



Scandic

EQT



NORWEGIAN PROPERTY

(Oslo Properties AS)

Acquisition of Norgani Hotels ASA

Rationale and key figures

September 2007



Content

1 The acquisition – rationale and key figures

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Appendices

Norgani Hotels – description and overview

Headlines

- Norwegian Property' main focus will still be on **office** in the Norwegian market
 - Benefit on strong economy and significant upside potential in rent levels
- Norgani transaction on accretive terms – **net yield (adjusted) of 6.7%**
 - Substantially improved commercial terms in renegotiated Scandic agreement with effect as from 1 January 2008
 - Longer duration on total portfolio (from average of 7 to 11 years)
 - Minimum rental clauses substantially improved

Oslo Properties and Norgani Hotels

- **Oslo Properties AS** now controls 98% of Norgani Hotels ASA
 - **Oslo Properties – An investment vehicle:** Oslo Properties AS is a company owned jointly by Norwegian Property ASA (17.5%), EQT/Scandic (56%), A Wilhelmsen Group (6.5%) and a financial investor syndicate (20%)
 - **Acquisition fully financed:** The acquisition is fully financed through bank debt (fully committed by SEB/Nordea) and equity
- **Renegotiations creates value:** As part of the transaction Oslo Properties has renegotiated all the Scandic rental contracts with Scandic Hotels AB
 - The renegotiations covers all aspects of the contracts (rental terms, duration and strategic cooperation) – estimated value impact for Oslo Properties/Norgani Hotels is **NOK 1.3-1.4bn**
- **Norwegian Property has call options and has issued put options;** Norwegian Property has call options to acquire more than 90 % of the shares in Oslo Properties. In case these call options are not exercised, the agreements give the other shareholders put options which, if exercised, would result in Norwegian Property owning more than 90 % of the shares in Oslo Properties.

The new rental agreement with Scandic - headlines

- **Gross rent from Scandic Hotels;**
 - Rental levels on the entire Scandic portfolio (41 properties) are adjusted from current levels to market levels as from **1 January 2008**. Today's rental contracts are on average well below market levels
 - The new Scandic agreements will be allocated to each hotel in 4Q07
- **Minimum rental clauses introduced;**
 - A majority of the current rental contracts with Scandic does not have minimum rent clauses
 - The new agreement puts in place minimum rent clauses on **all Scandic hotels**
 - The minimum rent per hotel will be **70% of the new market-adjusted gross rent per hotel**
- **Duration;**
 - The average duration for the Scandic portfolio is extended from **~6 years to ~13 years**
- **Strategic agreement with Scandic Hotels;**
 - Scandic Hotels is an important strategic partner to Oslo Properties AS – opens up for interesting opportunities in the coming years as Scandic Hotels has ambitious growth targets
- **Exclusivity;**
 - The agreement is negotiated exclusively with Oslo Properties AS
- **Estimated value impact of the agreement;**
 - The combination of higher rents, longer durations and minimum rental clauses will have a material impact on the underlying value in Norgani Hotels
 - Oslo Properties AS estimates a value impact based on the new agreement of **NOK 1.3-1.4 bn** (applying a net yield of ~6%)

Acquisition of Norgani at very attractive yield



Key figures	New agreement with Scandic
Bid price	94
Market cap	3 720
Net debt	6 760
Enterprise value	10 480
Tax losses	246
Adjusted EV	10 234
Key figures	
Number of sqm	670 000
Number of rooms	12 830
EV/sqm	15 274
EV/room	797 629
Gross rent 2008E	781
Net rent 2008E	683
Average duration lease contracts	11 years
Gross yield 2008E	7,6 %
Net yield 2008E (adjusted)*	6,7 %
Net asset value per share	115

Improvement from initial offer:

- Net yield from 6,1% **to 6,7% (adjusted)**
- Average duration on total portfolio from approx 7 **to 11** years
- Improved minimum rent levels
- Discount to NAV per share of 18%

Source: Pareto Securities estimates *Net rent'08E/Adjusted EV

Norgani transaction - accretive for the combined company



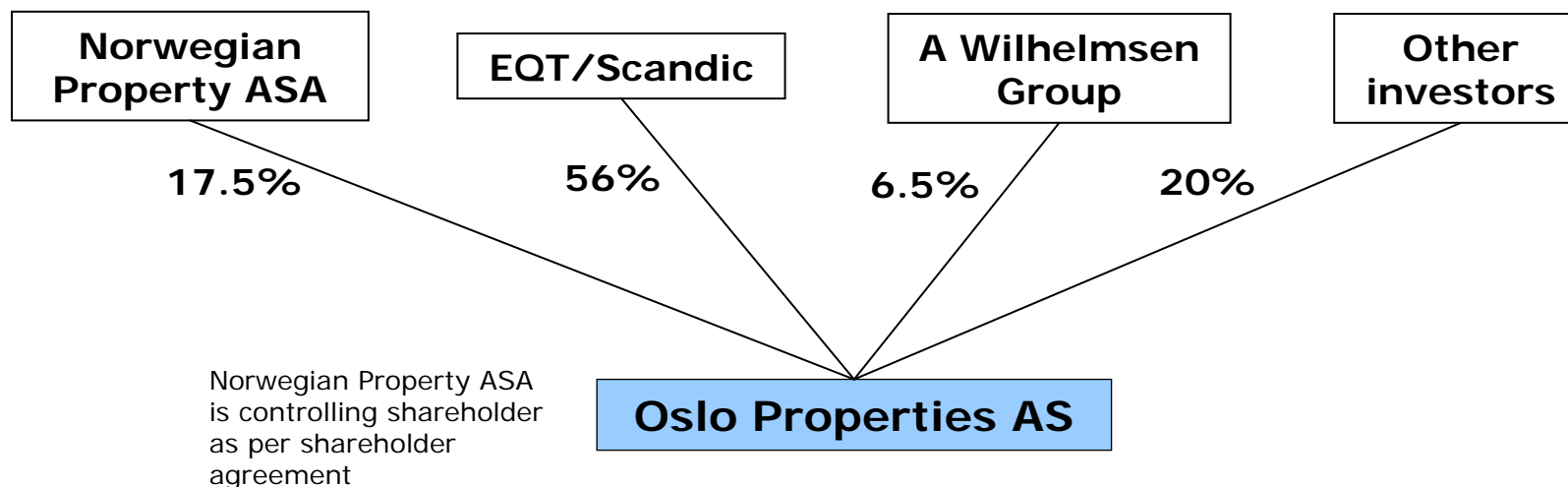
Offer/current shareprice	94.0		65.0		
Market cap:	3,720		6,856		
Net debt**:	6,760		13,740		
Enterprise value (EV)	10,480		20,596		31,076
Tax losses	246		0		246
Adjusted EV	10,234		20,596		30,830
Equity ratio of EV:	35%		33%		
Gross rent 2008E*	781		1,180		1,961
Net rent 2008E*	683		1,114		1,797
Rent distribution (current):					
Norway:	28%		100%		71%
Sweden:	41%				16%
Denmark:	4%				2%
Finland:	27%				11%
Key figures					
No of sqm (approx.)	670,000		762,000		1,432,000
EV/sqm***	15,642		27,029		21,701
Gross yield'08E	7.5%		5.7%		6.3%
Net yield'08E	6.5%		5.4%		5.8%
Net yield'08E (adjusted)***	6.7%		5.4%		5.8%
Number of employees	20		10		30

