



# IPO Road Show

30 October – 13 November 2006

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# The IPO transaction

- **Price range: NOK 50 – 55 per share**
  - No. of shares pre-IPO: 73.5 million
  - Pre-money market capitalisation: NOK 3.7bn - NOK 4.0bn
- **Base offering size: up to 27m shares (incl. Green shoe option)**
  - New issue of between 15m and 25m shares, equivalent to up to NOK 1.4bn
  - Secondary sale of up to 2m existing shares, equivalent to up to NOK 0.1bn
- **The Offering comprises:**
  - Retail Offering in Norway – lower limit 200 shares/upper limit 60,000 shares
  - Institutional Offering – Institutional/professional investors - lower limit 60,001 shares
  - Restrictions: Regulation S/Rule 144A under the U.S. Securities Act - QIB's only
  - Green shoe option of up to 10 % of the Offering (up to 2.5m shares, up to NOK 0.1bn)
- **IPO timetable:**
  - Bookbuilding period from 1 November to 13 November 2006
  - First day of trading: on or about 15 November 2006
  - Listing approved by Oslo Stock Exchange on 25 October 2006 – subject to certain conditions
- **Joint lead managers and book runners: SEB Enskilda and Pareto Securities**
  - Co-lead and retail manager: DnBNOR Markets

# Overall strategy and company background

- **Responding to investors demand for a listed and diversified quality property exposure, size and an attractive and predictable risk/return-balance**
- **Take advantage of...**
  - ...a strong and solid domestic economy through the property market
  - ...attractive property yield gaps vs real interest rates
  - ...the on-going improvements in both office and retail property segments and promising outlook (falling vacancies, low newbuilding, rising rents)
  - ...the consolidation and securitization potential in the property sector
  - ...and the lack of transparent and listed property vehicles available

# Norwegian Property's AAA properties

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



# History / background – 12 months history

- **From November 2005 to May 2006, a large number of properties (ca NOK 25bn) were thoroughly assessed and evaluated by the company,**
  - A. Wilhelmsen Group and Fram Management, two major Norwegian property developers, joined Norwegian Property as Founding Fathers through NOK 5bn off-market transactions agreed in Q1 2006
  - In May 2006 the initial 30 properties were acquired (value approx NOK 9.1bn)
  - By mid-October 2006, another 11 properties were acquired (value approx NOK 5.5bn)
- **NOK 1.75bn of equity raised in April-May, in addition to equity roll-over from property seller of NOK 1.45bn**
  - Additional equity raised through private placement in July and share considerations in relation to further property acquisitions (NOK 0.5bn)
  - Total equity raised = NOK 3.7bn
- **Management recruitment process started in April-May and CEO, Petter Jansen, signed in July**

