237 915
Unguaranteed / unsecured	499 017
Total non-current debt	**3 743 269**
Total indebtedness (B)	**13 910 515**
Total capitalization (A+B)	**20 495 566**
Cash and cash equivalents	1 100 340
Trading securities	599 015
Liquidity (C)	**1 699 355**
Current financial receivables (D)	**-**
Current bank debt	-
Current portion of non current debt	9 622 782
Other current financial debt	13 128
Current financial debt (E)	**9 635 910**
Net current financial indebtedness (C + D – E) (F)	**(7 936 555)**
Non-current bank loans	1 726 915
Bonds issued	1 511 000
Other non-current loans	6 337
Non-current financial debt (G)	**3 244 252**
Net interest bearing debt (F-G)	**(11 180 807)**

Trend information

Norwegian Property has not experienced any significant changes or trends that are significant to the Company after 1 January 2007.The prospects for the Norwegian economy have for the period 1 January 2007 until the date of this Information Memorandum been good which have had a positive impact on the rental market for commercial properties. The demand for office space is high whereas the construction prices have been and are increasing significantly. Supply of new office space is limited by construction capacity and prices, availability of land and lead time for development of new properties. The result is reduced vacancy which is approaching record low levels in prime/central locations. This will most likely lead to a further increase in rental prices. Norwegian Property is well positioned with properties of high quality and central/CBD locations. Factors influencing the market for the Company's business, is described in more detail in section 6.

Working capital

Norwegian Property believes that its current working capital is sufficient to meet its present requirements.

3.6 Board of directors and management

Board of Directors

The Board of Directors of the Company consists of the following directors:

Knut Brundtland, Chairman of the Board

Mr. Brundtland has a law degree and has practiced as a lawyer (partner) in the lawfirm BAHR specializing in corporate finance. From January 2005 professional board member: Chairman of Bluewater Insurance ASA, A-Pressen AS, Contopronto AS, Youngstorvet Eiendom AS, Creditsafe Business Information, Contexvision AB, VANN ASA, VOSS of Norway AS, Try AS and Futuris Asset Management AB. Board member of Bergesen Worldwide Gas ASA, Revus ASA, LeasePlan Norway AS, the Astrup Fearnley Museum and The office for Contemporary Art Norway. Chairman of the financial committee for Norway`s Labour Party. Mr. Brundtland's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Jostein Devold, board member

Mr. Devold has a MSc degree in Economics and Business Administration from the Norwegian School of Economics and Business Administration (NHH) and is currently Investment Director in Aweco Invest AS, an investment company affiliated with the Anders Wilhelmsen group. He has formerly worked for Rasmussengruppen AS (Investment Director), Saga Securities AS (Partner Corporate Finance) and the Norwegian Ministry of Finance. He is chairman of the board in Oslo Properties, board member of Expert ASA, Leif Huberth Stål AS and NOAH AS and is a member of the corporate assembly of Telenor ASA. Formerly, he was a board member of the real estate companies Avantor ASA and Industrifinans Næringseiendom ASA. Mr. Devold's business address is at the offices of Norwegian Property at Standen 3 A, 0250 Oslo.

Torstein I. Tvenge, board member

Mr. Tvenge has a Bachelor degree in Marketing from Norges Markedshøyskole (NMH) 1976. He is currently CEO of Fram Management. He has over the last 30 years developed numerous real estate projects, and is currently among Norway's biggest private real estate owners. In addition, he has experience from the IT, wine import, fish farming and tourism industries. He is a board member of Avishuset Dagbladet, Solera AS and several privately owned and partially owned companies. Mr. Tvenge's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Hege Bømark, board member

Ms. Bømark has a degree from the School of Economics and Business Administration (NHH), Bergen. Bømark has a degree from the School of Economics and Business Administration (NHH), Bergen. She has a background as financial analyst at Orkla Finans and Fearnley Finans, with real estate as one of her

specialties. She has also been involved in numerous start-ups, IPO's and restructurings of real estate companies. Bømark has been project manager for AS Eiendomsutvikling, and was involved in syndication of real estate projects and the stock market. She has board positions in Block Watne Gruppen, Block Watne AS and Norgani Hotels ASA. Mrs. Bømark's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Anne Birgitte Fossum, board member
Ms. Fossum holds a MBA degree from St. Gallen in Switzerland and has international work experience with finance, export and consumer brands. Since 1994, she has held several board positions in the Foinco group. She has broad experience with business property through board positions in Heidenreich Eiendom AS and Heidenreich Holding AS, which she has held since 1999. In 2000, she became chairperson of the board in the private equity company Foinco AS, which is an investment company in the SMB-industry. Fossum also holds board positions in companies in the investment, commodity production and technology industries. Mrs. Fossum's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

The board members Knut Brundtland, Jostein Devold and Torstein I. Tvenge were elected at the extraordinary general meeting of the Company 20 April 2006, re-elected at the annual general meeting of the Company 4 May 2007, and thus, in accordance with the Norwegian Public Limited Companies Act, their term of office expires 4 May 2009. Hege Bømark was elected at the extraordinary general meeting of the Company 4 October 2006, re-elected at the annual general meeting of the Company 4 May 2007, and her term of office expires 4 May 2009. Anne Birgitte Fossum was elected to the board at the annual general meeting of the Company 4 May 2007. Also her term of office expires 4 May 2009.

Corporate Assembly
Norwegian Property does not have a Corporate Assembly.

Election committee
The Company's Articles of Association regulate the Company's election committee, which currently has two members: Tor Bergstrøm and Egil K. Sundbye. The election committee is independent of the Company's Board of Directors and Managers, and its composition ensures a broad representation of shareholder interests.

Company management
The Management of the Company consists of the following persons:

Petter Jansen, Chief Executive Officer (CEO)
Petter Jansen has a degree in management and business from the Swedish War Academy in Østersund and additional executive education from London Business School. He came from the position as CEO of SAS Braathens. Jansen has held several leading positions: Executive Vice President DnB (responsible for the retail division which included the Chairman position in DnB Eiendom AS (real estate brokers), Executive Vice President DnB (responsible for Postbanken after merger with DnB), Executive Vice President Postbanken (responsible for the retail division), COO of Elopak AS, CEO of Oslo Airport Fornebu. Jansen is currently chairman of the board in Norgani Hotels and OL 2018 and board member in Oslo Properties, Avinor and Europaprogrammet. Mr. Jansen's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Svein Hov Skjelle, Chief Financial Officer (CFO)
Svein Hov Skjelle has a Masters degree in business administration from the Norwegian School of Economics and Business Administration (NHH). He is also an Authorised Financial Analyst (AFA) from NHH. He came from the position as Managing Director of the Norwegian subsidiary of the listed IT services company TeleComputing ASA, a position he has held since June 2004. Before that he was the CFO in the TeleComputing group for two years, and he has also been acting CEO of the group for a period. Previous appointments include senior vice president finance at Merkantildata (now Ementor) from 1998-2003, and six years with Veidekke where he was finance manager. As member of the senior

management in TeleComputing and Merkantildata, Mr. Skjelle served on the board of Directors in a number of the wholly owned subsidiaries of the companies. Mr. Skjelle's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Dag Fladby, Chief Investment Officer (CIO)
Dag Fladby has a Master of Business and Marketing from Handelshøyskolen BI, Oslo. Fladby comes from the position as Senior Vice President of business development in Altia Corporation Oy. Since 1995 Fladby was one of the key people that built up Scandinavian Beverage Group (SBG) to become a leading wholesaler of wine in the Nordic region. Fladby had the position as CEO in SBG when the company was sold to Altia end of 2004. Fladby has been chairman or member of the board in most of the subsidiaries of SBG last five years. He is currently board member in Oslo Properties. Mr. Fladby's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Mona Ingebrigtsen, Chief Operating Officer (COO)
Mona Ingebrigtsen is a graduate engineer from the Norwegian University of Science and Technology (NTNU). She also has financial and accounting background, and she has a master of strategic management from Norwegian School of Economics and Business Administration (NHH) in Bergen. Ms. Ingebrigtsen was CEO of NCC Property Development between 2004-2006. Before this, she was responsible for NCC Property Development's development activities from 1997 to 2004. Ms. Ingebrigtsen has almost 20 years of experience within the property business, i.a. as region manager in the real estate section of Christiania Bank & Kredittkasse as, as property manager at Vital Forsikring AS, as property manager at Andenæs Eiendom AS, and as project manager, property development at Nielsen-Nielsen AS. Ms. Ingebrigtsen is board member of Scandinavian Property Development ASA and the Association of Commercial Realestate. Ms. Ingebrigtsen's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Aili E. Klami, Director of sales and marketing
Aili E. Klami is educated from the Norwegian Business School of Management (Handelshøyskolen BI) and completed several courses related to sales and property management. Klami come from a position as director of sales in the Avantor Group, where she has been working since 1996. Prior to assuming the director of sales position she held leading positions in marketing and in facilities management in the same company. Ms. Klami has a long and broad background from real estate management. Ms. Klami's business address is at the offices of Norwegian Property at Stranden 3 A, 0250 Oslo.

Organisational structure, pension and remuneration in case of termination of employment
As of 30 June 2007 the company had 11 employees. Daily operation of the properties and facility management have for most of the properties been outsourced.

Compensation to Board Members, the CEO and Senior Management
Petter Jansen, Mona Ingebrigtsen and Dag Fladby have a right to remuneration of six months salary if they are discharged by Norwegian Property. Furthermore Petter Jansen has a right to an annual pension of two million NOK from turned 62 years to turned 67 years, which is conditioned of full contribution time. Norwegian Property is also obligated to enter into a pension arrangement for the period after reached 67 years for Petter Jansen which shall, together with the earned paid-up policies, constitute 66 % of the salary. Moreover there are no agreements between Board and the Management in Norwegian Property, on the one hand, and the Company or its subsidiaries, on the other hand, regarding remuneration at the end of employment.

Information regarding board members and managements' shareholdings in Norwegian Property
The board and management in Norwegian Property hold shares and options in the company as shown in the table below. The board holds a total of 8,206,500 shares and 0 options, and the management holds at total of 85,400 shares and 0 options.

Board of directors holdings in Norwegian Property:

	Shares	Options
Knut Brundtland	200,000	0
Jostein Devold	0	0
Torstein I. Tvenge	8,000,000	0
Hege Bømark	0	0
Anne Birgitte Fossum	6,500	0
Total	**8,206,500**	**0**

Managements holdings in Norwegian Property:

	Shares	Options
Petter Jansen	75,000	0
Svein Hov Skjelle	5,000	0
Aili Klami	0	0
Dag Fladby	4,000	0
Mona Ingebrigtsen	1,400	0
Total	**85,400**	**0**

3.7 Legal structure

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

The Company's properties are each held by an individual subsidiary in so called single purpose companies and in some cases the title (Nw: grunnbokshjemmel) is held by a separate legal entity. Many of the single purpose companies are acquired as 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. Three of Norwegian Property's subsidiary companies have minority shareholders. The Company has about 125 subsidiaries.

3.8 Share capital and shareholder matters

Current share capital

As of the date of this Information Memorandum, the issued, registered and fully paid share capital of the Company is NOK 2,637,039,250 divided into 105,481,570 Shares each with a nominal value of NOK 25. Further the shares are registered in the Norwegian Central Securities Depository ("VPS") under ISIN NO 001 0317811. The Company's VPS registrar is Nordea Bank Norge ASA, Verdipapirservice, Essendropsgt. 7, 0107 Oslo, Norway.

The Company does not hold any treasury shares.

Development of the share capital

The development of the Company's share capital since the date of incorporation is shown in the table below.

Date resolved	Type of change	Change in share capital NOK	Share capital after change (NOK)	No. of shares after change	Par value (NOK)	Price per share (NOK)
July 2005	Incorporation		100,000	1,000	100	100
April 2006	Share split		100,000	400	25	
May 2006	Private placement	875,000,000	875,100,000	35,000,400	25	50
May 2006	Write down	100,000	875,000,000	35,000,000		
May 2006	Private placement	162,500,000	1,037,500,000	41,500,000	25	50
May 2006/ June 2006	Consideration issue	508,853,050	1,546,353,050	61,854,122	25	50
June 2006	Consideration issue	46,100,000	1,592,453,050	63,698,122	25	50
July 2006	Consideration issue	370,175	1,592,823,225	63,712,929	25	50
July 2006	Private placement	150,000,000	1,742,823,225	69,712,929	25	50
August 2006	Consideration issue	20,000,000	1,762,823,225	70,512,929	25	50
August 2006	Consideration issue	25,000,000	1,787,823,225	71,512,929	25	50
October 2006	Consideration issue	50,000,000	1,837,823,225	73,512,929	25	50
November 2006	IPO placing	563,636,375	2,401,459,600	96,058,384	25	53,50
December 2006	Green shoe exercise	61,363,625	2,462,823,225	98,512,929	25	53,50
March 2007	Private placement	174,216,025	2,637,039,250	105,481,570	25	71.75

Shareholders

The table below shows the 20 largest Norwegian Property Shareholders as at the date of this Information Memorandum. At the same date Norwegian Property had 1,019 shareholders, of which 823 were Norwegian and 196 were foreign according to VPS.

NAME	NO OF SHARES	% SHARE
WILHELMSEN CAPITAL A A.	12.165.000	11,5%
CREDIT SUISSE SECURI (EUROPE) LTD./FIRMS	11.353.278	10,8%
STATE STREET BANK AN A/C CLIENT OMNIBUS D	10.064.916	9,5%
FRAM REALINVEST AS	4.000.000	3,8%
FRAM HOLDING AS	4.000.000	3,8%
BANK OF NEW YORK, BR S/A ALPINE INTL REAL	3.660.295	3,5%
VITAL FORSIKRING ASA OMLØPSMIDLER	3.578.700	3,4%
AWECO INVEST AS ATT: JOSTEIN DEVOLD	2.870.282	2,7%
MELLON BANK AS AGENT MELLON BANK NA A/C MELLON ABN 15 OM	2.233.680	2,1%
BANK OF NEW YORK, BR S/A ALPINE GLOBAL PR	2.126.600	2,0%
BNP PARIBAS SEC. SER UK RESIDENTS	2.068.000	2,0%
OPPLYSNINGSVESENETS	1.662.731	1,6%
JPMORGAN CHASE BANK CLIENTS TREATY ACCOU	1.648.724	1,6%
MELLON BANK AS AGENT MELLON BANK NA A/C MELLON NOMINEE 1	1.634.020	1,5%
FORTIS BANK LUXEMBOU S/A OPCVM	1.599.677	1,5%
Lani Development AS	1.497.900	1,4%
BANK OF NEW YORK, BR S/A BNY GCM CLIENT A	1.303.589	1,2%
ENSKILDA SECURITIES EGENHANDELSKONTO	1.085.074	1,0%
EUROCLEAR BANK S.A./ 25% CLIENTS	1.071.375	1,0%
MIAMI AS	1.062.718	1,0%
SUM 20 LARGEST SHAREHOLDERS	70.686.559	67,0%
TOTAL	105.481.570	100,0%

Corporate Governance

As a listed company on Oslo Børs, the Company follows and complies with the Norwegian Code of Practice for Corporate Governance. For assessment of compliance with the practice, see the Board of Directors report in the 2006 Annual Report (external link: http://www.newsweb.no/index.jsp?messageId=148793).

3.9 Material contracts

Except for the investment agreements with Scandic/EQT and certain investors described in section 2.1.1, and the strategic agreement with Scandic described in section 2.1.3 the Company and its subsidiaries have not entered into any material contracts out of the ordinary course of business the last two years.

3.10 Legal and arbitration proceedings

From time to time Norwegian Property and its subsidiaries are or may be engaged in litigation affecting their business. As at the date of this document and for the preceding 12 months, neither Norwegian Property nor any company in the Norwegian Property group are or have been involved in any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which Norwegian Property is aware of, which may have or have had significant effects on Norwegian Property's or the Norwegian Property group's financial position or profitability.

3.11 Incorporation, registered office and registration number

Norwegian Property is a Norwegian public limited company incorporated under the laws of Norway with registration number 988622036. The Company was incorporated 20 July 2005 by the law firm Thommessen as a shelf company. Norwegian Property was converted to a public limited liability company (ASA) on 22 May 2006.

The Company's principal place of business is in Oslo county. Its office address is Stranden 3 A, Oslo, Norway, telephone: +47 22 83 40 20 , facsimile: +47 22 83 40 21. The postal address is P.O. Box 1657, Vika, 0120 Oslo, Norway.

3.12 Statutory auditors

The Company's auditors are Deloitte AS, represented by state authorized public accountants whoa are members of the Norwegian Institute of Public Accountants (DnR). The auditors' address is Deloitte AS, Karénslyst Allé 20, P.O. Box 347 Skøyen, N-0213 Oslo, Norway and its registration number is 980 211 282.