*Source: Norgani figures : Pareto Securities, NPRO figures = run rate + 2,2% (inflation and rent adjustments)

**including estimated balance sheet impact (cash and debt) from acquisition of four hotels for Norgani and DnB NOR headquarters for Norwegian Property

***adjusted for tax losses ie net rent'08E/adjusted EV

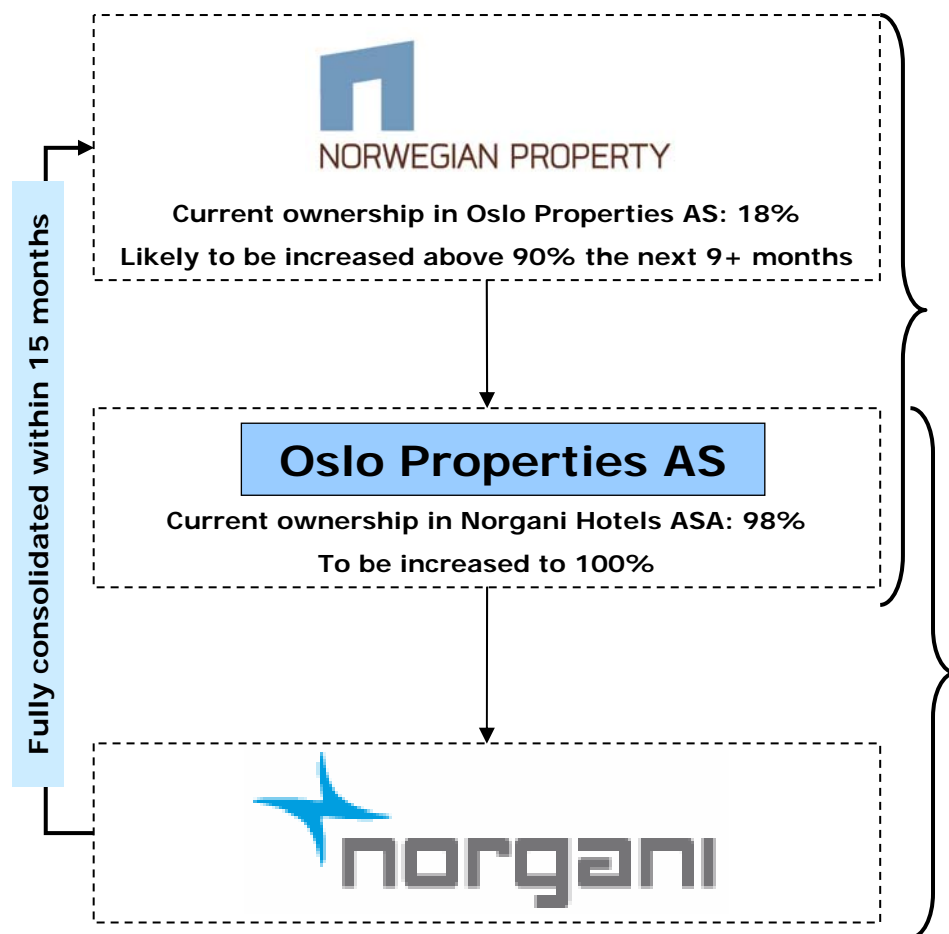
Oslo Properties AS – ownership structure



Board composition – Oslo Properties AS

- Norwegian Property ASA to designate 3 out of 5 board members (incl. Chairman)
- EQT/Scandic to designate 2 out of 5 board members

Norwegian Property and Norgani Hotels – the path to 100%



Norwegian Property – call/put options in Oslo Properties

- **Call option;** Norwegian Property has the right (through call options) to acquire above 90% of Oslo Properties AS – call price will be acquisition cost plus a fixed interest rate (for the EQT/Scandic stake NPRO can elect cash or shares). The majority of the call options runs indefinitely.
- **Put option;** If Norwegian Property's call options are not exercised within 9 months the other shareholders in Oslo Properties AS have put options which, if exercised, would take Norwegian Property's ownership stake above 90% – put price will be acquisition cost plus a fixed interest rate (for the EQT/Scandic stake NPRO can elect cash or shares). The put options are only exercisable after 9 months.

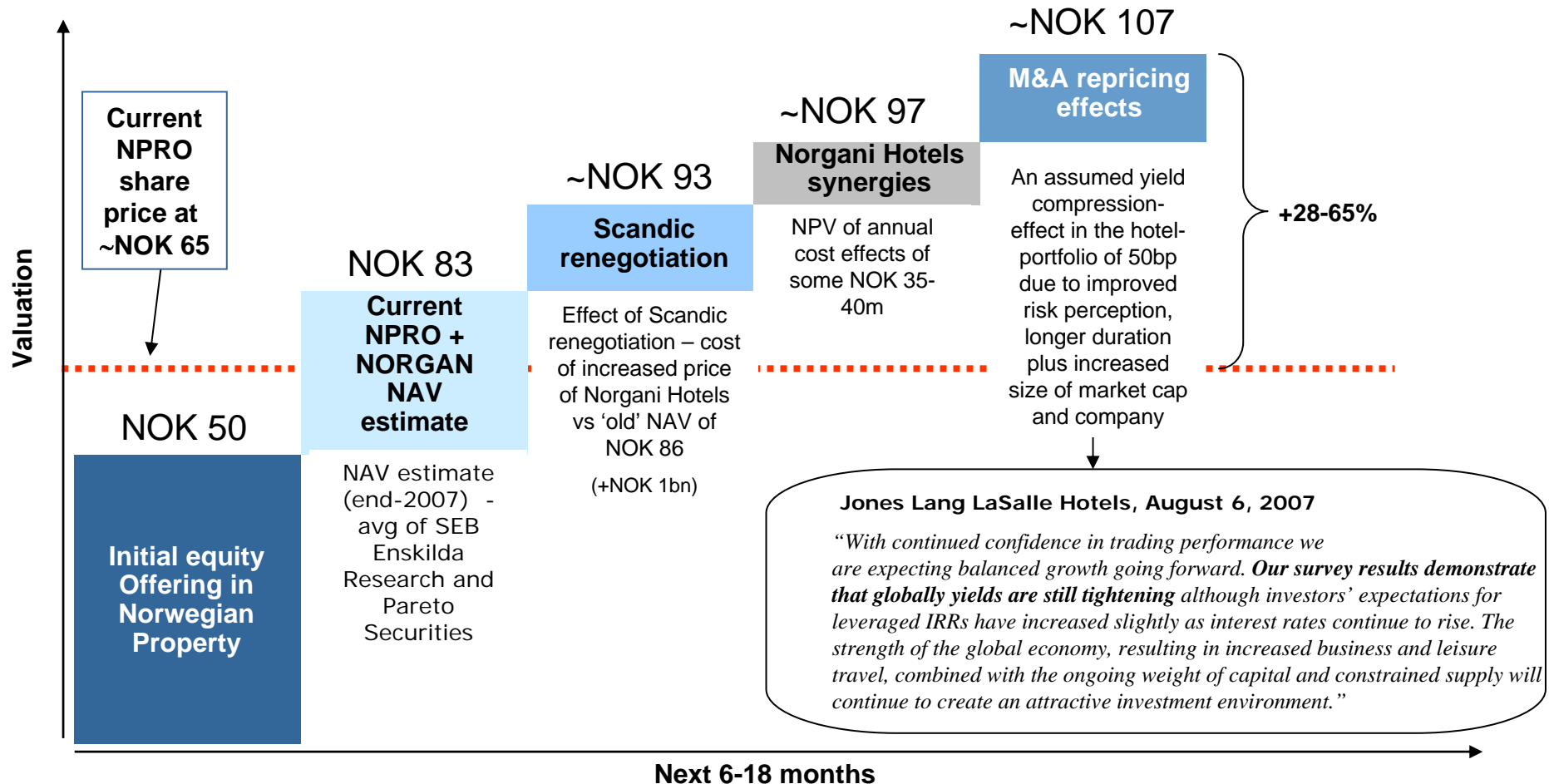
Oslo Properties – financing of acquisition