# Investment & return strategy and targets

## Investment framework

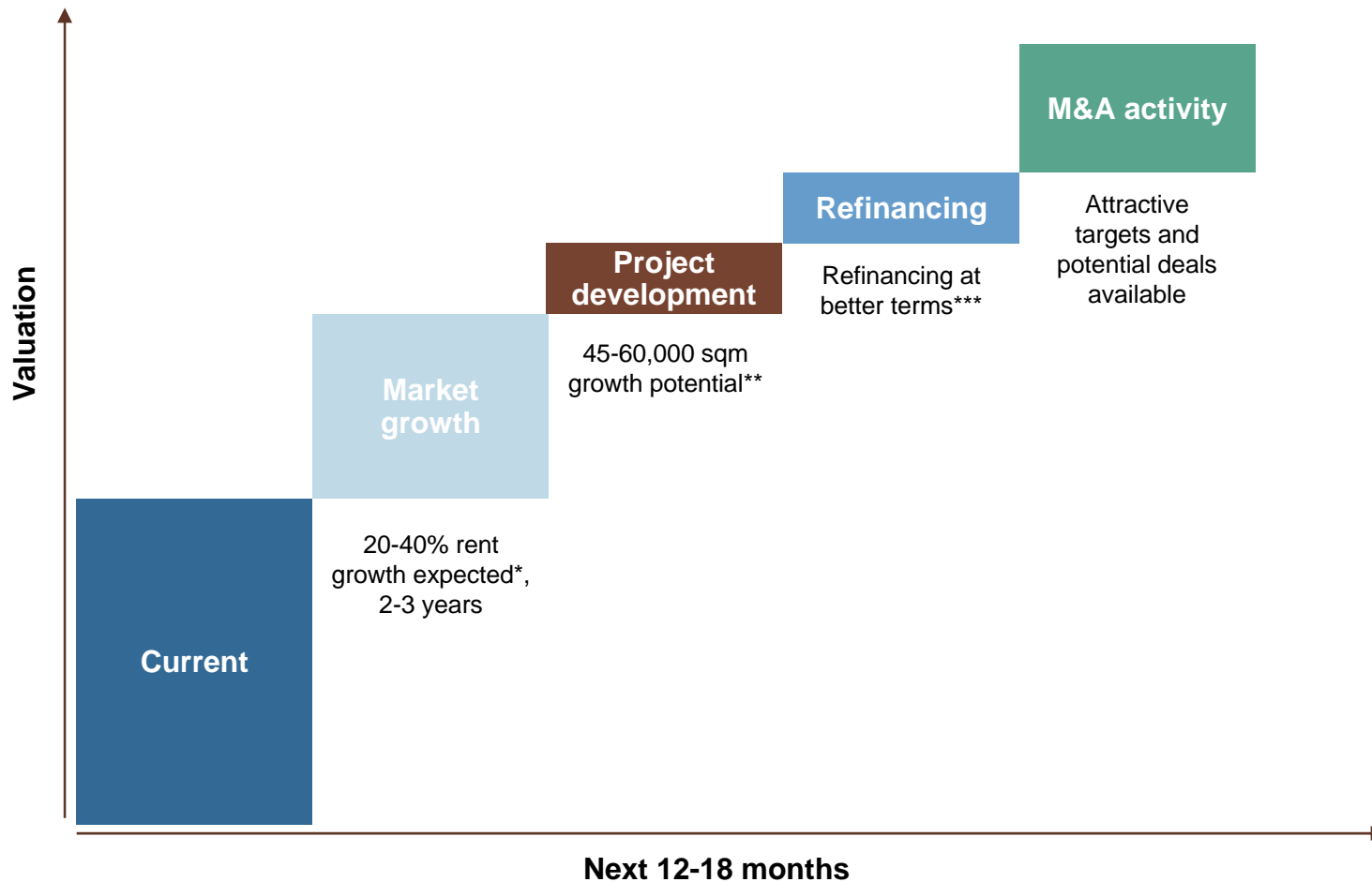
- **Pre-IPO investment of NOK ~15bn**
- **Entry yield at +/- 6.0% (current: 5.9%)**
- **Focus on property in CBD and prime locations in Norway's largest cities (current: 97% in Oslo/Stavanger)**
- **Primarily office/retail (current: 92%)**
- **Average value per property of NOK +200m (current: NOK 351m)**
- **Quality tenants with average contract duration 7 years or more (current: 7.8 yrs)**
- **90-100% annual CPI adjusted lease contracts (current: 96%)**
- **Attractive property development potential**

## Return and financing strategy

- **Pre-IPO market cap NOK 3.5-4.0bn**
- **Target pre-tax equity IRR 13-15%**
- **Target annual dividend yield 4-6% (paid-in equity)**
- **Current free float of around 75%**
- **Initial leverage of 75%**
  - NOK 12bn senior debt from 4 major banks
  - Additional subordinated debt of 5-10% will be considered post-IPO
- **Refinancing to be considered - Considerably lower margins on senior debt expected**
  - Bonds
  - Securitization



# Four main value drivers

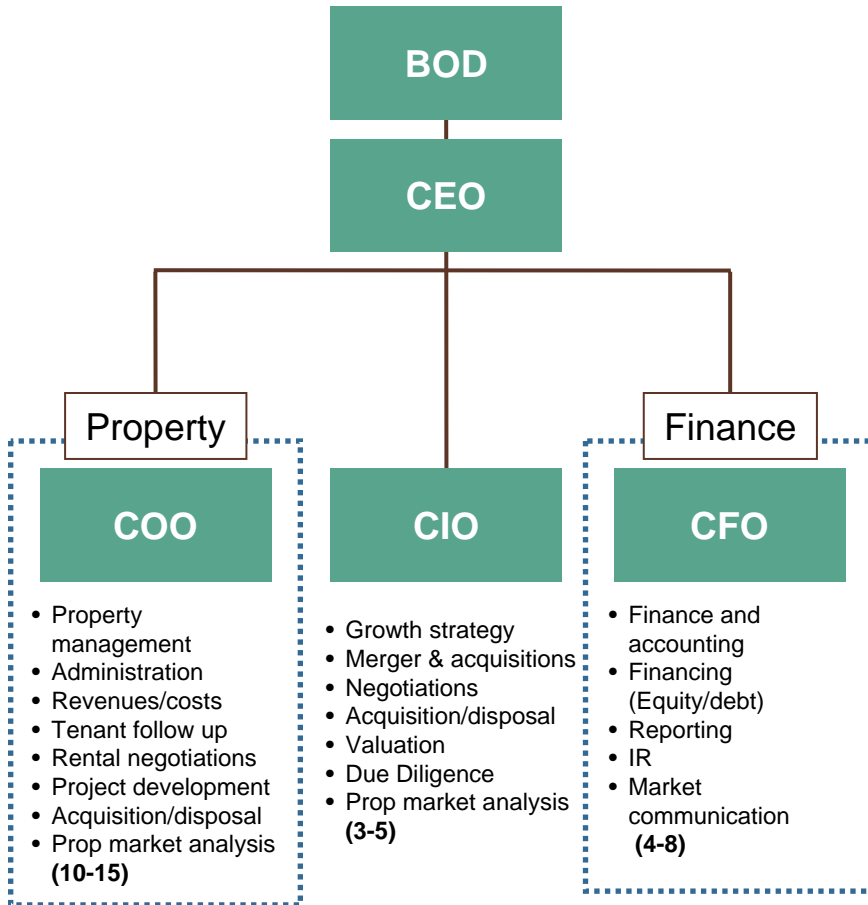


\*Based on estimated market rents 2007 and further according to market reports Union Næringsmegling, DnBNOR Næringsmegling, Akershus Eiendom.