The annual financial statements for the Company included in this Information Memorandum have been audited by Deloitte AS. Deloitte AS has issued an audit report on these financial statements without any qualifications or disclaimers. There is no other information in the Information Memorandum which has been audited by the Company's auditors, provided however, that the annual accounts for Norgani Hotels have been audited by PricewaterhouseCoopers (PwC).

4 DESCRIPTION OF OSLO PROPERTIES AND NORGANI HOTELS

4.1 Oslo Properties

4.1.1 Company description

Oslo Properties is a Norwegian private limited company incorporated under the laws of Norway with company registration number 990 727 716, having its registered address at Stranden 3A, c/o Norwegian Property ASA, 0250 Oslo. The postal address is P.O Box 1657 Vika, 0120 Oslo.

Oslo Properties was formed on 2 January 2007 under the name of Startup 185 AS.

4.1.2 Board of directors and management

The Board of Directors of Oslo Properties consists of:

- Jostein Devold (Chairman)
- Tore Thorstensen (Deputy chairman)
- Christian Otto Sinding (board member)
- Petter Jansen (board member)
- Dag Fladby (board member)

Dag Fladby is appointed as managing director of Oslo Properties. Oslo Properties has no employees.

4.1.3 Financial information

As Oslo Properties was established in 2007, no financial information is available.

Oslo Properties conducts no business and has no activities apart from owning shares in Norgani Hotels.

4.1.4 Financing

Oslo Properties has raised NOK 2,005 million in equity. The shareholder structure is described in section 2.3.1.

Oslo Properties has entered loan agreement with Nordea Bank Norge ASA and Skandinaviska Enskilda Banken AB (publ) of NOK 1,700 million ("**Acquisition Facility**") with the purpose of partly financing Oslo Properties' acquisition of shares in Norgani Hotels. The main terms of the facility are described in section 2.3.3.

Oslo Properties has in a loan agreement with Norwegian Property access to a loan facility entered into by Norwegian Property with Nordea Bank Norge ASA and Skandinaviska Enskilda Banken AB (publ) of up NOK 450 million ("**Acquisition Facility 2**"). The main terms of this facility are described in section 2.3.3.

4.2 Norgani Hotels

4.2.1 Company description

Norgani Hotels is a Norwegian public limited company incorporated under the laws of Norway with company registration number 988 016 683.

Norgani Hotels was formed in 2005 and is today the leading Nordic hotel property company. Norgani Hotels' business concept is to offer a long term investment in a liquid company which is listed on the stock exchange, exclusively focused on the purchase, sale, management and development of hotel properties. It is through active management and development that profitability is achieved and value is added.

Norgani Hotels' portfolio comprises 74 hotels and one congress centre with a total of 12,804 rooms and 664,726 sqm. The hotel portfolio consists of 41 hotels in Sweden, 15 hotels and one congress centre in Finland, 14 hotels in Norway and 3 in Denmark. The hotels are leased out to solid tenants, largely with revenue based leases and long remaining contract period. Leaseholders are leading international and regional hotel chains, such as Scandic Hotels, Choice Hotels Scandinavia and Rezidor. The average remaining contract period for the Norgani Hotels' property portfolio was approximately 7.5 years as of 30 September 2007.

The company's headquarter is in Oslo, Norway. Its registered office is Cort Adelersgt. 16 (4 floor), Oslo, Norway, telephone: +47 40 00 43 03, facsimile: +47 22 44 94 00. The postal address is P.O. Box 2403, Solli Vika, 0121 Oslo. Norgani Hotels is listed on Oslo Børs with ticker symbol "NORGAN".

4.2.2 Business concept and strategy

Business concept

Norgani Hotels is active in the travel and tourism industry as an owner creating value through investing in, managing and developing hotel properties pursuing successful cooperation with the hotel operators.

Strategy

- **Maintaining a well diversified portfolio**
  Norgani Hotels aims to work with several operators and their brands, have a good geographic distribution of properties and have a mix of contracts.

- **Hotel properties with manageable risk**
  The portfolio's emphasis is on mid- and up scale hotel properties with at least 150 rooms and attractive locations, as these hotels are more effective and have lower volativity. A major part of revenue should come from hotels in cities with more than 50,000 inhabitants.

- **Limited development project activity**
  Only in limited scale should Norgani Hotels be involved in development projects, except those that are naturally connected to professional operators or existing properties.

- **Growth to achieve economies of scale and to become a more attractive partner for hotel operators**
  W ith a larger portfolio, Norgani Hotels becomes an increasingly attractive partner for hotel operators while achieving organizational, financial and diversification benefits.

- **Balanced financial risk level**
  W ith manageable property risk due to the above strategies, the target debt ratio is set to 75 to 80 percent of total assets. Interest fixing is set based on current market conditions and the property portfolio profile.

4.2.3 Selected financial information

Norgani Hotels was established in 2005. See the external links below for the historical financial information for Norgani Hotels (audited annual reports for 2005 and 2006):

Annual Report for 2005: http://hugin.info/135847/R/1046272/171664.pdf
Annual Report for 2006: http://www.newsweb.no/index.jsp?messageId=148748

Norgani Hotels has released unaudited financial information for Q1 and Q2 with comparative statements for 2006, see external links below:

Q1 Interim Report: http://www.newsweb.no/index.jsp?messageId=150193
Q2 Interim Report: http://www.newsweb.no/index.jsp?messageId=157766

Profit and Loss Statement

NOK million	Reporting period 2007 Apr-June	Reporting period 2006 Apr-June	Interim period 2007 Jan-June	Interim period 2006 Jan-June	12 month 2006/2007 July-June	2006 Jan - Dec	2005 Jan - Dec
Property management							
Rental revenue	162.6	117.4	313.4	230.5	636.6	553.7	128.7
Rental guarantees	1.6	4.9	7.3	13.8	14.2	20.7	6.9
Operating expenses	-18.2	-11.8	-31.8	-27.3	-64.0	-59.4	-16.0
Operating net	**146.0**	**110.5**	**288.9**	**217.0**	**586.8**	**514.9**	**119.6**
Property disposals							
Sales proceeds, net	6.9	3.8	119.8	27.3	831.2	738.7	-
Acquisition value	-2.2		-104.6	-19.8	-720.4	-635.6	-
Realised fair value adjustments	0.2		-9.2		-46.6	-37.2	-
Net gain on disposals	**4.9**	**3.8**	**6.0**	**7.5**	**64.2**	**65.7**	**-**
Administrative expenses	**-17.6**	**-7.9**	**-38.2**	**-10.9**	**-82.7**	**-55.4**	**-36.2**
Financial net							
Financial income	0.7		3.4	7.6	17.3	21.5	9.9
Financial expenses	-73.3	-72.2	-160.1	-124.9	-321.5	-284.3	-58.2
	-72.6	**-72.2**	**-157.7**	**-117.3**	**-304.2**	**-264.8**	**-48.3**
Fair value adjustments							
Properties	129.1	57.3	130.7	81.8	661.9	613.0	199.7
Financial instruments	104.2		199.2		258.0	58.7	-
	233.3	**57.3**	**329.9**	**81.8**	**919.9**	**671.7**	**199.7**
Profit before tax	**294.0**	**91.5**	**429.9**	**178.1**	**1184.0**	**932.1**	**234.9**
Tax							
Current tax					-27.7	-27.7	-0.6
Deferred tax	8.0	-9.0	-19.5	-26.5	-187.5	-194.5	-9.2
	8.0	**-9.0**	**-19.5**	**-26.5**	**-215.2**	**-222.2**	**-9.8**
Net profit	**302.0**	**82.5**	**410.4**	**151.6**	**968.8**	**709.9**	**225.1**

Source: Norgani Hotels report for Q2 2007 and annual report 2006

Balance Sheet

NOK million	30 June 2007	30 June 2006	31 Dec 2006	31 Dec 2005
Assets				
Properties	9246.8	6753.0	9452.1	6,418.8
Receivables etc.	144.3	317.9	937.3	213.90
Liquid assets	76.4	94.1	105.1	175.20
Total assets	**9467.5**	**7165.0**	**10494.5**	**6,807.90**
Liabilities and shareholder's equity				
Shareholder's equity	3137.2	2017.9	3016.4	1,801.40
Provisions	0.3		0.3	-
Interest-bearing liabilites	6163.4	5027.7	7230.9	4,878.30
Operating liabilities, etc.	166.6	119.4	246.9	127.80
Total liabilities and shareholder's equity	**9467.5**	**7165.0**	**10.494.5**	**6,807.90**

Source: Norgani Hotels report for Q2 2007 and annual report 2006

Cash flow statement

NOK million	Reporting period 2007 April-June	Reporting period 2006 April-June	Interim period 2007 Jan-June	Interim period 2006 Jan-June	12 month 2006/2007 July/June	2006 Jan - Dec	2005 Jan - Dec
Cash flow from operations	60.4	34.3	109.3	96.3	345.0	270.0	34.5
Cash flow from change in working capital	46.7	-44.3	679.3	-84.0	24.4	-699.3	78.7
Cash flow from investment activity	-109.8	-185.0	-34.2	-253.2	-2271.3	-2422.1	6219.6
Cash flow from financing activity	-69.5	95.6	-770.5	158.6	1886.4	2768.7	6279.8
Cash flow for the period	-72.2	-99.4	-16.1	-82.3	-15.5	-82.6	173.4
Liquid assets, opening balance	153.0	191.5	105.1	175.2	94.1	175.2	-
Exchange rate	-4.4	2.0	-12.6	1.2	-2.2	12.5	1.7
Liquid assets, closing balance	**76.4**	**94.1**	**76.4**	**94.1**	**76.4**	**105.1**	**175.2**

Source: Norgani Hotels report for Q2 2007 and annual report 2006

4.2.4 Legal and arbitration proceedings

To the Company's knowledge, neither Norgani Hotels nor any companies in the Norgani Hotels group are or have been involved in any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened, during the last twelve months prior to the date of this Information Memorandum, which may have or have had significant effects on Norwegian Property's or the Norwegian Property group's financial position or profitability.

4.2.5 Significant changes in Norgani Hotels' financial or trading position

Other than as set out in this document, and based the Company's knowledge, there has been no significant changes in Norgani Hotels' financial or trading position since 30.06.07.

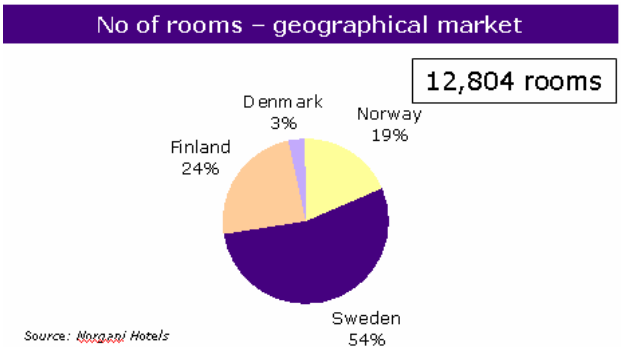
4.2.6 Trend information

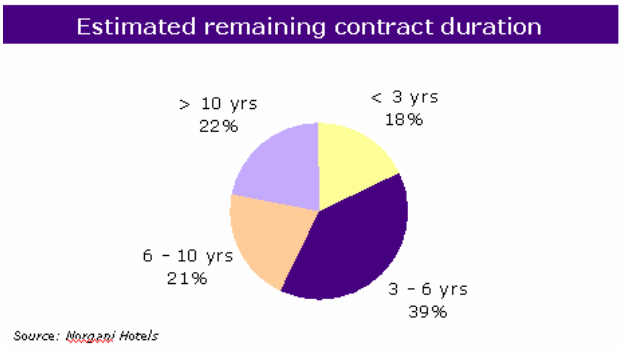
The prospects for the Nordic economies are good and will positively impact the rental market for hotel properties. The demand from hotel guests is high and following from this the RevPAR (Revenue per avilable room) is high and still increasing in the Nordic countries. The result is higher income for the hotel tenants and therefore higher rental income for hotel owners (due to revenue based rental contracts). The construction prices are also increasing significantly. Supply of new hotel space will be limited by construction capacity and prices, availability of land and lead time for development of new properties. Norgani Hotels is well positioned with properties of medium to high quality and good location.

4.2.7 The property portfolio

As can be seen from the diagrams below, 54% of the total 12,804 hotel rooms own by Norgani Hotels are in Sweden. Of the remaining hotels are 24% in Finland, 19% in Norway and 3% in Denmark.

Approximately 57% of the lease contracts in Norgani Hotels expires within 6 years, around 21% expires from 6 to 10 years and the remaining 22% expires after 10 years or more.





Norgani Hotels' property portfolio as at 30 September 2007 is listed below.

	Hotel	Municipality	Operator	Number of rooms	Sqm total
1	Scandic Hotel Malmen	Stockholm	Scandic	327	15,130
2	Scandic Hotel Star Sollentuna	Stockholm	Scandic	269	18,573
3	Scandic Hotel Kungens Kurva	Stockholm	Scandic	257	11,581
4	Scandic Hotel Helsingborg Nord	Helsingborg	Scandic	237	9,399
5	Scandic Hotel Backadal	Gothenburg	Scandic	232	9,397
6	Scandic Hotel Elmia	Jönköping	Scandic	220	9,576
7	Quality Hotel Luleå	Luleå	Choice	209	12,166
8	Scandic Hotel Örebro Väst	Örebro	Scandic	204	7,621
9	Scandic Hotel Gävle Väst	Gävle	Scandic	201	7,382
10	Quality Hotel Prins Phillip	Stockholm	Choice	201	7,400
11	Quality Hotel Ekoxen	Linköping	Choice	190	14,671
12	Ibis Stockholm Syd	Stockholm	Accor Hotels	190	8,339
13	Scandic Hotel Uppsala Nord	Uppsala	Scandic	184	7,518
14	Scandic Hotel Västerås	Västerås	Scandic	174	7,285
15	Scandic Hotel Ferrum Kiruna	Kiruna	Scandic	170	11,100
16	Scandic Hotel Umeå Syd	Umeå	Scandic	162	5,955
17	Scandic Hotel Segevång	Malmö	Scandic	161	6,284
18	Scandic Hotel Luleå	Luleå	Scandic	159	5,565
19	Scandic Hotel Sundsvall Nord	Sundsvall	Scandic	159	4,948
20	Best Western Royal Corner	Växjö	Revhaken Hotels	158	7,112
21	Scandic Hotel Linköping Väst	Linköping	Scandic	150	6,105
22	Scandic Hotel Norrköping Nord	Norrköping	Scandic	150	6,768
23	Quality Hotel Grand Kristianstad	Kristianstad	Choice	149	7,524
24	Scandic Hotel Kalmar Väst	Kalmar	Scandic	148	5,485
25	Scandic Hotel Bromma	Stockholm	Scandic	144	6,800
26	Scandic Hotel Klarälven	Karlstad	Scandic	143	5,694
27	Best Western Mora Hotell & Spa	Mora	Private operator	135	9,161
28	Scandic Hotel Uplandia	Uppsala	Scandic	133	5,402
29	First Hotel Linköping	Linköping	Tribe/First	133	6,540
30	Scandic Hotel Södertälje	Södertälje	Scandic	131	5,630
31	Scandic Hotel Östersund	Östersund	Scandic	129	4,019
32	Scandic Hotel Växjö	Växjö	Scandic	123	3,982
33	Quality Hotel Winn, Göteborg	Gothenburg	Choice	121	5,800
34	Scandic Hotel Bollnäs	Bollnäs	Scandic	111	5,150
35	Quality Hotel Prisma	Skövde	Choice	107	3,687
36	First Hotel Mårtenson	Halmstad	Tribe/First	103	6,657
37	First Hotel Royal Star	Stockholm	Cadhotels/First	103	4,900
38	Scandic Hasselbacken	Stockholm	Scandic	112	10,025
39	Scandic Alvik	Stockholm	Scandic	325	12,075
40	Stadshotellet Princess Sandviken	Sandviken	Stadshotellet AB	84	7,003
41	Radisson SAS Hotel Linköping	Linköping	Radisson SAS	91	
	Total Sweden (41 hotels)			**6,889**	**315,409**