- Equity from Norwegian Property, EQT/Scandic, A Wilhelmsen Group and a financial investor syndicate
- Acquisition financing from SEB and Nordea (fully committed) of NOK 2,150m – guaranteed by Norwegian Property

Assumed value creation in Norwegian Property

Given a full takeover of Norgani Hotels ASA

The Norgani Hotels deal – for illustration purposes



Norwegian Property's investment strategy

- The combined company is a unique investment case with high quality properties in the Nordic region **with main focus on office in Norway**
- 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 contracts
 - Average duration of approximately 8.5 years



Why hotel property?

- **High growth in the hotel market**

- Growth in the hotel market over time is correlated with the underlying growth in the economy (GDP)
- Mainly caused by the international tourist industry which is experiencing high growth
- Revenue based rental contracts give direct exposure to this market development

- **Low risk due to market- and contract structure**

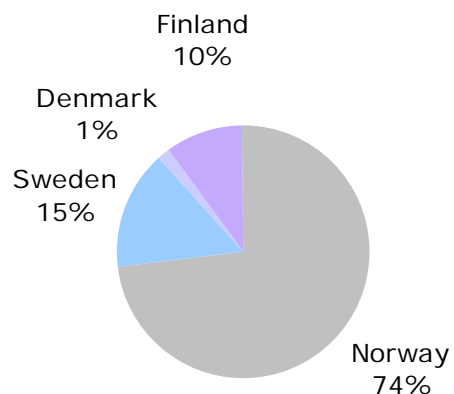
- Long contracts with solid tenants with agreed minimum rent levels
- The hotel business is represented by few and solid operators
- Risk diversification in relation to other property investments (relatively low correlation with office)
- **Norgani Hotels predominantly have revenue based rental contracts, some fixed contracts and no management contracts**

- **More attractive yield levels than other property segments**

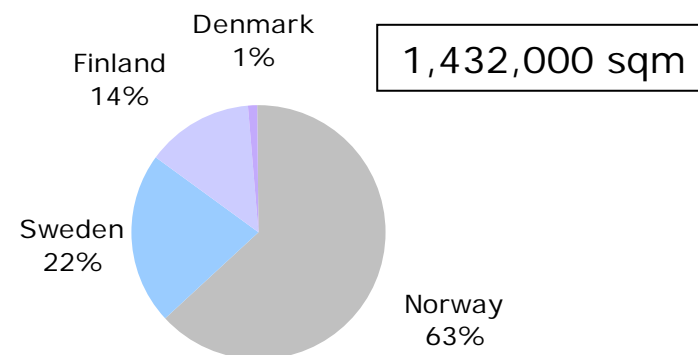
- Higher yield than e.g. office property, but still very good long term growth potential
- Increasing popularity among investors, but not yet at the level of office properties

The combined company – well-diversified

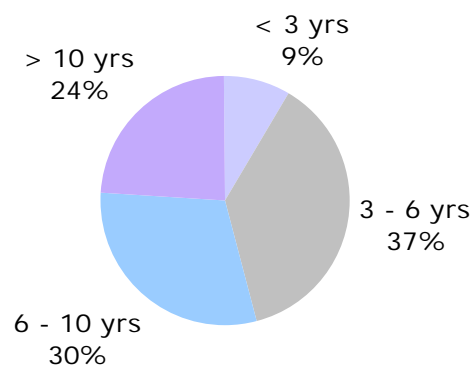
Gross rent 2008E – geographical market



Sqm property – geographical market

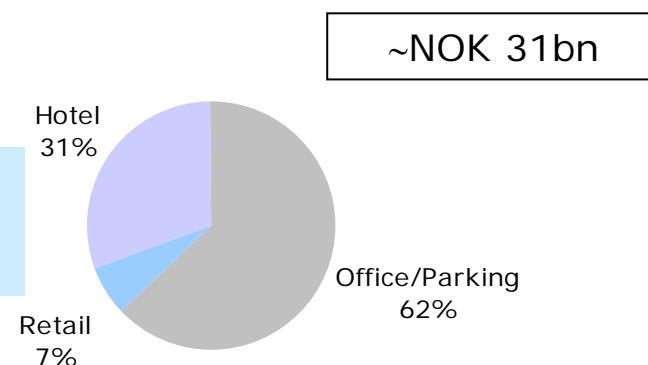


Estimated remaining contract duration



Distribution based on property value

Mid-term target revenue based properties
(hotel and retail):
25-30%



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1 The acquisition – rationale and key figures

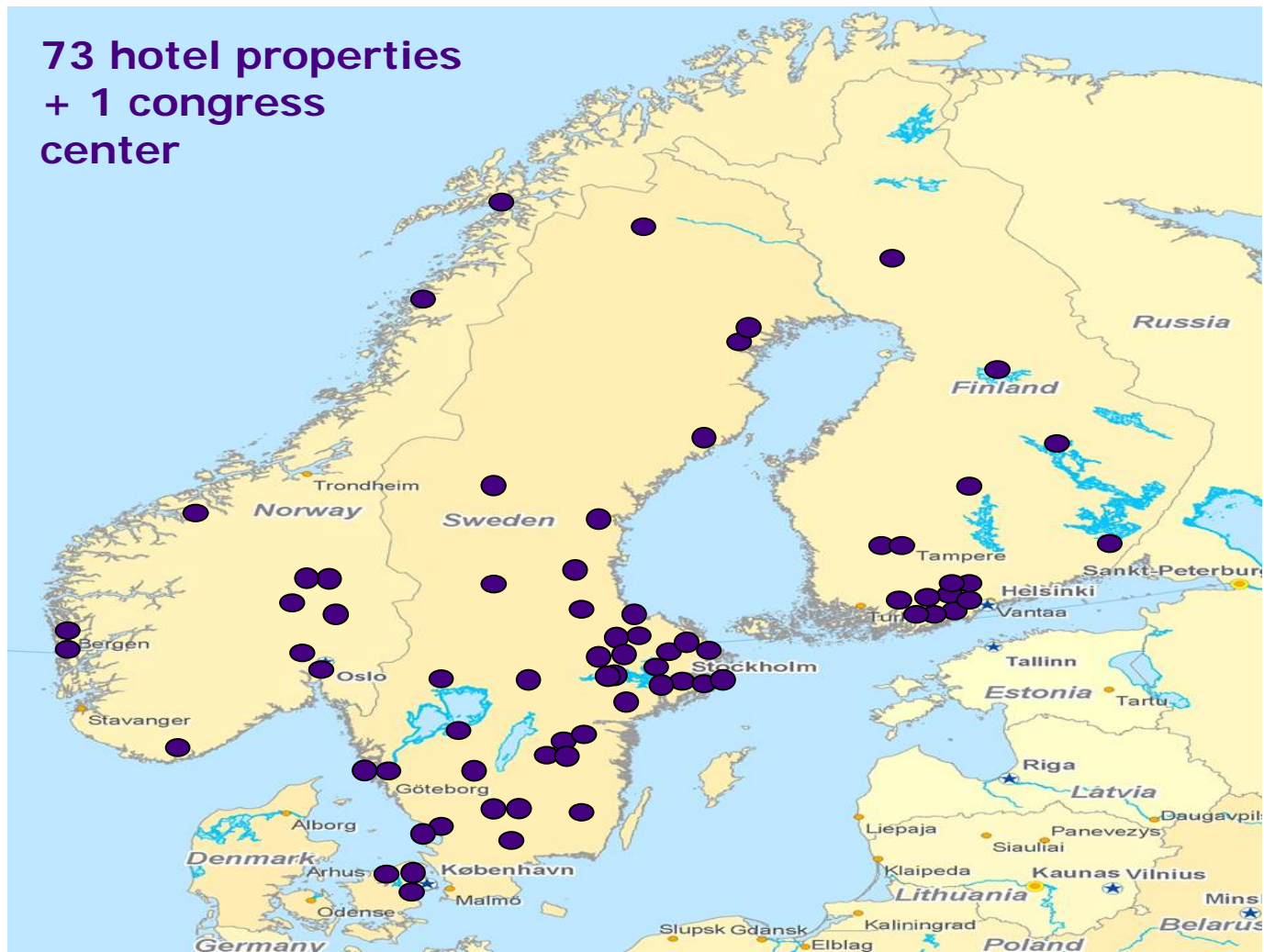
2 Appendices

Norgani Hotels – description and overview

Facts about Norgani Hotels

- Number of hotels: 73+1
 - Norway 14, Sweden 41, Finland 15+1, Denmark 3
- Number of rooms: 12,804 (average 176)
- Number of sqm: 664,726 (average ~9,000)
- Tenant distribution (rooms):
 - Scandic 58%, Choice 21%, Radisson SAS 4%, Hilton 3%, First 3%, Rica 2%, Other 9% Approx 90% revenue based lease contracts
- Average contract duration: ~7 years (current), ~11 years (after Scandic renegotiations)
- Vacancy: 0%

Norgani Hotels – Overview of the hotel portfolio



Norgani Hotels - Property portfolio overview

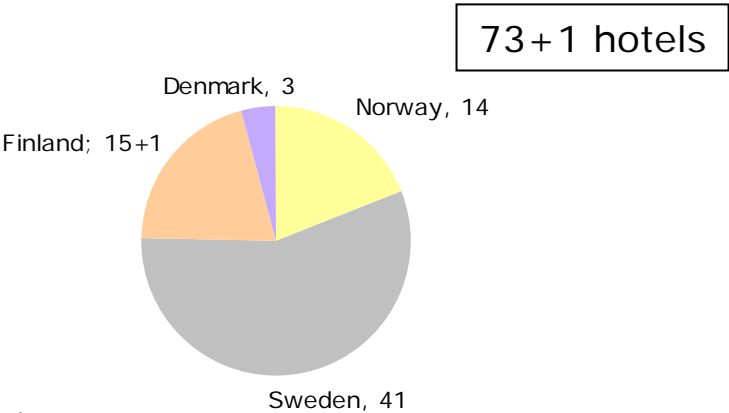
	Hotel	Municipality	Operator	Number of rooms	Sqm total
1	Scandic Hotel Malmen	Stockholm	Scandic	327	15,130
2	Scandic Hotel Star Sollentuna	Stockholm	Scandic	269	18,573
3	Scandic Hotel Kungens Kurva	Stockholm	Scandic	257	11,581
4	Scandic Hotel Helsingborg Nord	Helsingborg	Scandic	237	9,399
5	Scandic Hotel 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 Segeväng	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

Source: Norgani Hotels

	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 Børssparken	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 Bodø	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

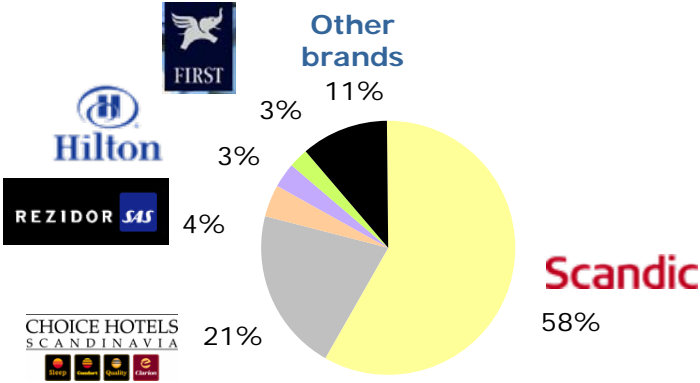
Norgani Hotels – Key figures for the property portfolio