	Hotel	Municipality	Operator	Number of rooms	Sqm total
	Norway				
42	Radisson SAS Lillehammer Hotel	Lillehammer	Franchise	303	18,000
43	Quality Hotel & Resort Kristiansand	Kristiansand	Choice	210	9,940
44	Quality Hotel & Resort Hafjell	Øyer	Choice	210	9,540
45	Comfort Hotel Børsparken	Oslo	Choice	198	7,900
46	Scandic Bergen Airport	Bergen	Scandic	197	9,654
47	Radisson SAS Hotel Bodø	Bodø	Radisson SAS	191	15,546
48	Scandic KNA	Oslo	Scandic	189	11,218
49	Rica Hotell Hamar	Ringsaker	Rica	176	9,250
50	Quality Hotel Alexandra	Molde	Choice	163	17,033
51	Comfort Hotel Holberg	Bergen	Choice	140	5,720
52	Quality Hotel & Resort Fagernes	Fagernes	Choice	139	10,310
53	Hotell Bastion	Oslo	Choice	99	4,688
54	Rica Hotel Bodö	Bodø	Rica	113	7,981
55	Quality Hotel Arcticus	Harstad	Choice	75	3,540
	Total Norway (14 hotels)			**2,403**	**140,320**
	Denmark				
56	Comfort Hotel Europa	Copenhagen	Choice	230	8,000
57	Clarion Collection Hotel Mayfair	Copenhagen	Choice	105	3,805
58	Comfort Hotel Excelsior	Copenhagen	Choice	99	3,600
	Total Denmark (3 hotels)			**434**	**15,405**
	Finland				
59	Scandic Continental	Helsinki	Scandic	512	30,000
60	Scandic Grand Marina	Helsinki	Scandic	462	23,660
61	Scandic Tampere City	Tampere	Scandic	263	14,457
62	Hilton Helsinki Kalastajatorppa	Helsinki	Scandic	238	23,291
63	Scandic Kajanus	Kajaani	Scandic	191	10,468
64	Scandic Rosendahl	Tampere	Scandic	213	14,662
65	Comfort Hotel Pilotti	Vantaa	Bonfinn	112	3,068
66	Hilton Helsinki Strand	Helsinki	Scandic	192	10,250
67	Serena Korpilampi	Espoo	Savonlinnan	150	9,777
68	Scandic Jyväskylä	Jyväskylä	Scandic	150	7,360
69	Scandic Kuopio	Kuopio	Scandic	137	7,113
70	Airport Hotel Bonus Inn	Vantaa	Citymac Travels	211	8,414
71	Scandic Espoo	Espoo	Scandic	96	5,245
72	Imatran Valtionhotelli	Imatra	Rantasipi	92	10,097
73	Scandic Luosto	Luosto	Scandic	59	4,230
74	Scandic Marina Congress Center	Helsinki	Scandic	0	11,500
	Total Finland (15 hotels & 1 conference center)			**3,078**	**193,592**
	Grand total (74 properties)			**12,804**	**664,726**

According to a stock exchange announcement of 27 December 2006, Norgani Hotels has signed an agreement with Hotellinvest Holding AS, established by Fearnley Finans Eiendom AS, to sell four hotels in Denmark - Clarion Copenhagen, Scandic Kolding, Scandic Glostrup and Scandic Hvidovre. The hotels have 729 rooms in total and a lettable floor area of 34,744 sqm (excluding the planned conference center for Clarion Copenhagen). The property value in the agreement, which is structured as a share deal, is set at DKK 622.6 million (NOK 684 million). This implies an estimated property yield of approximately 6%. The property value implies a price per room of approx. DKK 854,000 (NOK 938,000) and a price per sqm of DKK 16,650 (NOK 18,298).

In connection with the transaction Norgani Hotels has guaranteed a CPI adjusted gross rent and maximum operating and investment costs for the next six years and has entered into an agreement with the buyer (maturing 2012) which enables the buyer to sell the properties back to Norgani Hotels at a negotiated sales price which is 8% lower than agreed property value. Alternatively, the property can be

sold externally at marked price where Norgani Hotels has the right to buy back the hotels or share the profit according to terms set out in the agreement.

Lease agreements

By the end of the second quarter 2007 all Norgani Hotels' hotels were operated under performing contracts with only immaterial vacancies. The majority of the contracts are turnover based leases, mostly with differentiated rates between lodging and food/beverages, which is the most common contract type in the Nordic region. Most contracts have defined customer price index (CPI) adjusted minimum leases. For some lease agreement, the rent is charged at a fixed rate for the lease period, and is 85-100 % CPI adjusted. Fixed rental contracts accounted for 11 % of the portfolio revenue in the first six months of 2007. For some of the hotels, Norgani Hotels has vendor rental guarantees, which means that the seller has agreed to compensate Norgani Hotels for the difference between guaranteed level and the actual turnover based rent. For the hotels in question the average remaining duration of the vendor rental guarantees are around two years as of 30 September 2007.The average lease duration for the total portfolio as of 30.6.07 is 7.7 years.

4.2.8 Material contracts

Except for the strategic agreement with Scandic described in section 2.1.3, Norgani Hotels has not entered into any material contracts out of the ordinary course of business the last two years.

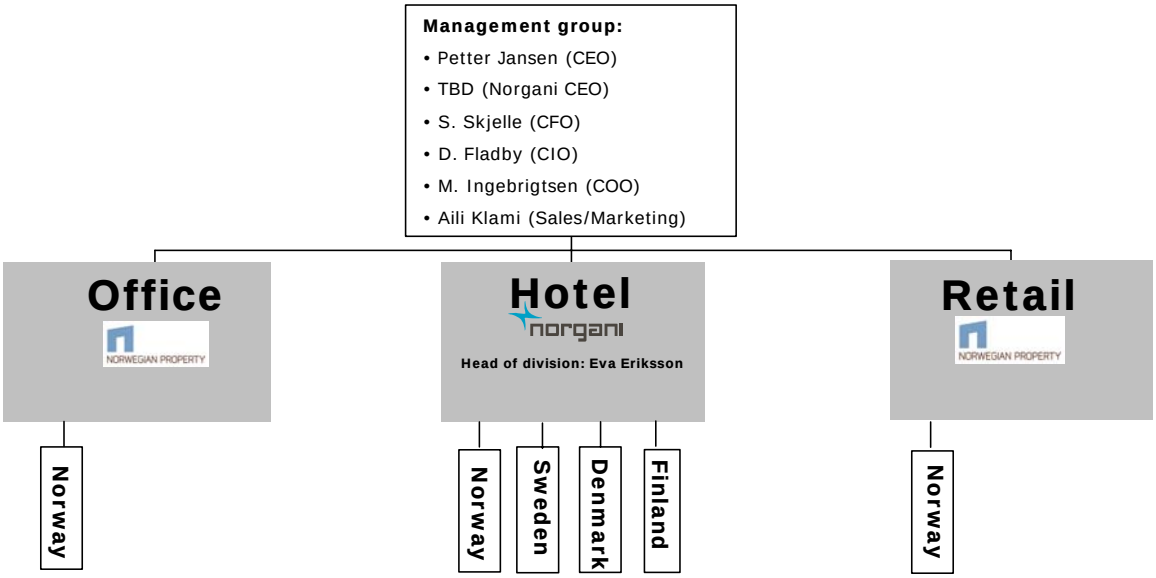
5 NORWEGIAN PROPERTY FOLLOWING A POTENTIAL EXERCISE OF THE PUT AND CALL OPTIONS REGARDING OSLO PROPERTIES

5.1 Presentation of the combined company

As described in section 2.1.1 above, Norwegian Property has call options and has issued put options whereby Norwegian Property may become the owner of more than 90 per cent of the shares of Oslo Properties.

The following is a description of the combined company if the options are exercised. There is however no certainty that this is a valid description of the combined company on the date of a potential exercise of the options.

In case of incorporation Norwegian Property aims to establish Norgani Hotels as a separate business unit within the combined company. Norwegian Property agrees with the current strategic focus of Norgani Hotels and intends to continue this strategy. This includes a Nordic focus, acquisition of more blue-chip and centrally located hotels and sale of smaller and less central hotels in order to optimize the current portfolio. The work with the integration of Norgani Hotels will be performed in consultation with the existing management in Norgani Hotels. Norwegian property believes the combined knowledge of the two companies will enhance the management of both Norgani Property and Norgani Hotels' existing portfolio. The new CEO of Norgani Hotels will become a member of Norwegian Property's management group as well as become head of the hotel division within Norwegian Property.



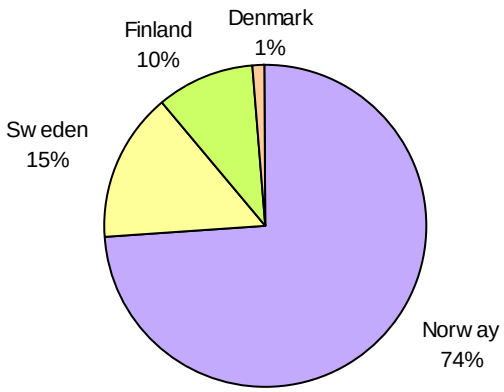
The combined portfolio will consist of 133 properties with a total of 1.432.000 square meters of prime office, retail and hotel properties across the Nordic Region.

The combined company represents a unique investment case consisting of high quality properties and main focus on Norway. The combined company's investment strategy can be summarized as follows:

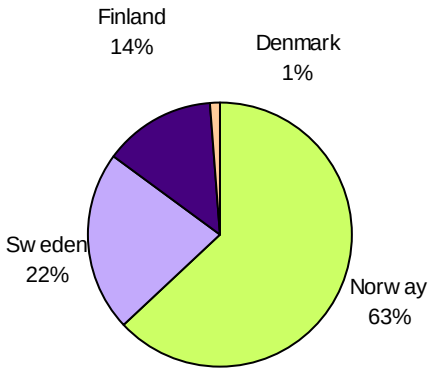
- **Prime market**: The Nordic countries and especially the Norwegian economy have very strong growth prospects and there is significant upside potential in rent levels
- **Prime properties**: The properties have a very high technical standard
- Prime locations: Mainly in the largest Nordic cities (+85% in the four largest cities in each country)
- **Prime tenants**: Solid blue chip companies and governmental tenants
- **Prime lease contract**s: Average duration of approximately 8.5 years

The possible incorporation of Norgani Hotels represents a major strategic move for Norwegian Property, both in terms of sector and geographic exposure. The below figures shows the impact on Norwegian Property's portfolio given incorporation of Norgani Hotels on the date of this Information Memorandum.

Geographical distribution (by gross rental income)



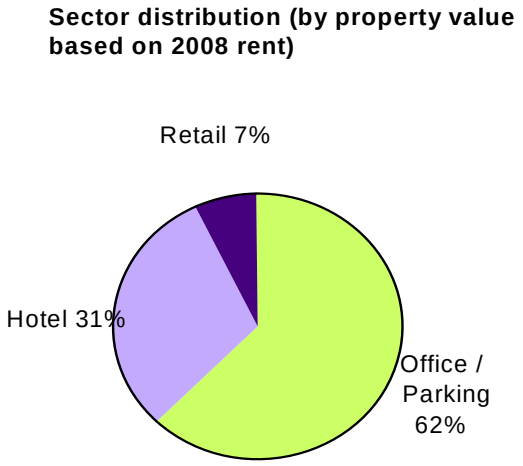
Geographical distribution (by sqm)

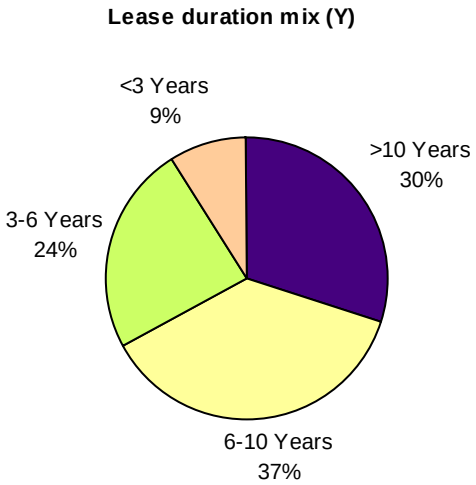


The combined company will have a more geographical diversified portfolio than Norwegian Property on a stand alone basis. Gross rental income will be distributed between the Nordic countries with 74 % in Norway, 15 % in Sweden, 10 % in Finland and 1 % in Denmark, compared to Norwegian Property's 100 % exposure towards Norway.

The combined company also has at broader sector exposure by the introduction of the hotel properties into the portfolio. The rental income would be distributed with 31% from Hotel, 7 % from retail and 62 % from Office / Parking. This gives the combined company a greater exposure towards consumer related industries with turnover based contracts, enabling the company to benefit from the high and steady growth of the consumer related sectors in the Nordic region

The lease duration mix of the combined portfolio will be attractively distributed over a number of years. Based on gross revenue 9 % of the portfolio is going to be renegotiated within the next three years, 34 % within the next 3-6 years, 37 % within the next 6-10 years and 30 % in more than 10 years time. Even the new, extended, market level contracts on 41 of 74 hotels the original Norgani Hotels with Scandic will only increase the duration slightly from the Norwegian Property's original 13 % within 3 year, 24 % within 3-6 years, 35 % within 6-10 years and 28 % in more than 10 years time. This leaves good exposure to possible increased in rental levels the forthcoming years.





5.2 The property portfolio

The combined portfolio would consist of total 133 buildings with at total of 1.432.000 square meters and a market value of approximately NOK 31 billion.

For details regarding the individual properties see table in section 3.3 for the properties already owned by Norwegian Property and table in section 4.2.7 for the properties potentially incorporated from Norgani.

5.3 Pro forma financial information for the combined company

5.3.1 Summary

This section presents, in accordance with the guidance from Oslo Stock Exchange, the pro forma profit and loss statement and pro forma balance sheet for the combined Norwegian Property and Norgani Hotels.

In summary, the pro forma figures for the period ended 31.12.2006 and 30.06.2007 illustrate a total pro forma turnover for the group of respectively NOK 1,563.6 million and NOK 854.3 million. The

estimated EBIT as of 31.12.2006 is NOK 2,361.1 million, and NOK 1,916.2 million as of 30.06.2007. Net profit as of 31.12.2006 is estimated to be NOK 969.1 million, and NOK 1,383.5 million for the period ended 30.06.2007.

5.3.2 General assumptions

The pro forma financial information does not necessarily reflect what the actual results would have been if transactions had occurred earlier and are not indicative of future results of operation or financial position. It must also be pointed out that the pro forma financial information is prepared for illustrative purposes only and that there is higher uncertainty in pro forma financial information than in historical actual financial information.

The pro forma financial statements for the period ended 31.12.2006 and 30.06.2007, are presented as if the acquisition took place and as if the combined Norwegian Property and Norgani Hotels Group had existed in operation from 01.01.2006. In the pro forma figures, Norwegian Property is assumed to own all shares in Norgani Hotels from 01.01.2006.

In the pro forma consolidated financial information all excess values in conjunction to the acquisition of Norgani Hotels are unallocated. A purchase price allocation in accordance with IFRS 3 will be performed when the transaction has been carried out.

The basis for the pro forma consolidated financial information is the historical consolidated financial statements of Norwegian Property and Norgani Hotels, both prepared in accordance with International Financial Reporting Standards (IFRS).

Acquisitions and divestments after the establishment of a property portfolio are normally part of the ordinary operations of a property company. Norgani Hotels was established in 2005 and the group conducted ordinary operations for the full year 2006 and first half year 2007. The income statement figures for Norgani Hotels included in the pro forma figures presented are therefore identical to the actual consolidated income statements for the period ended 31.12.2006 and 30.06.2007.

Norwegian Property was established in 2006 and its property portfolio is acquired during 2006 and 2007. The income statement figures for Norwegian Property included in the pro forma figures presented are therefore pro forma figures based on actual consolidated income statement figures for the period ended 31.12.2006 and 30.06.2007. Adjustments are made related to acquisitions carried out during 2006 and 2007. These adjustments are based on financial statements for the individual company at the acquisition date. For transactions where only a property are acquired, the profit and loss statement for the period before the acquisition date are estimated based on current rental agreements. Pro forma fair value adjustments of investment properties and financial derivative instruments (mainly interest rate swap contracts) are not calculated. Consequently, fair value adjustments included in the pro forma income statements for 2006 and 2007 are equal to actual reported figures. Pro forma income taxes for the period ended 31.12.2006 and 30.06.2007 are calculated at 28%.

The pro forma balance sheet statement as of 30.06.2007 is calculated based on actual figures reported for Norwegian Property and Norgani Hotels.

The auditor of Norwegian Property, Deloitte AS, has issued a report to the pro forma adjustments.

5.3.3 Pro forma figures for the combined Norwegian Property and Norgani Hotels

Pro forma figures for Norwegian Property are described in section 5.3.4. The following adjustments are made in connection with the combination of Norwegian Property and Norgani Hotels:

Adjustment 1 – Income statements for 2006 and 2007

The income statement adjustments are related to the assumed financing of the acquisition in the pro forma figures:

- In the pro forma figures, Norwegian Property is assumed to own all shares in Norgani Hotels from 01.01.2006. The acquisition is assumed to be financed by cash payments of NOK 430 million (Norwegian Property NOK 350 million investment in Oslo Properties in September 2007 and estimated transaction costs of NOK 80 million) and acquisition borrowing facilities of NOK 3,370 million (interests and costs in line with the NOK 1,700 million facility established by Oslo Properties in October 2007). The up front fee on the financing is amortized over the term of the loan. Net financial expenses for the period ended 31.12.2006 and 30.06.2007 are adjusted for interests on cash payments of NOK 430 million and additional borrowings of NOK 3,370 million in connection with the Norgani Hotels acquisition. The adjustment of interest income is calculated based on actual interest rates received in 2006 and first half year 2007. The adjustment of interest cost is calculated based on actual basis interest rates paid in 2006 and first half year 2007, adjusted for margins and expenses according to the acquisition borrowing facility.
- Income taxes of 28% are calculated on the adjustments.

Adjustment 2 - Balance sheet as of 30.06.2007

The adjustment is related to the preliminary Norgani Hotels purchase analysis and the assumed financing in the pro forma figures as follows:

Preliminary Norgani purchase analysis			
(Figures in NOK 1.000)	No. of shares	Share price (NOK)	Total
Purchase price for the shares	39 574 396	94	3 719 993
Transaction cost estimate			80 000
Equity in Norgani as of 30.06.2007			(3 137 200)
Excess value (unallocated and not adjusted for tax effects)			662 793
Financing of the acquisition assumed in the pro forma figures			
Purchase price, incl. costs			3 799 993
Additional borrowings			(3 369 993)
Cash payments			(430 000)

Adjustment 3 - Balance sheet as of 30.06.2007

The acquisition of the DnB Nor property at Aker Brygge in Oslo was agreed in July 2007, and included in the pro forma figures. The acquisition was completed ultimo September 2007. Total estimated purchase price (including costs) are NOK 1,800 million. In the pro forma figures, payments are assumed to be financed by NOK 1,300 million as additional borrowings and NOK 500 million as cash payments.

Pro forma income statement for the period ended 30.06.2007

	First half year 2007			
	NPRO	Norgani	Adj. 1	Total
		Actual	Pro forma	Pro forma
Figures in NOK 1.000	01.01 - 30.06	01.01 - 30.06	01.01 - 30.06	01.01 - 30.06
Rental income from properties	532 443	313 400	-	845 843
Other revenue	1 156	7 300	-	8 456
Gross rental income	**533 599**	**320 700**	**-**	**854 299**
Maintenance and property related costs	(30 964)	(31 800)	-	(62 764)
Other operating expenses	(31 338)	(38 200)	-	(69 538)
Total operating cost	**(62 302)**	**(70 000)**	**-**	**(132 302)**
Operating profit before fair value adj. of investment property	**471 297**	**250 700**	**-**	**721 997**
Gain from fair value adjustment of investment property	1 057 530	130 700	-	1 188 230
Gain from sales of investment property	-	6 000	-	6 000
Operating profit	**1 528 827**	**387 400**	**-**	**1 916 227**
Financial income	17 371	3 400	(8 944)	11 827
Financial costs	(484 008)	(160 100)	(104 105)	(748 212)
Change in market value of financial derivative instruments	420 071	199 200	-	619 271
Net financial items	**(46 566)**	**42 500**	**(113 049)**	**(117 114)**
Profit before income tax	**1 482 262**	**429 900**	**(113 049)**	**1 799 113**
Income tax expense	(415 033)	(19 500)	31 654	(402 880)
Profit for the period	**1 067 228**	**410 400**	**(81 395)**	**1 396 233**
Minority interests	(12 686)	-	-	(12 686)
Profit after minority interest	**1 054 542**	**410 400**	**(81 395)**	**1 383 547**

Pro forma balance sheet as of 30.06.2007

	30 June 2007				
	NPRO	Norgani	Adj. 2	Adj. 3	Total
	Actual	Actual	Pro forma	Pro forma	Pro forma
Figures in NOK 1.000	30.06	30.06	30.06	30.06	30.06
Assets					
Properties etc	18 541 682	9 246 800	-	1 800 000	29 588 482
Excess value from acquisition of Norgani (unallocated)	-	-	662 793	-	662 793
Receivables	853 545	144 300	-	-	997 845
Cash and cash equivalents	1 100 340	76 400	(430 000)	(500 000)	246 740
Total assets	**20 495 567**	**9 467 500**	**232 793**	**1 300 000**	**31 495 860**
Equity/liabilities					
Shareholder's equity	6 527 531	3 137 200	(3 137 200)	-	6 527 531
Minority interests	57 520	-	-	-	57 520
Total equity	**6 585 051**	**3 137 200**	**(3 137 200)**	**-**	**6 585 051**
Interest bearing liabilities	12 860 697	6 163 400	3 369 993	1 300 000	23 694 090
Other liabilities	1 049 819	166 900	-	-	1 216 719
Total liabilities	**13 910 516**	**6 330 300**	**3 369 993**	**1 300 000**	**24 910 809**
Total equity and liabilities	**20 495 567**	**9 467 500**	**232 793**	**1 300 000**	**31 495 860**

Pro forma income statement for the period ended 31.12.2006

	Full year 2006			
	NPRO	Norgani	Adj. 1	Total
		Actual	Pro forma	Pro forma
Figures in NOK 1.000	01.01 - 31.12	01.01 - 31.12	01.01 - 31.12	01.01 - 31.12
Rental income from properties	968 860	553 700	-	1 522 560
Other revenue	20 364	20 700	-	41 064
Gross rental income	**989 225**	**574 400**	**-**	**1 563 625**
Maintenance and property related costs	(76 377)	(59 400)	-	(135 777)
Other operating expenses	(83 259)	(55 400)	-	(138 659)
Total operating cost	**(159 636)**	**(114 800)**	**-**	**(274 436)**
Operating profit before fair value adj. of investment property	**829 588**	**459 600**	**-**	**1 289 188**
Gain from fair value adjustment of investment property	393 244	613 000	-	1 006 244
Gain from sales of investment property	-	65 700	-	65 700
Operating profit	**1 222 832**	**1 138 300**	**-**	**2 361 132**
Financial income	2 527	21 500	(12 470)	11 557
Financial costs	(727 448)	(286 400)	(200 728)	(1 214 576)
Change in market value of financial derivative instruments	76 743	58 700	-	135 443
Net financial items	**(648 178)**	**(206 200)**	**(213 198)**	**(1 067 576)**
Profit before income tax	**574 655**	**932 100**	**(213 198)**	**1 293 557**
Income tax expense	(160 903)	(222 200)	59 695	(323 408)
Profit for the period	**413 751**	**709 900**	**(153 503)**	**970 149**
Minority interests	(1 027)	-	-	(1 027)
Profit after minority interest	**412 725**	**709 900**	**(153 503)**	**969 122**

5.3.4 Norwegian Property pro forma income statement figures

The pro forma income statement figures for the period ended 31.12.2006 are calculated on the basis of 31.12.2006 actual figures. For the period ended 31.12.2006 pro forma adjustments are made in relation with all acquisitions carried out in 2006 and 2007. These acquisitions include 41 properties acquired from 09.06.2006 to 08.09.2006, Drammensveien 144 acquired 05.12.2006, the Nydalen-portfolio

acquired 01.01.2007 and the agreement dated 12.07.2007 to acquire the DnB NOR Bank property at Aker Brygge.

The pro forma income statement figures for the period ended 30.06.2007 are calculated on the basis of 30.06.2007 actual figures, adjusted for the acquisition of the DnB NOR Bank property at Aker Brygge.

Adjustment 4 – Income statement for 2006 and 2007

The following pro forma adjustments for the period ended 31.12.2006 and 30.06.2007 are made:

- Adjustments related to the full year effect of revenues and operating expenses made in relation with the acquisitions of 41 properties from 09.06.2006 to 08.09.2006 (01.01.2006-08.09.2006), Drammensveien 144 (01.01.2006-05.12.2006), the Nydalen-portfolio (01.01.2006-31.12.2006) and the DnB NOR Bank property at Aker Brygge (01.01.2006-31.12.2006 and 01.01.2007-30.06.2007).
- The operating and property management expenses for 2006 are adjusted for an estimated cost related to the set up and organisation of a corporate management for the Norwegian Property Group. The non requiring costs related to the start up of the Group, which is included in the actual figures for 2006, is assumed to cover the estimated central management fees for the period from 01.01.2006 to the start up date.
- Net financial costs reported by the 41 properties acquired from June to September 2006 are replaced by costs calculated based on the actual external financing of the properties arranged by Norwegian Property after the acquisitions. Net financial costs reported by the Nydalen-portfolio are also replaced by costs calculated for the period ended 31.12.2006, based on the actual external financing of the properties arranged by Norwegian Property. The original external financing of Drammensveien 144 are continued after the acquisition. Additional borrowings in connection with the acquisition of the DnB NOR Bank property at Aker Brygge are not expected (only borrowings related to the financing of the acquisition).
- Net financial costs for the period ended 31.12.2006 (all acquisitions) and 30.06.2007 (the DnB NOR Bank property at Aker Brygge) are adjusted for cash payments and additional drawings made in connection with the financing of the acquisitions.
- Income taxes of 28% are calculated on profit before tax.

Pro forma income statement for the period ended 31.12.2006

		Full year 2006	
	NPRO Actual	Adj. 4	NPRO
Figures in NOK 1.000	09.06 - 31.12	01.01 - 31.12	01.01 - 31.12
Rental income from properties	410 133	558 727	968 860
Other revenue	4 640	15 724	20 364
Gross rental income	**414 773**	**574 452**	**989 225**
Maintenance and property related costs	(20 216)	(56 161)	(76 377)
Other operating expenses	(42 846)	(40 413)	(83 259)
Total operating cost	**(63 062)**	**(96 574)**	**(159 636)**
Operating profit before fair value adj. of investment property	**351 711**	**477 877**	**829 588**
Gain from fair value adjustment of investment property	393 244	-	393 244
Gain from sales of investment property	-	-	-
Operating profit	**744 955**	**477 877**	**1 222 832**
Financial income	13 521	(10 993)	2 528
Financial costs	(295 762)	(431 686)	(727 448)
Change in market value of financial derivative instruments	76 743	-	76 743
Net financial items	**(205 498)**	**(442 679)**	**(648 177)**
Profit before income tax	**539 458**	**35 198**	**574 656**
Income tax expense	(148 565)	(12 338)	(160 903)
Profit for the period	**390 892**	**22 860**	**413 752**
Minority interests	(1 256)	229	(1 027)
Profit after minority interest	**389 636**	**23 089**	**412 726**

Pro forma income statement for the period ended 30.06.2007

	First half year 2007		
	NPRO Actual	Adj. 4	NPRO
Figures in NOK 1.000	01.01 - 30.06	01.01 - 30.06	01.01 - 30.06
Rental income from properties	491 301	41 142	532 443
Other revenue	1 156	-	1 156
Gross rental income	**492 457**	**41 142**	**533 599**
Maintenance and property related costs	(28 387)	(2 577)	(30 964)
Other operating expenses	(31 338)	-	(31 338)
Total operating cost	**(59 725)**	**(2 577)**	**(62 302)**
Operating profit before fair value adj. of investment property	**432 732**	**38 565**	**471 297**
Gain from fair value adjustment of investment property	1 057 530	-	1 057 530
Gain from sales of investment property	-	-	-
Operating profit	**1 490 262**	**38 565**	**1 528 827**
Financial income	27 771	(10 400)	17 371
Financial costs	(450 994)	(33 014)	(484 008)
Change in market value of financial derivative instruments	420 071	-	420 071
Net financial items	**(3 152)**	**(43 414)**	**(46 566)**
Profit before income tax	**1 487 110**	**(4 849)**	**1 482 262**
Income tax expense	(416 391)	1 358	(415 033)
Profit for the period	**1 070 719**	**(3 491)**	**1 067 228**
Minority interests	(12 686)	-	(12 686)
Profit after minority interest	**1 058 033**	**(3 491)**	**1 054 542**

All of the pro forma adjustments listed above (adjustments 1-4) will also apply for and impact the financial statements going forward, except for the adjustment of operating and property management expenses for 2006 related to the set up and organisation of a corporate management for the Norwegian Property group (see adjustment 4).

5.4 Valuation of Norgani Hotels

External valuation reports for a selection of the Norgani Hotels properties by DTZ Realkapital Verdivurdering AS, Akershus Eiendom AS and Maakanta OY have been included as Appendix 3 to this Information Memorandum. The valuation reports include valuations performed within the last 12 months for 56 individual properties of a total of 74 properties. The 56 properties represent approximately 71 % of the total portfolio value (measured by a gross value of the hotels held per 30.09.07 and hotels acquired after 30.09.07 of NOK 9.7 billion).

It should be noted that the strategic agreement with Scandic Hotels AB (see section 2.1.3) whereby the principles for new and long-term lease contracts between Scandic Hotels AB and Norgani Hotels have been set out is not yet incorporated into the rental contracts of the individual hotels. The impact of this agreement is thus not reflected in the enclosed external valuations of the individual properties. The strategic agreement is in the process of being incorporated into the property lease agreement of each of the individual hotels. The strategic agreement, with higher rents, longer durations and minimum rental clauses will have a material impact on all the properties where Scandic Hotels AB is a tenant and for the value of Norgani Hotels portfolio as a whole. The rent levels for the hotel properties involved will be increased with a total of EUR 10.5 million to reflect current market levels, and new minimum rent levels at 70% of agreed rent will be imposed. The new lease contracts include all hotels leased by Scandic Hotels AB and are valid from 1 January 2008. The average duration for these lease contracts is extended from 6 to 13 years. Scandic Hotels represents about 60 per cent of Norgani Hotels rental income.

The valuation reports have been prepared by:

Akershus Eiendom AS	DTZ Realkapital Verdivurdering AS	Maakanta OY
Jørgen Haga and Ragnar Eggen	Jørn Høistad and Kim Frivold	Hannu Ridell
Haakon VII's gate 10	Stranden 1A	Unikkotie 13
0161 Oslo	0250 Oslo	01300 VANTAA
Norway	Norway	Finland

Neither of the above-mentioned companies have any significant interests in Norwegian Property.

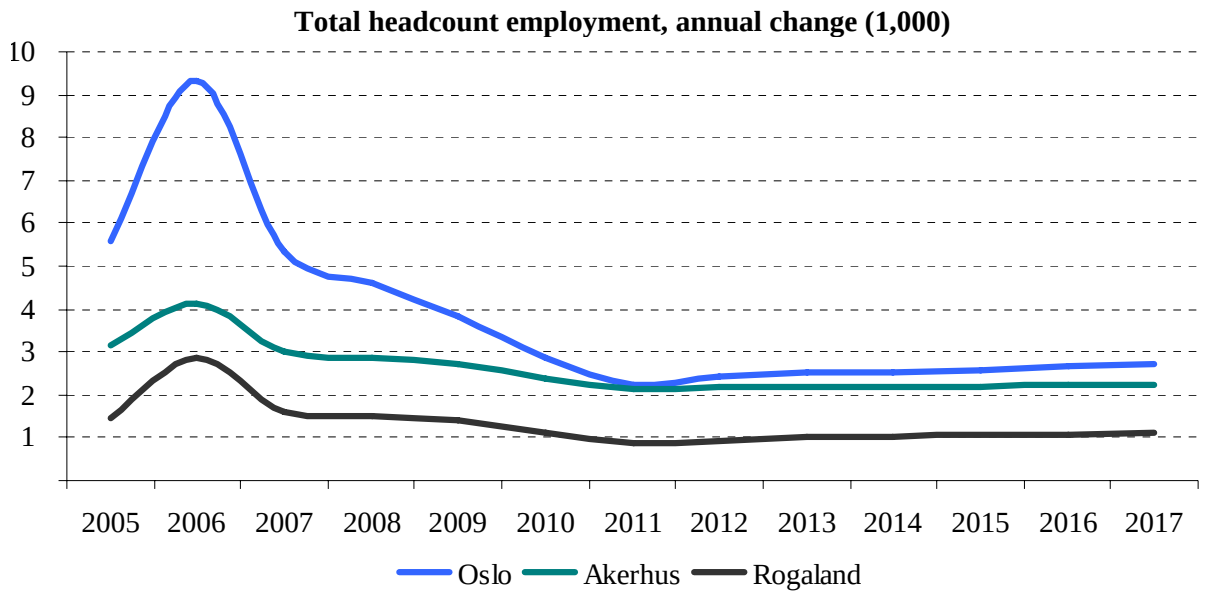
6 MARKET OVERVIEW

The Norwegian economy is entering its fourth consecutive year of growth above the long-term trend. In 2005 the mainland economy (excluding offshore oil) expanded by 3.7%, this number was at 4.6% in 2006, and the forecast for 2007 is that the mainland economy will grow by 3.3%. During 2006 there was also a significant fall in unemployment, and the economy is now beyond full resource utilisation. The unemployment rate in Norway is currently at 3.4%, which is below equilibrium leading to capacity constraints in the economy. Inflation is expected to resume an upward trend mainly due to the high pressure on the wages, but any increase is expected to be minor as we assume the high imports from low cost-countries to remain.

Norges Bank is weighing a strong labour market and strong credit growth against an inflation rate close to its target of 2.50%. The sight deposit rate is currently 4.75%. The message from Norges Bank has been that the deposit rate will be raised in “small, not too frequent steps”.