Number of hotels – geographical market



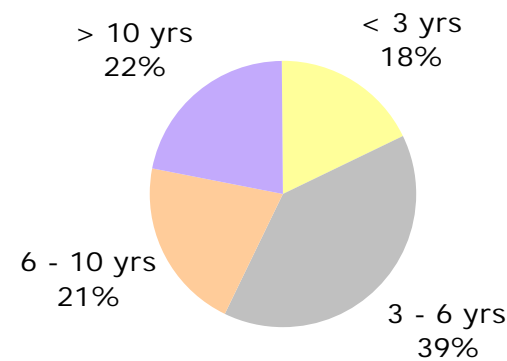
Source: Norgani Hotels

Tenant distribution*



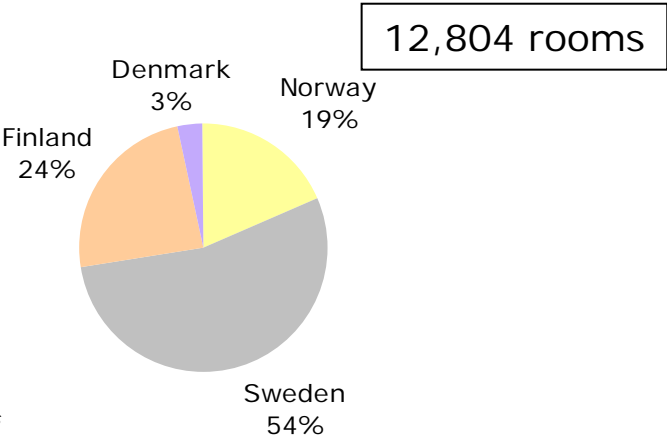
Source: Norgani Hotels

Estimated remaining contract duration



Source: Norgani Hotels

Number of rooms – geographical market



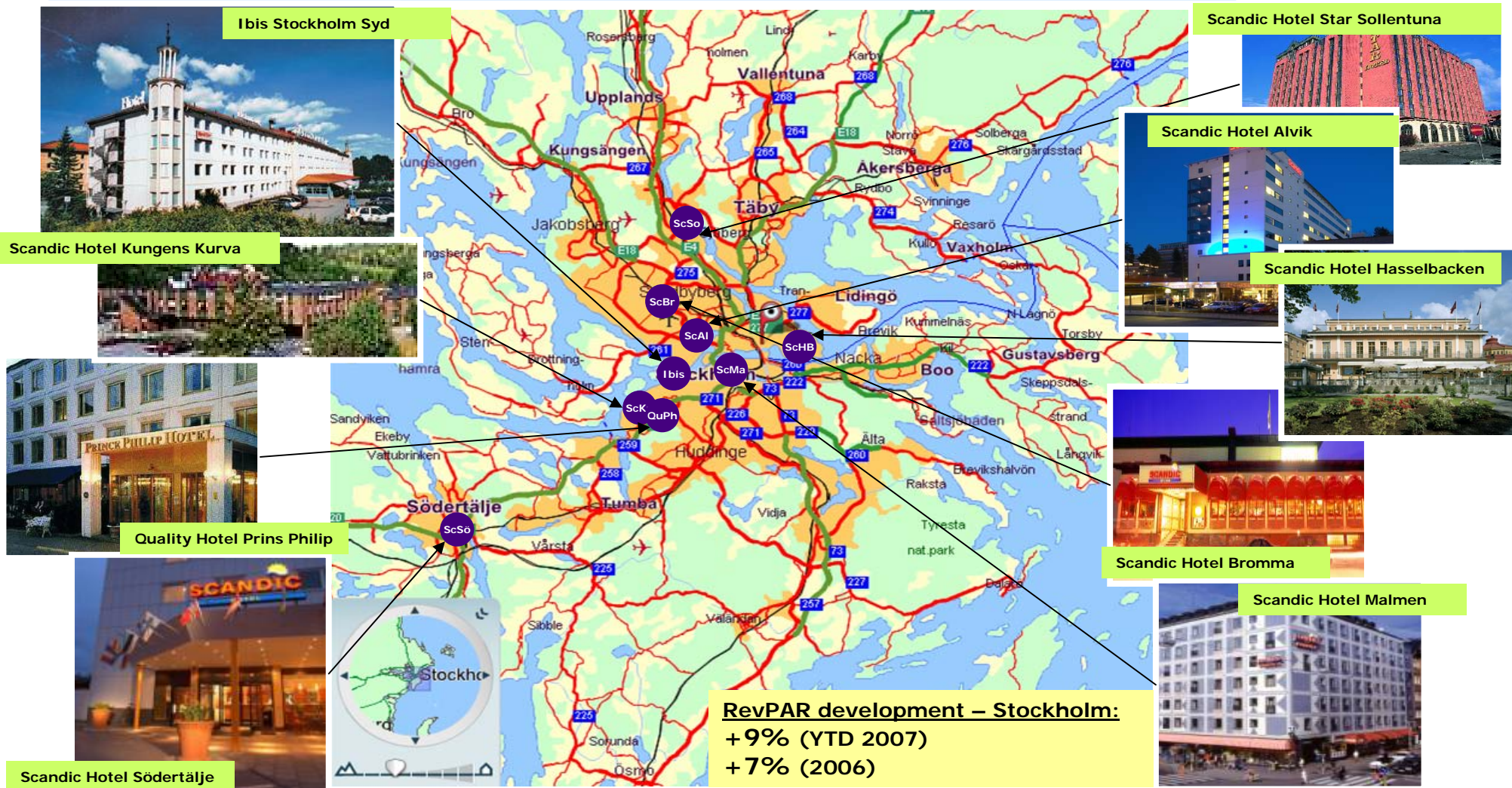
Source: Norgani Hotels

* Based on number of sqm's

[illegible]

Source: Norqani Hotels, Scandic Hotels, SEB Enskilda

Hotels in the Stockholm area (9)



Source: SCB (Swedish Statistics)

Hotels in Oslo (3) and Bergen (2)

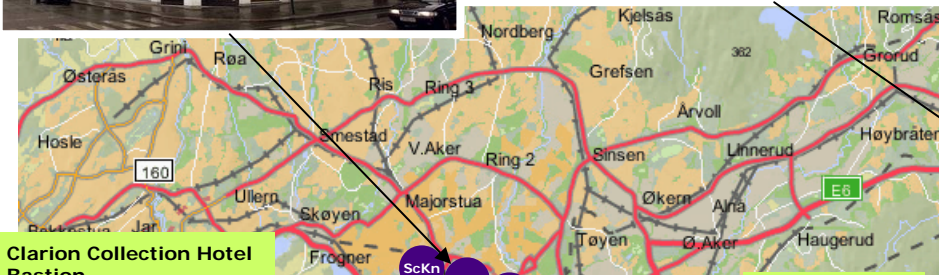
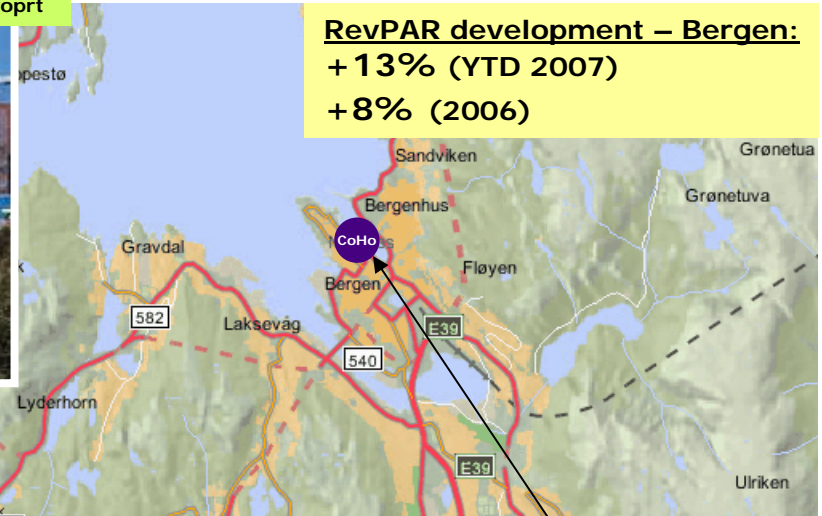
Comfort Hotel Børsparcken



Scandic Bergen Airport



RevPAR development – Bergen:
+13% (YTD 2007)
+8% (2006)



Clarion Collection Hotel Bastion



RevPAR development – Oslo:
+16% (YTD 2007)
+12% (2006)

Scandic KNA



Comfort Hotel Holberg



Source: SSB (Norwegian Statistics)

Hotels in Copenhagen (3)

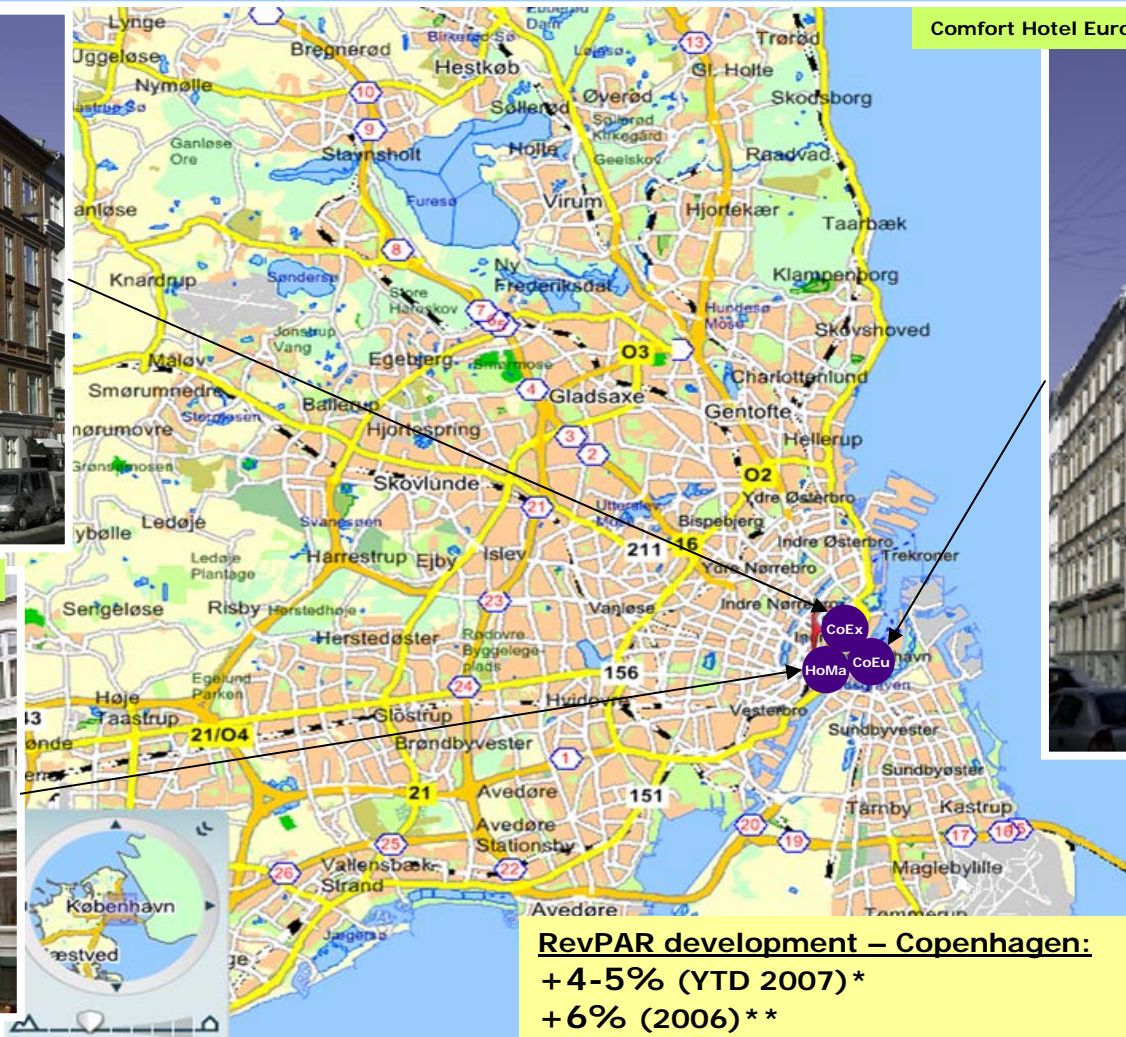
Comfort Hotel Excelsior



Comfort Hotel Europa



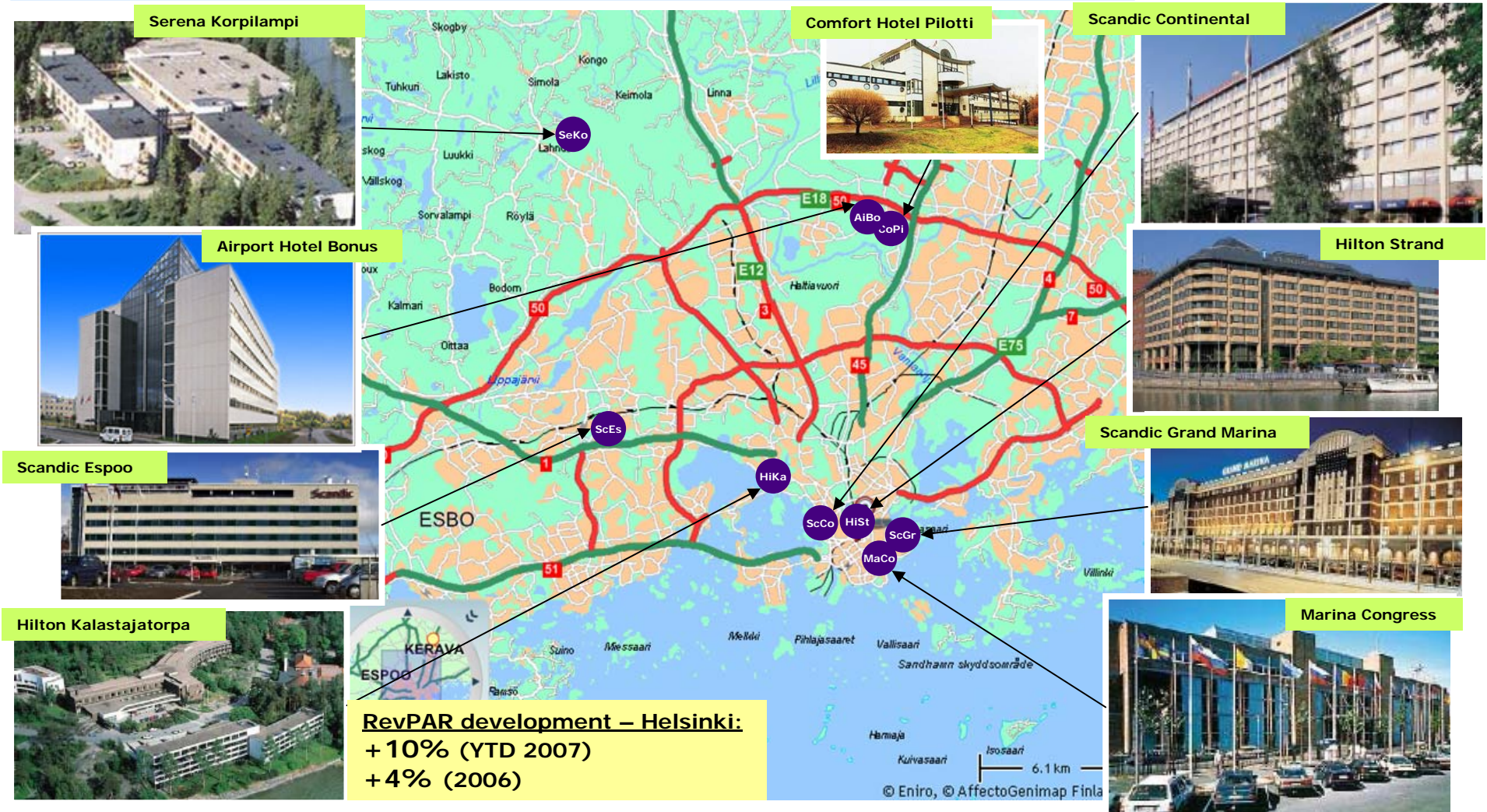
The Hotel Mayfair