According to Statistics Norway, national employment was up by 2.9% in 2006. For the coming years, they expect an employment growth of 1.7% in 2007, 0.9% in 2008 and 1.5% in 2009. This growth will reduce the unemployment to a record low level of 2.7% in 2009.In Oslo the employment increased by 3.7% in 2006 and the labour force increased by 4.6%. This resulted in 24,000 new jobs in the Greater Oslo area the same period. Mainly office-related businesses are enjoying the strong growth, but also consulting and engineering firms. We observe that banking, property, ITC, oil and offshore industries and construction are the most active recruiters.

The employment growth has been and is expected to be especially strong in the central regions. According to Experian, the headcount increase in the Oslo and Akershus region is expected to increase by approximately 29,000 from 2006 to 2008. In Stavanger, Experian expects a headcount increase of approximately 6,000 in the same period. This is expected to contribute to increased demand for office space in the coming years.



Source: Experian

The Oslo office market

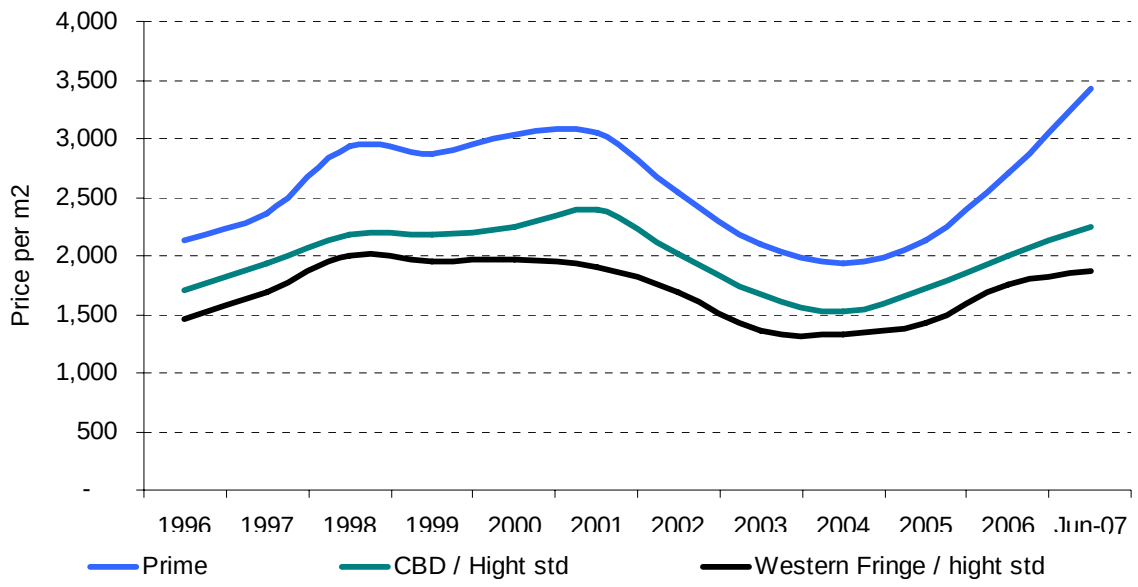
The Oslo office building stock, including Lysaker consists of approximately 8.5 million m² . Of this, roughly 3 million m² are situated within the city centre, from Solli Plass in the west to Bjørvika in the east. Office zones outside the Central Business District are generally found along the outer circle road from Lysaker through Nydalen and Helsfyr to Bryn. Single office buildings and smaller office areas also exist outside and between these areas. The area between the CBD and the outer circle road is

mostly in use for residential, university and retail purposes. The west of Oslo contains high-end residential areas with low density. The north-eastern corner of Oslo is the core area in Norway for logistical purposes, with many distribution centres for retail and transportation businesses. Eastern and southern areas consist of residential areas with varying degrees of density.

Office rents

The rent levels in the prime office market increased by 600 NOK/m², or almost 30 %, during 2006. The rents rose faster towards the end of the year, reaching a level of 3,500 NOK/m². In 2007, the office rent levels continued its upswing, with over 4,000 NOK/m2 in the beginning of the year. The current record is at NOK 4,850 NOK/m^2 in the CBD Vika area.

Office rent per m2 (Oslo)



Source: Akershus Eiendom Autumn 2007

A general observation in the prime office area is that most tenants are hiring more people and need more space. The vacancy in the prime area is almost zero and growth in rent levels are expected to continue in other areas like Skøyen, Lysaker and Nydalen also. In Nydalen lately, rental agreements have been signed on levels around 1.550 NOK/m². On the east side of Oslo, rent levels have been close to 1,500 NOK/m² for the best new space at Helsfyr.

The strong rental growth of the Prime market has also started to affect the rest of the CBD areas. Rents above 2,200 NOK/m² have been agreed on both in the central/ northern part of the CBD and in Bjørvika. The growth will primarily be led by the large tenants, which have significantly fewer options compared to the situation in 2006. As new developments projects are still not materialising in large volumes the office spaces available within a short time span (from 0 to 18 months) will still command higher rents than the ones that can be delivered in 2009. The vacancy levels at Lysaker and Fornebu have just recently gone below 5%, and this signals that rents will rise faster, especially for the larger spaces. A number of large tenants in the area are looking to expand or find new premises. Nydalen and Helsfyr have seen rents rising significantly during 2007. For 2008 the rent levels in these areas are expected to increase further.

New projects

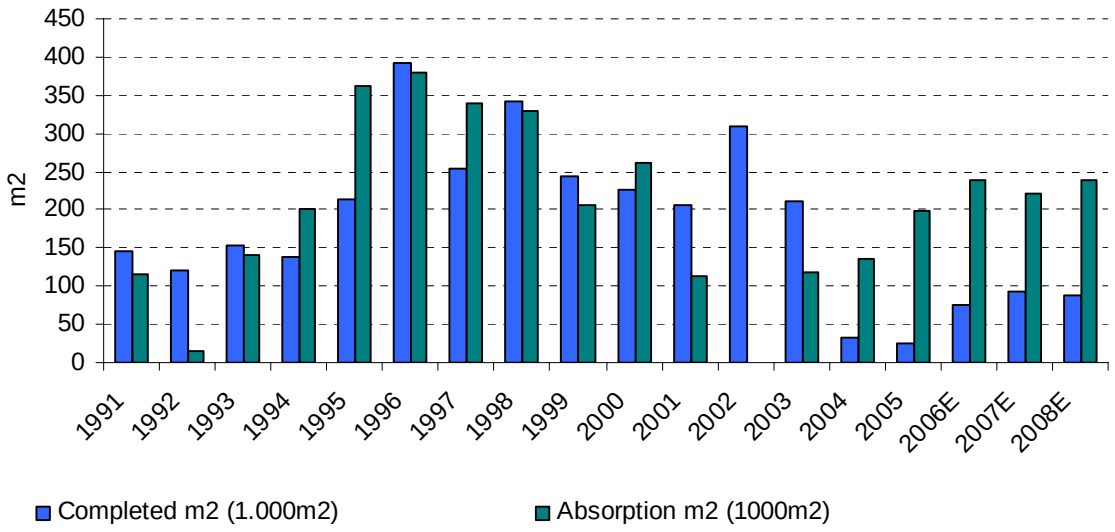
Due to the strong demand for residential and retail buildings, the construction industry has had a huge boom over the last years. Residential and retail premises have typically offered higher margins than office construction, making offices less of a priority for the developers. Secondly, the rents have stayed low in the areas with most of the available land plots (Fornebu, Nydalen, Økern, Helsfyr/Bryn) and this

has kept the profit margins low. Quite simply, the years with high vacancy and low rents have stabilized the market by postponing new development until the demand is once again stronger than the supply, even for B-location properties.

On average, around 200,000 square meters of new office stock has been brought into the Oslo market each year since 1990, according to Eiendomsspar. Average net absorption has been 185,000 square meters over the same period. In 2004 and 2005 we saw an all-time low in new office stock, at 32,000 square meters and 102,000 square meters, respectively. Completion was also low in 2006, at 91,000 square meters.

Regarding ongoing and expected projects, DNBNor Næringsmegling estimates 93,000 square meters to be completed in 2007 and 87,000 square meters in 2008. This is much lower than the historic average and additionally some of the projects that are planned to be completed in the 2007 to 2009 are delayed causing the supply to be even lower than expected.

Oslo Office Completion and Absorption



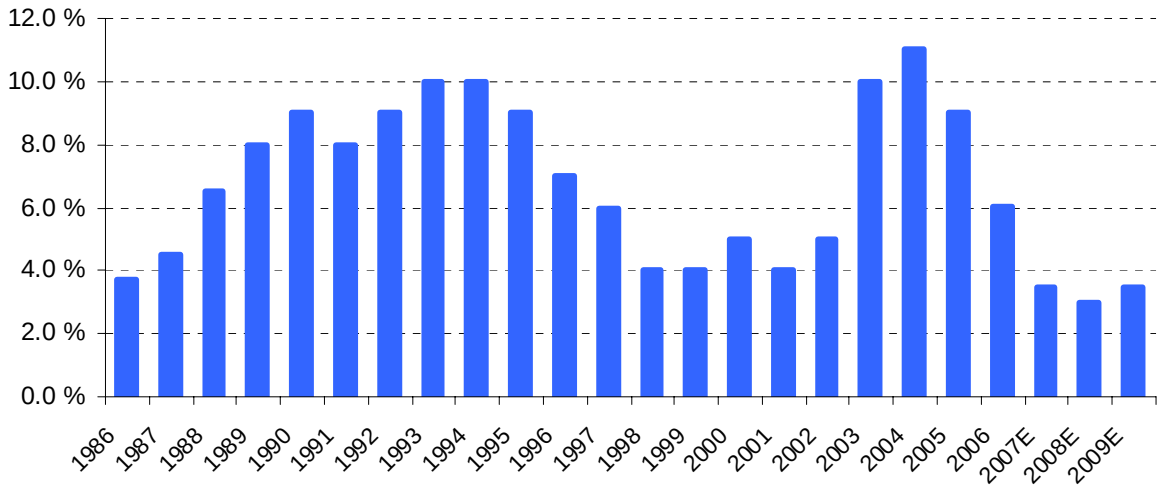
Source: DnbNor Næringsmegling

Vacancy

As of January 2007, the Oslo office vacancy was 6.5%. Today it stands at 5.0 % and this is a significant reduction from the 9.5% seen in 2006. End 2007/start 2008 vacancy is expected to be around 3.5 %. The development activity is not expected to increase much before the rents go up additional 15-30% in the areas where land is readily available.

It is possible to use the volume of employees added to the Norwegian economy to forecast new demand. This information is provided by the Statistics Norway and Akershus Eiendom expects that demand will grow in the same pace this year as it did in 2006. Vacancy will, according to Akershus Eiendom stay below 4% in 2008 and 2009. Historically one has seen that the average rents starts to rise as soon as the vacancy falls below 5%. Based on the fact that many tenants value location high and that there are few good options in neighbouring areas office rents are expected to grow faster in the years to come.

Office vacancy in Oslo (%)



Source: Akershus Eiendom, Autumn 2007

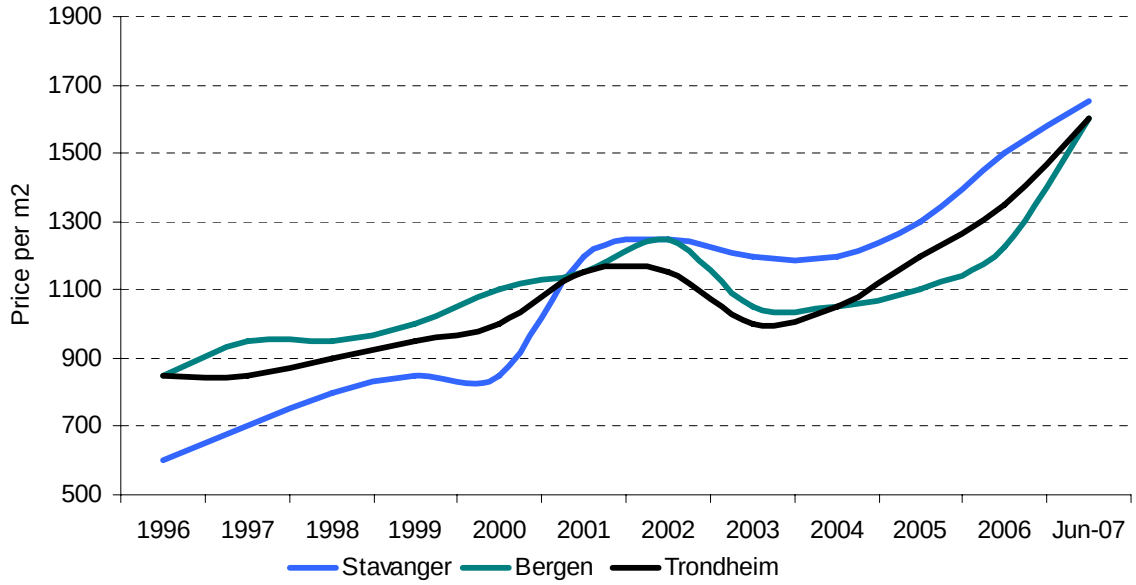
Other cities

The commercial real estate markets in the other large cities in Norway have been relatively stable over time and as in Oslo, the same positive drivers are present in these markets:

- Few new construction projects
- Vacancies dropping
- Zero vacancy for larger office areas (CBD)
- Oil-area (Forus) - demand for space increasing

The rental level in Stavanger, Bergen and Trondheim bottomed out in 2003-2004 period, however since then we have seen a positive development. The table below illustrates the development in the nominal rent levels over the last 10 years in Stavanger, Bergen and Trondheim.

Office rent per m2 (Stavanger, Bergen and Trondheim)



Source: Akershus Eiendom, Autumn 2007

Hotels

The travel and tourism industry is one of the largest industries in the world and according to the World Travel and Tourism Counsel (WTTC) this industry accounted for 10.3 percent of GDP in 2006 and more than 234 million jobs. WTTC expects the industry to continue to grow across the world, averaging around 5 percent per cent annually over the next ten years. Travel normally increases with economic activity. A dramatic increase in travel is currently seen in emerging economies such as China and India but it is also rising with the strong business cycle in Europe and the U.S. Business travel is further boosted by an expansion of contacts as regions are knitted closer together such as in the EU.

Low cost carriers also add to demand, as does the ageing, but still healthy and active population. The demand for hotel accommodation fluctuates with the demand for travel. There is underlying growth in the market, since people to a greater extent opt for hotels rather than staying with friends and family.

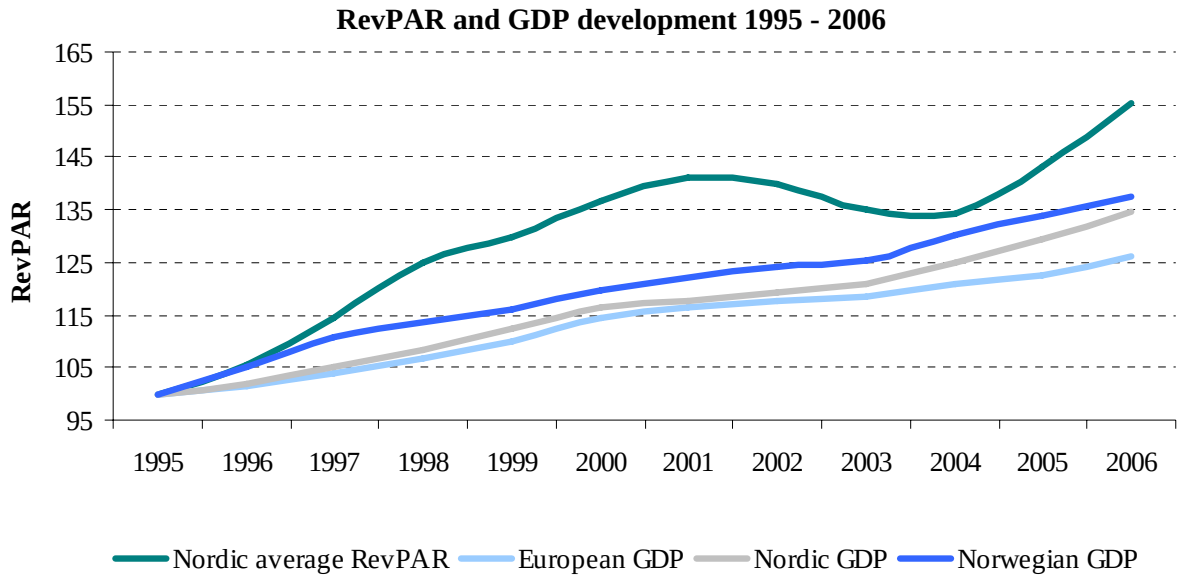
A hotel's room revenue is measured by revenue per available room or RevPAR, which is determined by average room rate and occupancy. Occupancy is the proportion of sold rooms in relation to capacity and generally the, hotel room revenues swings a lot over the year with the second and third quarters normally much better than the first and fourth.