*Estimated

**From Home Properties Annual Report 2006

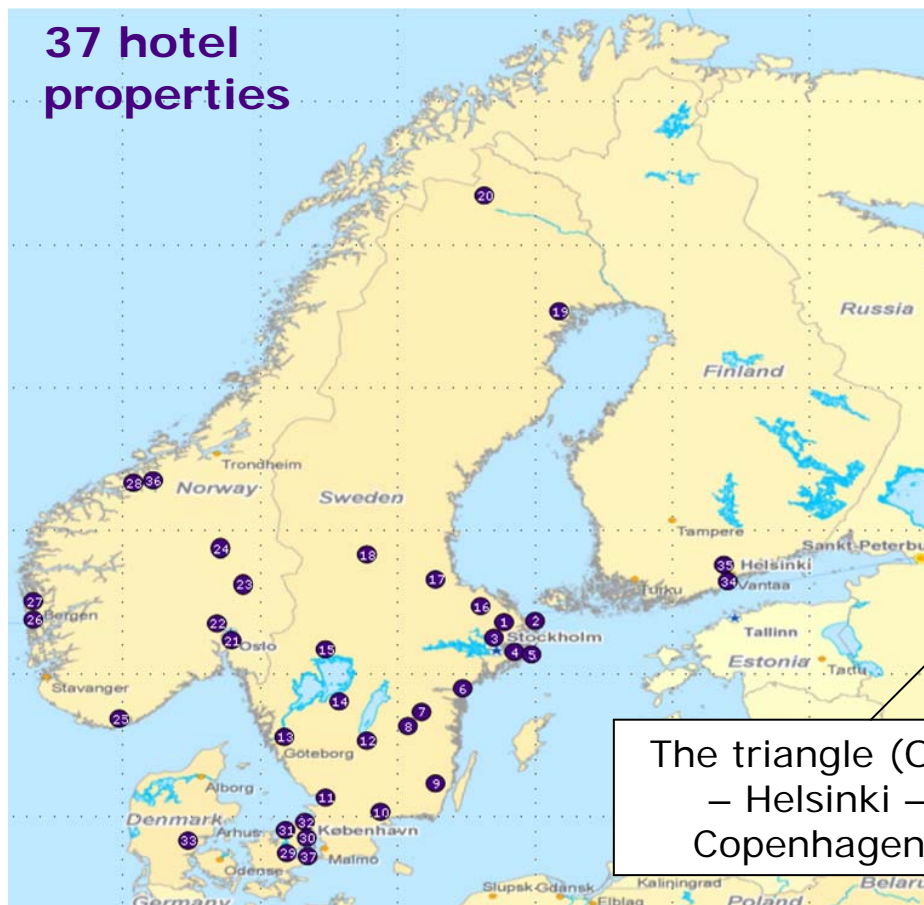
Hotels in Helsinki area (9)



Source: Finnish Statistics

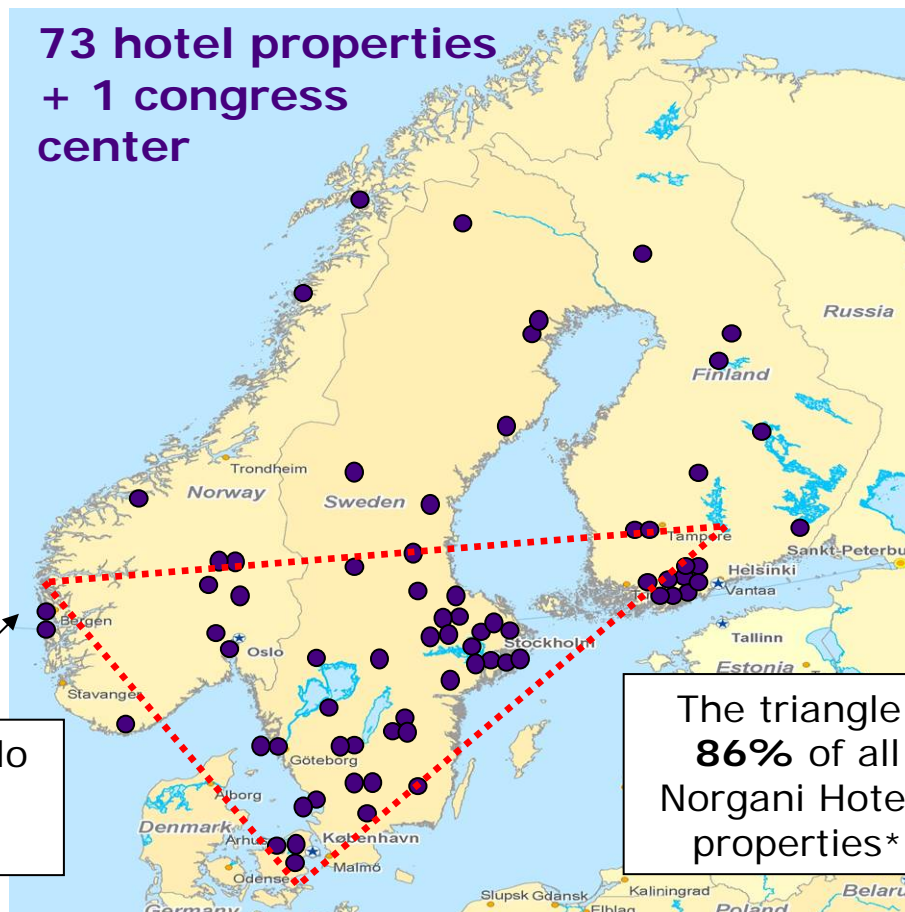
Norgani Hotels – Development of the hotel portfolio