In 2006, there were 3,855 hotels in the Nordic region with an average of 63 rooms. Sweden represented 38 percent of the room capacity, Norway 25 percent, Denmark 19 percent and Finland 17 percent of room capacity. Demand can be categorized as conference/business and holiday/ leisure, and foreign and domestic. In Sweden and Norway, the majority is conference/business, while in Finland it is holiday/ leisure. When it comes to the distribution between domestic and foreign guests, Denmark has a distinctly higher share of foreign guests than the other three countries. Domestic demand represents over 70 percent of guest nights in Sweden, Finland and Norway. An important characteristic for the Nordic region is that a large proportion of hotels operates under brands. The distribution between the different segments in the three Nordic countries is illustrated below:

Guest profile	Business	Leisure	Domestic	International
Sweden	64%	36%	77%	23%
Norway	51%	49%	72%	28%
Finland	41%	59%	72%	28%
Denmark	51%	49%	59%	41%

Source: National statistics 2006

Statistics for the Nordic hotel market show a positive trend. As shown in the figure below, RevPAR has increased steadily the last ten years with a little downturn in 2002 and 2003. This trend is expected to continue in the forthcoming years.



Source: National statistics

The Swedish market remained very strong in 2006, with an increase in RevPAR (revenue per available room) of 6.7 percent to SEK 412. The capacity increased by 1.2 per cent. The market was even stronger in Norway than in Sweden. Here, RevPAR increased for the third consecutive year, this time with 8.8 percent to NOK 407. The average room price posted an increase of 4.0 percent, reaching NOK 746. Occupancy improved by 2.5 percentage points to 54.6 percent. The capacity increased by 0.8 percent to 61,811 rooms.

The Finnish market have grown continuously since 2003 and reached its highest level since 1980 in 2006. RevPAR increased by 7.7 percent to EUR 42.05 and the average room rate rose by 2.8 percent to 81.77. Occupancy was for the first time since 1980 above 50 percent, reaching 51.4 percent. In Helsinki the occupancy rate was 69 percent and in the second largest city Tampere it was 67.9 percent. Capacity increased by 1.4 percent to 47.526 rooms. In Denmark, occupancy increased by 7.7 percentage points to 58.2 percent. The occupancy level in Copenhagen reached a historically high level of 68.1 percent. There was no significant change in capacity.

The strong development in RevPAR continued in the first half of 2007. The RevPAR was up 14% in Norway, 10% in Finland and 8% in Sweden in the first half of the year. The expectations for the next six to twelve months are an increase of 5-10%.

7 RISK FACTORS

7.1 Company and industry risk factors

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 the lease contracts expire on the company's properties.

Interest rate fluctuations

Norwegian Property is to a large extent financed by debt and will be exposed to interest rate fluctuations. Any period of unexpected or rapid increase in interest rates may hence negatively affect the company's cash flows and profitability. 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. 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, but rent level is also relevant when re-negotiating/renewing or entering into new leases.

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 property portfolio have a 100% CPI adjustment clause allowing the company to adjust rental rates with the CPI development. The company seeks to secure such regulation clauses in all new contracts.

Demand for office space

The demand for office/retail space 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.

Supply of office space

The supply of office space is influenced mainly by construction activity. Historically, positive developments in the office property market have been followed by increased construction of office 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.

Tenant risk

The financial status and strength of the company's tenants, and thus their ability to service the rent etc. will always be a decisive factor when evaluating the risk of property projects. It would not be unusual if some of the leases are terminated and that new lease contracts are entered into. Termination of leases with subsequent vacancy of the premises, or lower rent levels, will influence the rental income negatively.

The Company focuses on blue chip tenants and on long term contracts. The current average remaining lease term of the rental contracts are 6.9 years as of 30.06.2007 (incl. 4 office and retail properties at Aker Brygge, which the Company entered into an agreement in July 2007 to acquire from DnB NOR Bank ASA). The majority of the company's current rental revenues come from solid tenants. New tenants are checked for credit rating and history. Most tenants have provided bank guaranties or made deposits in secure "depository accounts" with amounts equivalent to a minimum of 3 months rent. Credit losses during Q2 2007 have been negligible.

Risk related to Aker Hus – the headquarter of Aker ASA
The construction of Aker Hus – Aker ASA's new headquarter at Fornebu – is estimated to be completed in November 2007. There is always a risk that the completion of a construction project may be delayed and that the construction costs will exceed the initial cost budget. However, pursuant to a sale and purchase agreement entered into in 2005, Aker ASA is as a main rule obligated to cover costs and losses arising from delayed completion and 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; Nor Property Invest AS (the company's subsidiary). 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 development of a new railway solution at Fornebu (*Fornebu-banen*) may lead to claims against Nor Property Invest AS and other property owners at Fornebu.

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, lays down 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, alone 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 is in force.

Legal claims/legal matters/ pre-emption rights
Norwegian Property may in the future be subject to legal claims from tenants, authorities, including tax authorities and other third parties. No assurance can be given to the outcome of any such claims. In particular in relation to renegotiation of site leasehold (Nw: festekontrakter) and lease contracts, and it is likely that disputes may arise in the future between the owner and the tenant.

There are pre-emption rights on some of the company's properties for the benefit of the tenants and these pre-emption rights were each waived by the respective holders in connection with Norwegian Property's acquisition of the relevant property. The lessee of the Property Mauritz Kartevolds plass 1 in Sandnes municipality has a right to purchase the leased premises at marked value after the expiration of the lease contract (1 January 2020).

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.

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.

Fulfilment of loan obligations
The loan facilities negotiated for the Company contain certain requirements as regards the financial condition of the Company (financial covenants) relating to i.a. interest coverage ratio, loan-to-value covenants, change of control etc and other obligations of financial nature, see further section 3.5.

No assurance can be given that the 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 the loans is accelerated by the lenders, including acceleration based on the provisions regarding cross-default, which could itself oblige the Company to seek to refinance its loans and the Company may be forced to divest properties. There can be no assurance that the Company will, if required, be able to enter into new loan facilities on satisfactory terms, and to the extent necessary to maintain its existing and future business.

Maintenance/Technical condition/Operating risk
Maintenance etc. of the properties, has been regulated mainly 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 leases 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 greater than assumed. The scope of 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. Technical due diligence has been performed on all property acquisitions to assess maintenance requirements and expected future operational expenses.

All the Company's properties are operated by professional facility management operators with clear contractual obligations to employ or engage the required competence and resources to meet regulatory standards.

The Company has a group wide insurance policy that will provide indemnity for unforeseen physical damage to, or loss of, insured property that occurs as a result of named perils such as fire, water damage, storm, etc. as well as liability insurance. The insured value of buildings is the replacement value of the property. The insurance terms also give coverage when rentals have been interrupted or rental value has been impaired by the occurrence of any of the insured perils. The insurance program is covered by reputable insurance companies.

Hidden defects and emissions - pollution
Generally, under the purchase contracts the Company carries a risk for hidden defects and pollution at the properties. In respect of some of the 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 the authorities.

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.

Preservation areas
Some of the buildings in Aker Brygge, parts of Middelthunsgate 17 and Skippergata 3 are regulated for conservations purposes. For Aker Brygge this includes the original buildings from the shipyard period. These are regulated as "special area preservation (business, office, food and drink, cinema, museum)". The buildings are not permitted to be demolished and 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/façade. The

interiors are considered less suitable for preservation, not the least due to the requirements for changes to offices and retail areas. The report has received some mention in the media.

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. Similar restrictions apply on Skippergata 3.

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 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 it is normal practice that the buyer does not register his acquisition. As an alternative, the buyer may often (in addition to purchasing the property itself) 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. 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.

Fraud risk
In "Instructions to the Board" and "Instructions to the CEO" overall guidelines are communicated to set the ethical standards for the leadership and business conduct in the company. The Norwegian Property group has not experienced any incidents of fraud or fraudulent behaviour during the operational period of the Company.

7.2 Risks related to the Transaction

Exercise of call and put options not certain
Norwegian Property will emphasise that the acquisition of more than 90 per cent of the shares in Oslo Properties is subject to exercise of the put and/or call options following from the investment agreements referred to in section 2.1.1 above. At present, it is not evident that either the put or the call options will be exercised.

Changes regarding Norgani Hotels may occur prior to a potential exercise of the options
As it may, and as regards some of the put and call option arrangements will, take some time until a potential exercise of the put and/or call options, the value of the Oslo Properties and Norgani Hotels shares may be different at the time of the potential exercise of the put and/or call options than the present value.

Risks regarding guarantee issued by the Company for Oslo Properties' and potentially for Norgani Hotels' debt
To facilitate the debt incurred by Oslo Properties and potentially also to facilitate processes related to change of control clauses in current debt issued by Norgani Hotels' group company's or a potential refinancing of such debt, Norwegian Property has or will issue guarantees for some or all of such debt.

No assurance can be given that Oslo Properties and the Norgani Hotels group will be able to satisfy all these terms and conditions at all times in current or new loan facilities guaranteed by Norwegian Property, or that the lenders will waive or change the terms to avoid an actual or expected default of this debt. This could mean that repayment of the loans is accelerated by the lenders and the guarantees

are called, including acceleration based on the provisions regarding cross-default, which could itself oblige the Company to seek to refinance its loans and the Company may be forced to divest properties. There can be no assurance that the Company will, if required, be able to enter into new loan facilities on satisfactory terms or fulfil the guarantee obligations, and to the extent necessary to maintain its existing and future business.

7.3 Risks related to Norgani Hotels

In addition to the general industry risks described in 7.1, which affect Norgani Hotels's business as well as the business of Norwegian Property, the following risk factors relate to the operations of Norgani Hotels and will accordingly be important when assessing the risk relating to Norgani Hotels

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 a material adverse effect on Norgani Hotels' cash flow and revenues.

Demand for accommodation
The demand for accommodation will influence the tenants' income and hence financial situation. The tenants' income will affect their ability to pay minimum rents over time (tenant risk) and influence the level of revenue based component of rents (revenue based leases), if any. The demand for 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, will adversely affect travel and hence the demand for lodging. Likewise geopolitical uncertainty may negatively affect travel. 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. There are no guarantees that the regions that are attractive today stay attractive in the future.

Supply of accommodation
The supply of accommodation is influenced mainly by construction activity. Historically, positive developments in the hotel markets have been followed by increased construction of hotels. This may lead to oversupply and hence lower revenues for the tenants. In turn this will negatively affect the financial strength of the tenants as well as reduce revenue based components of rents. The long lead time of hotel construction may further increase this effect, as construction that has been started in general will be finalised regardless of any market slowdown.

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.

Tenant risk, vacancies and level of rent
The financial status and strength of Norgani Hotels' tenants, and thus their ability to service the rent etc. will always be a decisive factor when evaluating the risk of property projects. It would not be unusual if some of the leases are terminated and that new lease contracts are entered into. Termination of leases with subsequent vacancy of the premises will influence the rental income negatively. In several cases the same operator (tenant) occupies more than one hotel.

Possible refurbishment could also have a negative impact on the total income due to vacancy in such periods. Further, tenants of 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.

Vendor rental guarantees/Credit risks on sellers
Norgani Hotels has received vendor rental guarantees from sellers of properties for a limited period of time. Only limited security is established for these guarantees. The risks related to the level of Norgani Hotels' income increase when the guarantees expire given the large extent of revenue based leases.

The actual and possible liability of the sellers under the agreements is unsecured. Consequently, Norgani Hotels takes to a large extent the credit risk on the sellers.

Legal claims/legal matters/pre-emption rights
Norgani Hotels is, and may in the future be, subject to legal claims from tenants, authorities, including tax authorities and other third parties. No assurance can be given to the outcome of any such claims. In particular in relation to renegotiation of site leasehold (*Nw: festekontrakter*) and lease contracts, there are, and it is likely that disputes may arise in the future between the owner and the tenant.

There are contractual and statutory pre-emption rights (*Nw: forkjøpsrett*) applicable upon sale of some of Norgani Hotels' properties (or companies holding the properties). Even if such rights have been waived, not used or are not applicable in Norgani Hotels' 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.

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

Norgani Hotels' losses carried forward have been part of recent transactions from businesses to be continued. Norgani Hotels has no assurance that these losses carried forward are usable, either within the country they appeared or across the Nordic region. Furthermore, Norgani Hotels does not have any assurance for when and how these losses may be utilized against profits.

Regulation risk
Changes in, or completion, of existing planning regulations by relevant authorities may significantly affect the operations of Norgani Hotels' 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.

8 ADDITIONAL INFORMATION

8.1 Documents on display

Copies of the following documents will during the life of this Information Memorandum be available for inspection at any time during the normal business hours on any business day free of charge at the registered office of the Company:

- Memorandum of Incorporation of the Company
- Articles of Association of the Company
- All reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Information Memorandum
- The historical financial information for each of the two financial years preceding the publication of this Information Memorandum

8.2 Confirmation regarding sources

The information in this Information Memorandum that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party is identified where used.

8.3 Incorporation by reference

The information incorporated by reference in this Information Memorandum shall be read in connection with the cross-reference list set out in the table below. Except as provided in this section, no other information is incorporated by reference into this Information Memorandum.

Reference:	Section:	Incl. by reference:	Internet:	Note:
Accounting principles	3.5	Annual Report 2006	http://www.newsweb.no/index.jsp?messageId=148793	P22-25
Audited historical financial information	3.5	Annual Report 2006	http://www.newsweb.no/index.jsp?messageId=148793	P17-40
Audit report	3.5	Annual Report 2006	http://www.newsweb.no/index.jsp?messageId=148793	P61
Quarterly financial information Norwegian Property	3.5	Q1-2007 Interim report	http://www.newsweb.no/index.jsp?messageId=150707	P8-10
Quarterly financial information Norwegian Property	3.5	Q2-2007 Interim report	http://www.newsweb.no/index.jsp?messageId=157179	P8-10
Corporate governance	3.8	Annual Report 2006	http://www.newsweb.no/index.jsp?messageId=148793	P62-65
Audited historical financial information Norgani Hotels	4.2.3	Annual Report 2005 Annual Report 2006	http://hugin.info/135847/R/1046272/171664.pdf http://www.newsweb.no/index.jsp?messageId=148748	P42-59 P42-68
Quarterly financial information Norgani Hotels	4.2.3	Q1-2007 Interim report Q2-2007 Interim report	http://www.newsweb.no/index.jsp?messageId=150193 http://www.newsweb.no/index.jsp?messageId=157766	P6-7 P8-9

Appendix 1 - Annual accounts for Tekågel Invest AS (the Company) for 2005
(Unofficial office translation)

TEKÅGEL INVEST 83 AS

Annual report 2005

Nature of business
The company was incorporated 20 July 2005 with the purpose to trade and invest in real estate, securities and other wealth instruments like involvement in other companies. The business office is located in Oslo.

Going concern/position/development
The accounts have been prepared on a going concern basis. The board does not recognise any contra dictionary circumstances to the going concern basis.

There has not been any activity in the company since incorporation. Equity is 100%.

Working environment/ equal opportunities
The company has no employees. The board consists of 1 member, no women.

External environment
The company does not pollute the external environment.

Oslo, 20 April 2006
For the board in Tekågel Invest 83 AS

Sverre Koch
Chairman

TEKÅGEL INVEST 83 AS

Profit and Loss Account pr 31 December

Operating revenues and operating costs	**Note**	**2005**
Other operating costs		140
Total operating costs		**140**
Operating result		**-140**
Financial income and financial costs		
Other interest income		30
Result of financial items		**30**
Result before tax		-110
Ordinary result		**-110**
Extraordinary income and costs		
Annual profit (annual loss)		**-110**
Transfers		
Transfers to uncovered loss		110
Total transfers		**-110**

TEKÅGEL INVEST 83 AS

Balance Sheet pr 31 December

	Note	2005
ASSETS		
Current assets		
Bank deposits		104 390
Total current assets		**104 390**
TOTAL ASSETS		**104 390**
EQUITY AND LIABILITIES		
Paid-in equity		
Share capital 1 000 at 100	2	100 000
Share premium reserve		4 500
Total paid-in equity		**104 500**
Earned equity		
Uncovered losses		-110
Total earned equity		**-110**
Total equity		**104 390**
TOTAL EQUITY AND DEBT		**104 390**

OSLO, 20 April 2006

Sverre Koch
Chairman

TEKÅGEL INVEST 83 AS

Notes to the accounts for 2006

Note 1- Accounting principles

The annual accounts have been prepared in accordance with the Accounting Act. It has been prepared after Norwegian accounting standards and good accounting practice.

Fixed assets comprise assets intended for long-term ownership and use. Other assets are classified as current assets. Receivables that fall due for payment within one year are classified as current assets. Liabilities that fall due within a year are classified as short term liabilities.

Fixed assets are valued at acquisition cost and written down to actual value in the event of a fall in value that is expected not to be temporary. Current assets are valued at the lower of acquisition cost and estimated actual value.

Customer receivables and other receivables are entered at par value after a deduction for a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the relevant receivables. In addition, an unspecified provision is made to cover the general risk of losses.

Note 2- Equity capital

	Share capital	Share premium reserve	Uncovered losses	TOTAL
Equity at incorporation	100 000	4 000		104 000
Returned establishment expenses		500		500
Year's result			-110	-110
Equity at 31 December 2005	100 000	4 500	-110	104 390

The company was incorporated 20 July 2005

The company’s share capital of NOK 100,000 is divided into 1,000 shares at NOK 100 per share. Each and all of the shares per 31.12.2005 are owned by Thommesen Krefting Greve Lund AS

The chairman of the board is a shareholder in Thommesen Krefting Greve Lund AS

Note 3-Taxes

Tax is charges as expense when they accrue, i.e. the tax cost is related to accounting profit before taxes. The tax charge comprises both tax payable for the period (tax on the current year's tax base) and the change in deferred tax. The tax charge is distributed between ordinary and extraordinary result according to the tax base.

	2005
Result before tax	(110)
Permanent differences	(15 500)
Change in temporary differences	0
Taxes payable, 28%	(15 610)
Calculation of delayed taxes	
Temporary differences	
Fixed assets	0
Current assets	0
Accumulated tax deficit	(15 610)
Basis for temporary differences	(15 610)
Delayed taxes	(4 371)

Delayed taxes are not taken into the balance sheet.

Tax payable	
Tax payable on the year's result	0
Change in delayed taxes	0
Taxes payable	0

Note 4- Employees, salary and remuneration

The company had no employees during the accounting year. No salary or other remuneration was paid to the Board. No fee expenses to the auditor have been charged for the year 2005

In connection with the incorporation of the company, assistance from the auditor amounts to NOK 1 600 excl. VAT.

To the Annual Shareholders' Meeting of
TEKÅGEL INVEST 83 AS

AUDITOR'S REPORT FOR 2005

We have audited the annual financial statements of the Tekågel Invest 83 AS as of 31 December 2005, showing a loss of NOK 110 for the company. We also have audited the information in the Board of Directors' report concerning the financial statements and the going concern assumption. The company's financial statements comprise the balance sheet and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to produce the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by Den Norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- The financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company as of December 31, 2005, and the results of its operations in accordance with good accounting practice in Norway
- The Company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- The information in the Board of Directors' report concerning the financial statements, and the going concern assumption are consistent with the financial statements and comply with the law and regulations.

Oslo, 20 April 2006
NORAUDIT DA

Vidar Øyslebø
State Authorized Public Accountant

Appendix 2 - Auditor’s Independent Assurance Report on pro forma financial information

Deloitte.

Deloitte AS
Karenslyst allé 20
Postboks 347 Skøyen
0213 Oslo

Telefon: 23 27 90 00
Telefax: 23 27 90 01
www.deloitte.no

Independent Assurance Report on the Pro Forma Financial Information

To the Board of Directors of Norwegian Property ASA

In accordance with the "Continuing Obligations of Stock Exchange Listed Companies" issued by Oslo Børs (Oslo Stock Exchange) and EU Regulation No 809/2004, we report on the compilation of the unaudited pro forma financial information of Norwegian Property ASA (and subsidiaries) ("the Company") consisting of the unaudited pro forma balance sheet of the Company as at 30 June, 2007, the unaudited profit and loss accounts of the Company for the periods ended 31 Desember, 2006 and 30 June, 2007 and the accompanying adjustments and descriptions to the unaudited pro forma financial information, which is set out in section 5.3. of the Company's information memorandum dated 7 November, 2007 ("the Information Memorandum").

The pro forma financial information has been compiled on the basis described in section 5.3. of the Information Memorandum, for illustrative purposes only, to provide information about how the acquisition of Oslo Properties AS as owner of Norgani Hotels ASA ("Norgani Hotels") might have affected the unaudited consolidated balance sheet of the Company as at 30 June, 2007 and the unaudited consolidated profit and loss account of the Company for the period ended 30 June, 2007 and the consolidated profit and loss account of the Company for the year ended 31 December, 2006. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

The Board of Directors' responsibility
It is the Board of Directors' responsibility to compile the pro forma financial information in accordance with the requirements of EU Regulation No 809/2004.

Reporting responsibility
It is our responsibility to provide the opinion required by Annex II item 7 of EU Regulation No 809/2004 as to the proper compilation of the Pro Forma Financial Information. We are not responsible for updating any reports or opinions previously made by us for any events that occurred subsequent to the date of our report on the historical financial information used in the compilation of the pro forma financial information, nor does the aforementioned opinion require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of Norgani Hotels to the accounting policies of the Company, or the assumptions summarized in section 5.3. of the Information Memorandum. The financial information used in the compilation of the pro forma information is unaudited and audited as described in section 5.3. in the Information Memorandum. We do not accept any responsibility for financial information which we have not audited.

Deloitte.

Work performed
We conducted our work in accordance with Norwegian Standard on Assurance Engagements 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". We planned and performed our work to obtain reasonable assurance that the Pro Forma Financial Information in all material respect has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company. Our work primarily consisted of comparing the unadjusted financial information with the source documents as presented in section 5.3 of the Information Memorandum, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Management of the Company.

Opinion
In our opinion:

a) The pro forma financial information has been properly compiled on the basis stated in section 5.3.of the Information Memorandum, and
b) That basis is consistent with the accounting policies of the Company.

This report is issued for the sole purpose of the Information Memorandum required by Oslo Børs' "Continuing Obligations of Oslo Stock Exchange Listed Companies" as set out in the Information Memorandum. This report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Company's acquisition of Norgan Hotels.

Oslo, 7 November 2007
Deloitte AS

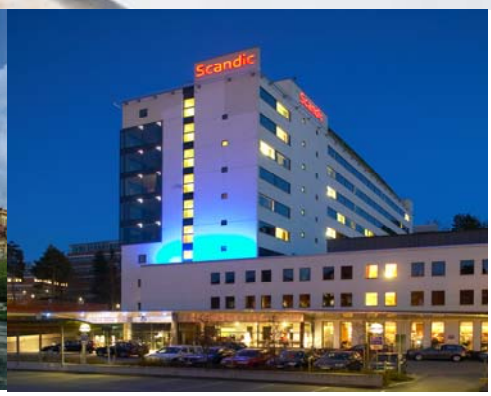
Bernhard Lyngstad
State Authorised Public Accountant (Norway)

Appendix 3 - Independent valuation reports from DTZ Realkapital Verdivurdering AS, Akershus Eiendom AS and Maakanta OY

It should be noted that the strategic agreement with Scandic Hotels AB (see section 2.1.3) whereby the principles for new and long-term lease contracts between Scandic Hotels AB and Norgani Hotels have been set out is not yet incorporated into the rental contracts of the individual hotels. The impact of this agreement is thus not reflected in the enclosed external valuations of the individual properties. The strategic agreement is in the process of being incorporated into the property lease agreement of each of the individual hotels. The strategic agreement, with higher rents, longer durations and minimum rental clauses will have a material impact on all the properties where Scandic Hotels AB is a tenant and for the value of Norgani Hotels portfolio as a whole. The rent levels for the hotel properties involved will be increased with a total of EUR 10.5 million to reflect current market levels, and new minimum rent levels at 70% of agreed rent will be imposed. The new lease contracts include all hotels leased by Scandic Hotels AB and are valid from 1 January 2008. The average duration for these lease contracts is extended from 6 to 13 years. Scandic Hotels represents about 60 per cent of Norgani Hotels rental income.

Norwegian Property ASA
Valuation of Hotel Properties

1 November 2007



Introduction

The Valuer

About DTZ

DTZ is one of the world's leading real estate advisers. DTZ is a leading name in all the world's major business centres, with 11,000 people operating in over 40 countries. In Europe, DTZ has one of the strongest market presences of any real estate adviser. Within Asia Pacific, DTZ is a leader in all the main markets of Australia, New Zealand, China, Hong Kong, Taiwan, India, Japan, Singapore, and South East Asia.

DTZ also delivers real estate services and solutions to multi-national corporates in North America. DTZ Rockwood offers investor clients a comprehensive capital markets capability, while an alliance with The Staubach Company provides occupier representation services.

Around the world, DTZ professionals advise multi-national companies, major financial institutions, property companies, banks, gov ernments and other public sector organisations. DTZ's transactional business advises on the purchase, sale, leasing and acquisition of all types of commercial and residential real estate. Professional advisory services include the management of real estate portfolios, building consultancy, and valuation as well as capital advice to maximise the value of real estate as an asset class.

DTZ's research teams track and interpret the market forces and trends that affect our business to provide the best-informed solutions for our clients. This includes strategic forecasting and social, economic, market and business intelligence to public and private sector clients, enabling a full assessment of impact and risk on their operations.

Valuation experience and capacity

DTZ employs around 340 full time valuers in the EMEA region (Europe, Middle East, and Africa). Capacity in Scandinavia includes 15 valuers in Sweden, 3 in Norway, 2 in Denmark, and 4 in Finland. DTZ is the leading independent valuer of commercial property in Sweden, a leading provider of transaction motivated valuation of commercial property in Norway, and the preferred valuer for several of the largest investors in the Danish and Finnish markets.

DTZ has been voted best valuation company in the Nordic region by Euromoney's Liquid Real Estate Magazine for three consecutive years (2005, 2006, and 2007).

Independency

We confirm that neither DTZ, nor any of its subsidiaries or affiliates, have any current interest in any of the subject properties at the time of valuation.

Introduction

Disclaimer

DTZ has valued the properties from a market point of view. We have not undertaken any technical inspection of the properties, but base our assumptions on the information we have received from our Client. We assume that there is no further information regarding the properties' conditions, possible restrictions, covenants or otherwise that would have had an impact on our assessments and valuations, other that what we have already received.

DTZ has undertaken the assessment based upon material we believe to be reliable in our possession or supplied to us. Whilst every effort has been made to ensure its accuracy and completeness, we cannot offer any warranty that factual errors may not have occurred. DTZ takes no responsibility for any damages or loss suffered by reason of the inaccuracy or incorrectness of our valuation.

The Client is in the process of obtaining detailed rental information for each property. This process has not been completed. The valuation should be revised as and when full rental information becomes available.

Commission

Client
The Client for our valuation is Norwegian Property ASA.

Objective
The objective was to assess the market value of properties held by the Client.

Valuation date
The valuation has been performed at variable dates during 2007. Full details of the valuation dates for each property are given in the following section. For the properties where the valuation is based on updates, the valuation date is 1 November 2007.

Methodology and Scope of Work

General

Scope of Work

Our valuation comprises the following properties, all of which have been valued during the last 12 months;

Property	Country	Date of valuation
Scandic Radissons SAS Lindöping	Sweden	13.09.2007
Scandic Malmen Nord	Sweden	16.01.2007
Scandic Klarälven	Sweden	04.04.2007
Scandic Kalmar Väst	Sweden	04.04.2007
Scandic Hasselbakken	Sweden	09.07.2007
Scandic Ferrum	Sweden	04.04.2007
Scandic Elmia	Sweden	16.01.2007
Scandic Bromma	Sweden	16.01.2007
Scandic Alvik	Sweden	09.07.2007
Quality Hotel Prince Philip	Sweden	16.01.2007
Quality Hotel Lulå	Sweden	04.04.2007
Quality Hotel Grand Kristianstad	Sweden	04.04.2007
First Hotel Royal Star	Sweden	04.04.2007
First Hotel Linköping	Sweden	04.04.2007

Our valuation also comprises an update of the following previous valuations undertaken by DTZ prior to Norgani ASA's acquisition of the properties;

Property	Country	Date of initial valuation
Stadshotellet Princess Sandviken	Sweden	August 2005
Scandic Bollnäs	Sweden	November 2005
Radisson SAS Lillehammer Hotel	Norway	November 2005
Quality Hotel Arcticus	Norway	August 2005
Quality Hotel Alexandria	Norway	August 2005
Comfort Hotel Pilotti	Finland	August 2005
Best Western Royal Corner	Sweden	August 2005
Best Western Mora Hotel & Spa (First)	Sweden	August 2005
Airport Bonus Inn	Finland	August 2005
Scandic Östersund	Sweden	July 2005
Scandic Örebro Väst	Sweden	July 2005
Scandic Västerås	Sweden	July 2005
Scandic Umeå Syd	Sweden	July 2005
Scandic Södertälje	Sweden	July 2005
Scandic Sundsvall Nord	Sweden	July 2005
Scandic Segevång	Sweden	July 2005
Scandic Norrköping Nord	Sweden	July 2005
Scandic Luleå	Sweden	August 2005
Scandic Lindköpings Väst	Sweden	July 2005
Scandic Helsingborg Nord	Sweden	July 2005
Scandic Gävle Väst	Sweden	July 2005

Methodology and Scope of Work

General

The basis for valuation is discounted net cash flows from the properties, and discounted residual values at the end of the forecast period. Net cash flows to the properties will depend on the hotel operators' gross turnover, the agreed lease contract terms, owner's costs, and a number of other factors which are discussed in more detail within the report.

All assessments have been based on DTZ's expertise, which has been supported by market research reports, discussions with hotel managers, visits to some of the properties, macro-economic and general sector information, Due Diligence reports and other inputs. Whilst every effort has been made to avoid errors, ensure consistency, and apply the most realistic assumptions possible, we cannot assume any liability for opinions formed or desicions made on the basis of this valuation.

Tenancies

In turnover based rent contracts, rents are computed from agreed percentages of gross turnover in room fees and Food & Beverage (F&B). Some properties have fixed annual rents in addition to the turover based rents. Most properties have minimum rents that become applicable in cases where turnover based rent does not suffice to reach the minimum.

Norm Rent and Guaranteed Rent

The purchase contracts define specific "norm rents". These norm rents represent the average rents that the hotels are expected to generate under normal market conditions. Under the purchase contracts, the sellers of the properties have undertaken to compensate the buyer for any shortfall in the norm rents during the first four years after the purchase.

Discount rate

Projected net cash flows have been discounted at interest rates that represent nominal rates of return on total capital. The discount rates take into account the cost of risk-free capital in each of the three economies, along with risk premiums that have been determined individually based on assessment of each property's risk profile and other factors.

Operational expenses (OPEX)

For the purpose of this report, the term "Operational expenses" (OPEX) refers only to costs which are the responsibility of the property owner.

OPEX has been calculated initially as a percentage of total rent, including the guaranteed rent. From the base year, OPEX has been adjusted with inflation unless the report's section on individual properties states otherwise.

OPEX levels have been defined individually, based on review of the lease contract terms and other relevant data. OPEX does not include additional costs required to catch up with overdue maintenance identified under the Due Diligence reports (see below).

Methodology and Scope of Work

Incorporation of findings from technical Due Diligence reports

Due Diligence reports were prepared by technical consultants for most properties concerned at the time of Norgani ASA's acquisition. The findings of these reports have been used to adjust the value of the property. This adjustment has been made as a direct deduction in net value.

Documentation

The following documentation has been available for valuation purposes;

- Copy of lease agreements; except minor non-hotel tenancies
- Findings from site visits and other reviews from the technical due diligence processes, where applicable;
- Fact sheets provided by the Client.
- Market information from various sources
- Macro-economic information from various sources

Key Assumptions

Macroeconomic framework

General Inflation

We have applied the following inflation forecasts;

	2007	2008	2009	2010 onwards
Sweden	2.00 %	2.00 %	2.00 %	2.00 %
Finland	0,90 %	1,60 %	2,40 %	2,00 %
Norway	0,82 %	2,53 %	2,27 %	2,50 %

Exchange rates

The following exhange rates have been applied (to NOK)

Currency	Rate
SEK (per 100)	84.90
EUR (per 1)	7.83

Key Commercial Assumptions

Valuations

Valuations have been based on rental information received from the Client. DTZ has estimated market rents that would become applicable as and when the lease contracts are are renewed.

For a full list of current gross rent estimates applied, please see the section below.

Costs have been estimated by DTZ in accordance with the principles outlined in the previous section, and based on what DTZ has seen as the probable cost structure of each individual property.

Update of previous valuations

We have not received updated rental estimates from the client. We have therefore prepared estimates of the 2007 rent level based on information applied in the initial valuation, which incorporated the rent levels applicable in 2005.

We have estimated turnover growth in the hotels between 2005 and 2007 on the basis of available market information from the respective market segment. The estimated turnover has then been combined with rental terms from the lease contract to derive estimated 2007 rent levels. The resulting rental estimate has been cross-checked for consistency with preliminary rent information provided by the Client.

Key Assumptions

We have updated the discount factors and exit yields used in our initial inflation. In most cases, this has resulted in an increase in the discount factor for the estimated cash flow, whilst exit yields have in most cases been lowered. These changes reflect a general yield compression in the Scandinavian property market.