2nd quarter 2005



* Based on number of hotel rooms

3rd quarter 2007

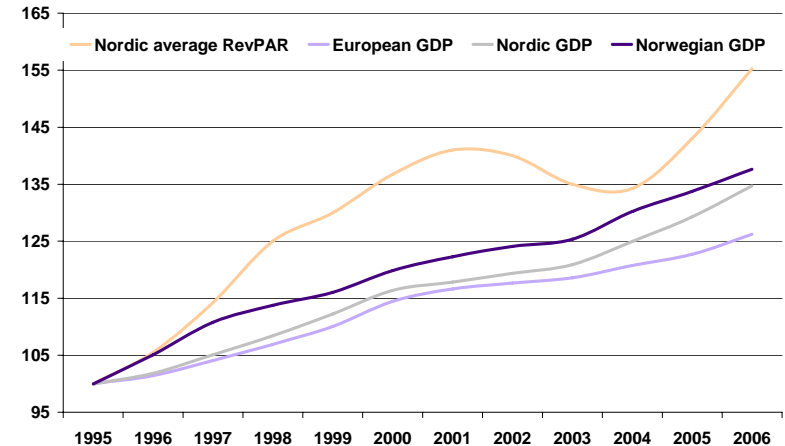


High growth in the hotel market

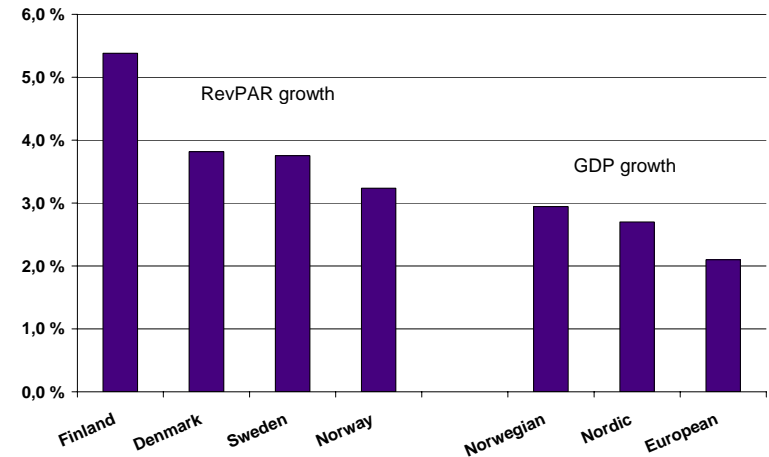
- **Strong growth in RevPAR* in 2007**:**
 - Norway: 13%
 - Sweden: 10%
 - Finland: 10%
- Growth in the hotel market over time is correlated with (though somewhat higher than) the underlying growth in the economy (GDP)
- The Nordic hotel market had an annual growth in RevPAR of 4,1% over the 1995 to 2006 period
- The Nordic hotel market is expected to grow by 4-5% p.a. 2007-2011 with new supply below demand growth *(Source; Bain Consulting)*

* Definition RevPAR: Revenue per available room ** National Statistics;
Jan – July 2007

Index RevPar & GDP (1995-2006)

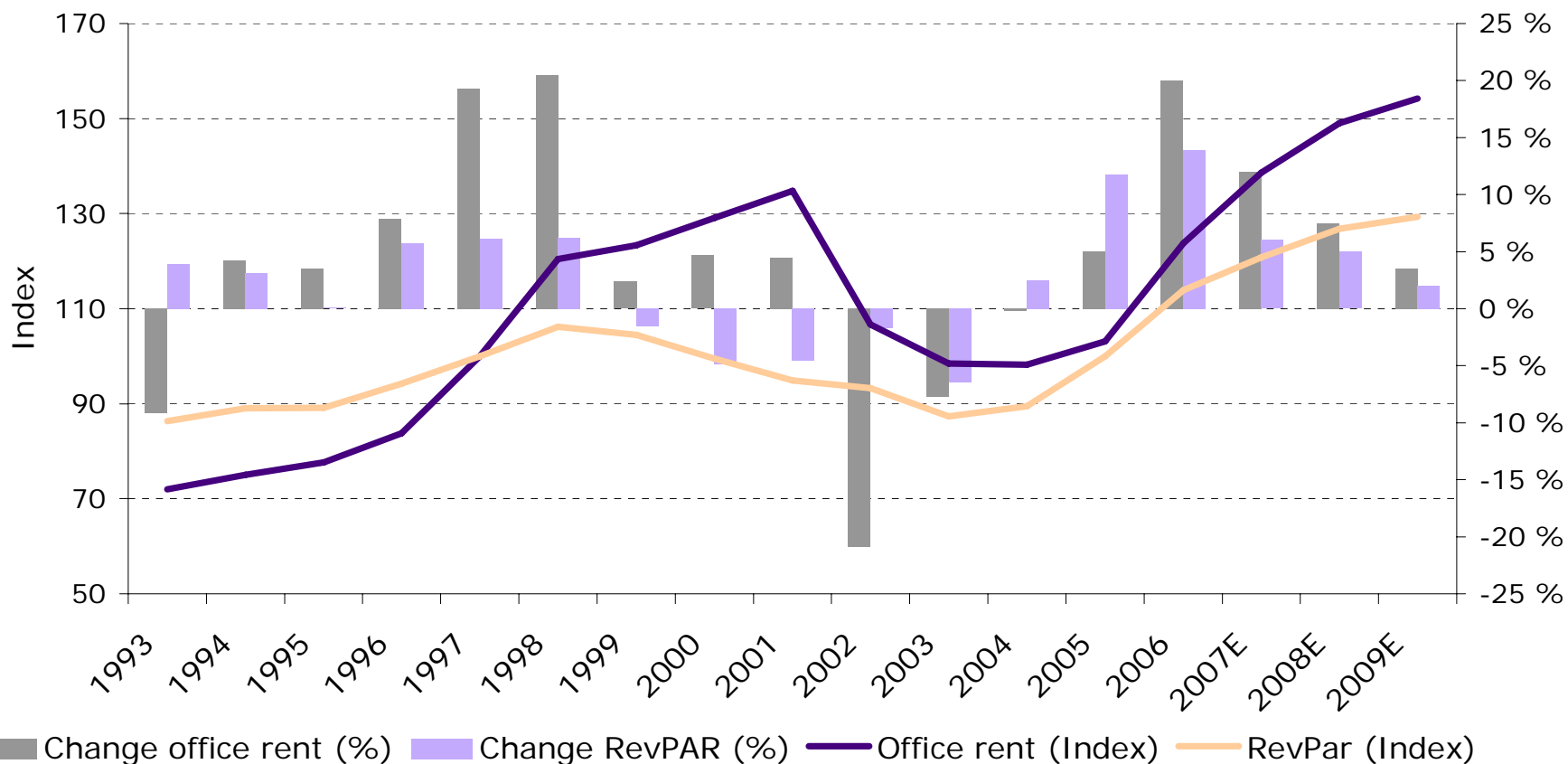


Annualized growth RevPAR & GDP (1995-2006)



RevPAR is less volatile than office rent

RevPAR compared with office rent in Oslo in the period 1993 to 2009E*



Source: ABG Sundal Collier/SEB Enskilda; Office rent adjusted for vacancies *Basis year = 1997 (Index = 100)

Contacts

Norwegian Property ASA

Petter Jansen (CEO)

Phone: +47 90 09 87 28

E-mail: petter.jansen@norwegianproperty.no

Dag Fladby (CIO)

Phone: +47 90 89 19 35

E-mail: dag.fladby@norwegianproperty.no

Svein Hov Skjelle

Phone: +47 93 05 55 66

E-mail: svein.hov.skjelle@norwegianproperty.no

Norwegian Property website: www.npro.no

Norgani Hotels website: www.norgani.no