We have not received updated information on property costs such as operating and maintenance, property tax, ground lease fee or other items. We have therefore retained the assumptions from our initial valuation in this respect, with adjustments only for inflation.

Valuation

Property	Cur-rency	Gross Rent (estimate)	Valuation	Gross yield	Tenure
1. Norway					
1.1 Lillehammer Hotel	NOK	23 100 000	333 800 000	6,9 %	Freehold
1.2 Hotel Alexandra	NOK	12 000 000	156 700 000	7,7 %	Freehold
1.3 Hotel Arcticus	NOK	4 400 000	58 900 000	7,5 %	Freehold
1.1 - 1.3 Subtotal Norway	**NOK**	**39 500 000**	**549 400 000**	**7,2 %**	
2. Sweden					
2.1 Scandic Ferrum	SEK	11 053 820	131 000 000	8,4 %	Leasehold
2.2 First Hotel Linköping	SEK	6 365 741	77 500 000	8,2 %	Freehold
2.3 Quality Hotel Grand Kristianstad	SEK	6 127 800	80 000 000	7,7 %	Freehold
2.4 First Hotel Royal Star	SEK	6 740 000	77 000 000	8,8 %	Leasehold
2.5 Quality Hotel Lulå	SEK	10 106 000	136 000 000	7,4 %	Freehold
2.6 Scandic Kalmar Väst	SEK	5 360 000	84 500 000	6,3 %	Leasehold
2.7 Scandic Klarälven	SEK	6 300 000	97 000 000	6,5 %	Leasehold
2.8 Quality Hotel Prince Philip	SEK	10 288 529	145 000 000	7,1 %	Leasehold
2.9 Scandic Bromma	SEK	6 592 000	89 000 000	7,4 %	Leasehold
2.10 Scandic Malmen Nord	SEK	28 596 720	475 000 000	6,0 %	Leasehold
2.11 Scandic Elmia	SEK	8 200 105	168 000 000	4,9 %	Leasehold
2.12 Scandic Radissons SAS Lindöping	SEK	7 675 359	105 000 000	7,3 %	Freehold
2.13 Scandic Hasselbakken	SEK	18 208 000	131 000 000	6,4 %	Leasehold
2.14 Scandic Alvik	SEK	24 980 000	77 500 000	6,0 %	Freehold
2.15 Best Western Royal Corner	SEK	6 063 433	70 000 000	8,7 %	Freehold
2.16 Scandic Bollnäs	SEK	4 477 158	51 000 000	8,8 %	Freehold
2.17 Best Western Mora Hotel & Spa	SEK	6 257 869	81 000 000	7,7 %	Freehold
2.18 Stadshotellet Princess Sandviken	SEK	4 811 966	53 000 000	9,1 %	Freehold
2.19 Scandic Gävle Väst	SEK	6 265 659	108 000 000	5,8 %	Freehold
2.20 Scandic Helsingborg Nord	SEK	6 891 289	123 000 000	5,6 %	Freehold
2.21 Scandic Lindköpings Väst	SEK	4 967 936	77 000 000	6,5 %	Freehold
2.22 Scandic Luleå	SEK	5 374 716	88 000 000	6,1 %	Leasehold
2.23 Scandic Segevång	SEK	7 294 277	132 000 000	5,5 %	Leasehold
2.24 Scandic Norrköping Nord	SEK	5 260 954	84 000 000	6,3 %	Freehold
2.25 Scandic Sundsvall Nord	SEK	5 545 319	92 000 000	6,0 %	Freehold
2.26 Scandic Södertälje	SEK	4 864 941	81 000 000	6,0 %	Freehold
2.27 Scandic Umeå Syd	SEK	5 440 174	82 000 000	6,6 %	Freehold
2.28 Scandic Västerås	SEK	6 401 815	100 000 000	6,4 %	Freehold
2.29 Scandic Örebro Väst	SEK	7 888 564	114 000 000	6,9 %	Freehold
2.30 Scandic Östersund	SEK	4 977 518	75 000 000	6,6 %	Leasehold
2.1 – 2.30 Subtotal Sweden		**249 377 662**	**3 776 000 000**	**6,6 %**	
3. Finland					
3.1 Hotel Pilotti	EUR	479 792	6 700 000	7,2 %	Freehold
3.2 Airport Hotel Bonus Inn	EUR	1 237 733	16 900 000	7,3 %	Freehold
3.1 – 3.3 Subtotal Finland	**EUR**	**1 717 525**	**23 600 000**	**7,3 %**	
1 – 3 TOTAL	**NOK**	**264 669 856**	**3 940 096 900**	**6,7 %**	

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Managing Director

DTZ Realkapital Verdivurdering AS

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MEMO

To: Norgani Hotels ASA

From: Jørgen Haga, Ragnar Eggen
Akershus Eiendom AS

I. Mandate

Akershus Eiendom AS has been given the task of estimating the market value of 25 of Norgani's hotel properties through 2006 an 2007. The properties are valued as if sold separately in the market at the specific time of valuation.

II. The Valuation Company

Akershus Eiendom AS is an independent, privately owned company specializing in the fields of property sales, leasing, research and valuations. We have a strong market position, being among the top 1 or 2 companies in Norway in all categories. In December 2001, Akershus Eiendom signed an agreement as associated partner of Jones Lang LaSalle (JLL). The primary focus with the agreement is to serve JLL's clients in Norway, but also to participate in cross border transactions utilizing the capabilities of both companies. On the research side, Akershus Eiendom's analyst team has had extensive interaction with JLL's research teams. In that respect our analysts have made visits to JLL's research teams both in Stockholm and in London.

Akershus Eiendom's team of analysts comprises six persons. Our research and valuation efforts started in 2001. The current setup allows us to take on both small and large valuations assignments as well as being able to cope with tight deadlines if necessary. There are currently no other companies with research and valuation capabilities as extensive as Akershus Eiendom within commercial property in Norway.

Over the past 2 years, Akershus Eiendom has conducted valuations of properties with total value of approximately NOK 200 billion. In addition to regular valuation assignments, we also undertake valuations of properties in relation to property sales, leasing and other advisory services. The depth and width of consulting work and valuations we have been involved in have resulted in well established routines and a solid reference base that we can benefit from in doing new valuations.

III. Methodology

Akershus Eiendom utilizes the Net Present Value (NPV) method in doing valuations.

The NPV method includes the following elements:
- Owner's cost estimates
- Lease renewal cost (rehabilitation and other costs) estimates
- Estimates for vacancy time (usually only for current vacancies)
- Estimates for market rent levels (rent levels after contract expiry dates)
- Yield estimate

Inspection dates:
The properties have not been physically inspected. Information about the standard of the buildings has been provided by the owner based on technical due diligence performed by external consultants during 2005, 2006 and 2007

IV. Documentation

- Documents that have been available for the valuation:
  - Fact sheets for each hotel, produced by Norgani
  - The lease agreement for each hotel
- Site visits performed by Akershus Eiendom
- None. External consultants performed site visits in connection with Norgani's acquisition of the properties in 2006 and 2007

V. Limitations

Akershus Eiendom has valued the properties during the years 2006 and 2007 from a market point of view. We have not undertaken any thorough technical inspection of the properties, but base our assumptions on the information we have received from Norgani. We assume that there is no further information regarding the properties' conditions, possible restrictions, covenants or otherwise that would have had an impact on our assessments and valuations, other than what we have already received.

Akershus Eiendom has undertaken the assessment based upon material we believe to be reliable in our possession or supplied to us. Whilst every effort has been made to ensure its accuracy and completeness, we cannot offer any warranty that factual errors may not have occurred. Akershus Eiendom takes no responsibility for any damages or loss suffered by reason of the inaccuracy or incorrectness of our valuations.

The following valuations have been conducted over the past three years and are presented with the value estimated at the time of valuation.

VI. Valuation Summaries

The following table shows a summary of all Norgani hotels valued over the time period from 2006 to 2007.

Norgani Hotels							
January 2006	Rooms	Hotel space	Yield	Appraisal Value	Currency	Appraisal Value NOK	Valuation date of delivery
Bergen Airport Hotel	197		7,75 %	124,3	MNOK	124 300 000	19.01.2007
Scandic Upplandia, Uppsala	113		7,50 %	82,1	MSEK	68 840 850	19.01.2007
Uppsala Nord, Uppsala	184		6,75 %	108,5	MSEK	90 977 250	19.01.2007
Kungens Kurva, Huddinge	257		6,75 %	192,1	MSEK	161 075 850	19.01.2007
July 2006							
Comfort Hotel Europa	233	8000	6,25 %	182,4	MDKK	188 915 011	01.08.2007
Comfort Hotel Excelsior	99	3600	6,25 %	81,3	MDKK	84 264 250	01.08.2007
Comfort The Mayfair Hotel	105	3805	6,25 %	89,8	MDKK	92 982 384	01.08.2007
November 2006							
First Hotel Mårtenson	103	6657	6,25 %	57,1	MSEK	47 914 286	08.11.2006
Quality Hotel Prisma	107	3687	6,25 %	44,2	MSEK	37 023 000	08.11.2006
Scandic, Växjö	123	3982	6,50 %	57,8	MSEK	48 504 000	08.11.2006
Ibis Stockholm Syd	190	8339	6,00 %	136,7	MSEK	114 589 271	08.11.2006
Quality Hotel Ekoxen	190	14671	6,50 %	132,5	MSEK	111 069 000	08.11.2006
Scandic Hotel Star Sollentuna	269	18573	6,00 %	262,5	MSEK	220 134 200	08.11.2006
December 2006							
Comfort Hotel Børsparken	198	7900	6,00 %	259,5	MNOK	259 492 500	11.01.2007
Scandic KNA	189	11218	5,50 %	243,1	MNOK	243 088 679	11.01.2007
May 2007							
Rica Bodø	113	7981	6,25 %	119,1	MNOK	119 072 000	04.05.2007
June 2007							
Comfort Holberg Bergen	140	5720	6,00 %	170,5	MNOK	170 500 000	26.06.2007
Quality Hotel & Resort Fagernes	139	10310	7,00 %	96,4	MNOK	96 357 143	26.06.2007
Rica Hotel Hamar	179	9250	6,75 %	114,4	MNOK	114 355 555	26.06.2007
Quality Hotel Hafjell	210	9940	6,50 %	208,1	MNOK	208 061 538	26.06.2007
Quality Kristiansand	210	9940	6,50 %	198,8	MNOK	198 769 231	26.06.2007
Radisson Bodø	191	15546	6,25 %	252,0	MNOK	252 000 000	26.06.2007
August 2007							
Clarion Collection Hotel Bastion, Oslo	99		5,75 %	125,2	MNOK	125 200 000	31.08.2007

Currency rate (30.10.2007)	
EUR NOK	7,7186
SEK NOK	0,8385
DKK NOK	1,0359

All of the properties valued by Akershus Eiendom are freehold properties.

Best regards

Akershus Eiendom AS
Oslo 2nd November 2007

Maakanta Oy
Valuation – five hotels

The Appraiser

Maakanta Oy is a responsible and independent real estate valuation and consulting company which operates all over Finland. The company has got over 20 years of experience in real estate appraisals and consists of 7 valuation surveyors of which one is an authorized real estate appraiser. This ensures a high quality on the valuations.

Description and Basis for the Valuation

The purpose of the valuation was to determine the market value of the five hotel properties in Finland. Hotels have been valuated as individual units without considering portfolio perspective. The valuation was commissioned by the Asset Manager Seppo Lehto from Norgani Finland Holding Oy. The assignment was made for the internal purposes in Norgani Finland Holding Oy. Property inspections were made to all properties in 2005. Completing inspection was made in August 2007 to the Scandic Grand Marina. According to the client's opinion the deeper inspections were not necessary.

The valuation was carried by using discounted cash flow method. In the Scandic Espoo unused building permit was valuated by using sales comparison method. Direct Capitalization was used as a secondary valuation method. The valuation date was 21.9. 2007.

The appraisal was based on client's information. Maakanta Oy has relied on this information. The valuation didn't include soil tests.

The Finnish Hotel Market

In Finland number of hotel rooms will increase especially in the Helsinki Metropolitan Area due to the new hotel projects. At the moment approximately capacity growth will be 15 %, about 1 200 new rooms.

Although competition rises, market actors believe that there will be enough demand for new hotels. One solution is strong segmentation, for example lifestyle hotels represent new way of attracting solvent clients.

As in Europe, also in Finland tourist industry has enjoyed growth of accommodation demand. Between January – June 2007 rise of accommodation services was 5,8 %. Foreign tourist spend 10,9 % more nights in Finland and especially Russians were active by 28 % rise. Domestic tourism raised 3,9 %. Russian tourism plays a significant role particularly in the Imatran Valtionhotelli where the closeness of the Russian border attracts visitors from east.

Essential figures of Finnish Hotel statistics, average room price includes VAT 8 %.

	Espoo		Helsinki		Vantaa		Jyväskylä		Imatra	
Year	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Hotel Count	12	12	44	45	9	9	10	10	5	5
Occupancy rate	53,3 %	56,1 %	66,9 %	62,6 %	55,3 %	55,3 %	52,6 %	60,8 %	60,2 %	58,8 %
Change of OCC. rate	2,4 %	8,6 %	1,3 %	3,9 %	4,8 %	2,7 %	50,0 %	8,2 %	4,0 %	-1,4 %
Average room price	76 €	83 €	103 €	105 €	90 €	90 €	76 €	79 €	89 €	89 €
Room count	1 159	1 146	7 148	7 429	1 507	1 520	1 231	1 091	423	443

As far as nothing dramatic happens, domestic demand and increasing foreign accommodation demand will guarantee positive future for hotels. If financial crisis expands roughly from USA to Europe it is predictable that accommodation business will suffer.

Description of the valued hotels

Scandic Hotel Espoo

Scandic Hotel Espoo has a good location in the crossroad of Ring road II and Motorway to Turku. There is 14,5 kilometer to the west from Helsinki central and the way to Helsinki-Vantaa airport takes usually 30 minutes. Hotel is located nearby many new office premises.

According to the detail plan there is permitted building volume 10 000 gross floor area on the site, used building volume is 4888 gross floor area and unused building volume is 5112 gross floor area. There are 96 rooms in the hotel. Assumed gross rent for 2008 is 635 000€.

Scandic Grand Marina

Scandic Marina is situated near to passenger ship terminal and opposite to Marina Congress center and there is only a few minutes walk to the Helsinki market square from the hotel. Helsinki-Vantaa airport is relatively easy (approx. 30 min.) to access, too.

Building is constructed in the early 1900s and previously worked for harbor storehouse purposes. Year 1992 the building was totally refurbished for superior class hotel. The net floor area of the hotel is 23 661 m^2 and it comprises altogether 462 rooms. Assumed gross rent for 2008 is 3 676 000€.

Restel Imatran Valtionhotelli

The hotel is located in the centre of Imatra, amidst the cultural landscape of the river Vuoksi and Imatrankoski rapids. Russian border is only 6 kilometers away. The nearest airport is located 40 kilometer away from the Imatra centre.

The plot comprises two buildings: The hotel building is representing the jugendstil and constructed year 1903. Building has been refurbished during the 1985-1987 corresponding the original architecture.
There are 54 rooms in the castle hotel and net floor area 4389 m². The congress building has been constructed year 1983 and its net floor area is 3674 m² with total 38 rooms. In 1993 the part of the premises (net floor area 2014m²) has been transformed for hotel and restaurant schools' purposes. Assumed gross rent of the hotel for 2008 is 563 000€.

Scandic Hotel Jyväskylä

Scandic Hotel Jyväskylä is situated in the city center and there is 200 meters walk to the bus- and railway station. The hotel is also easy to access by car from the motorway and it takes approx. 20 minutes to reach airport from the hotel.

The building was completed in 1992 and their net floors area is 7360m² and room count is 150 rooms. Assumed gross rent for 2008 is 555 000€.

Hilton Helsinki Kalastajatorppa

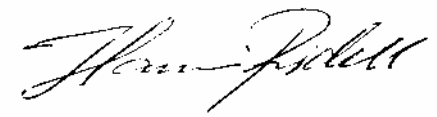
Hilton Helsinki Kalastajantorppa is situated in Munkkiniemi by the sea, to the north-west from Helsinki CBD. There is 10 minutes drive from Helsinki central and approximately 35 minutes to Helsinki-Vantaa airport.

The net floor area of the hotel- and congress buildings is altogether 23 290 m². There are 235 modern rooms, many of them with sea view. Assumed gross rent for 2008 is
1 891 000€.

Total Values

Scandic Espoo	11 500 000 €
Scandic Grand Marina	56 500 000 €
Restel Imatran Valtionhotelli	9 200 000 €
Scandic Jyväskylä	7 100 000 €
Hilton Helsikin Kalastajatorppa	29 800 000 €

Vantaa 21.9.2007



Hannu Ridell
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Authorized Property Appraiser
Managing Director