\*\*Estimated by technical consultants OPAK/BER. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities. \*\*\*Indications given by existing banks etc.

# Organisation

## Organisation overview



## Key issues organisation

- **A strong and competent board**
- **Management team recruited**
  - CEO and CFO in place
  - CIO and sales/marketing director recruited
  - COO: Recruitment process
  - Sufficient admin and management resources from PwC in transition period
- **Complete organisation to be completed**
  - A total of 20-25 employees expected to be in place during 1H 2007
  - Several functions to be filled
- **Facility management**
  - Currently outsourced, but most likely an interim solution
  - In-house solution expected to be more cost efficient

# Norway at a glance

## ■ General

- Population: 4.6m (Jan. 2006)
- Size: 385,199 km<sup>2</sup>
- System of government: Constitutional monarchy
- Prime minister: Jens Stoltenberg, Labor Party (coalition government)

## ■ Economics

- Gross domestic product per capita (2004): NOK 360,000
- Oil and gas production: 2.8m barrels per day (2006)

## ■ Currency

- Currency: 1 USD = NOK 6.75 (Oct. 2006),  
1 EUR = NOK 8.48 (Oct. 2006)

## ■ Work force

- 2.3m persons employed
- Largest sectors: Health and social services 20%, Retail, hotel and restaurants 18%, manufacturing 12% (Oil and gas 1.3%)

## ■ Government Fund

- Norwegian Government Pension Fund: NOK 1,600bn (end-Aug. 2006)

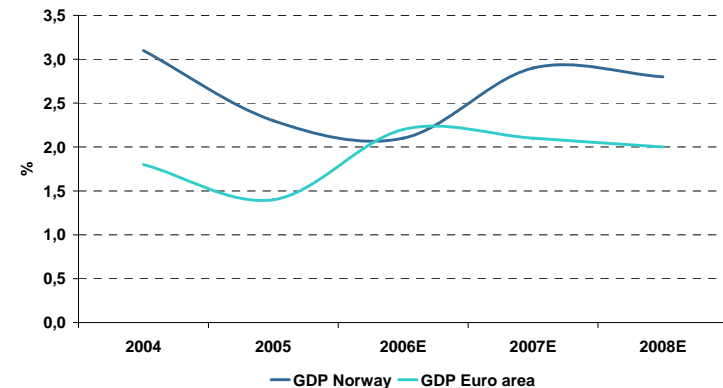
Gross national product, by sector	NOKm	Per cent
Oil and natural gas activity	338,097	19.8 %
Production of crude oil and natural gas	329,039	19.2 %
Manufacturing	157,783	9.2 %
Business services	148,622	8.7 %
Wholesale and retail trade	134,717	7.9 %
Housing services	85,414	5.0 %
Other private services	80,683	4.7 %
Construction	68,230	4.0 %
Other	367,826	21.5 %
<b>Total Gross national product</b>	<b>1,710,411</b>	<b>100 %</b>



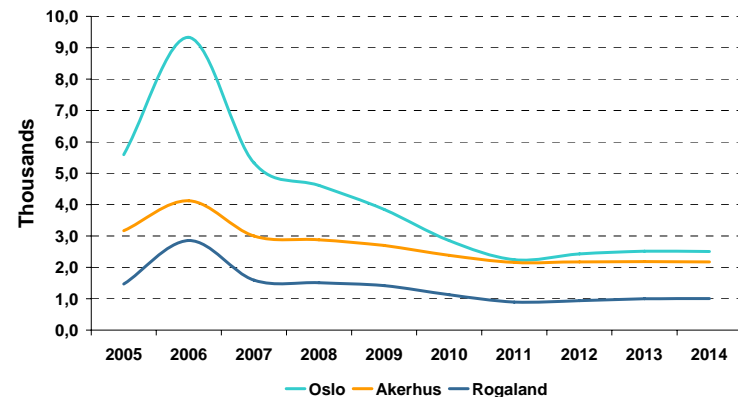
# Strong outlook for the Norwegian economy

- Norwegian economy performance is driven by a high oil price and strong demographics
- ... this stimulates the demand for labour
- The total headcount employment is expected to be strong in the coming years
  - Especially strong net headcount increase in the central regions:
    - Approx. 29,300 in Oslo and Akershus in 2006-2008
    - Approx. 6,000 in Rogaland in 2006-2008
- These factors contribute, in our view, to a solid outlook for office demand in the coming years

## Gross domestic product (GDP)



## Total headcount employment annual change



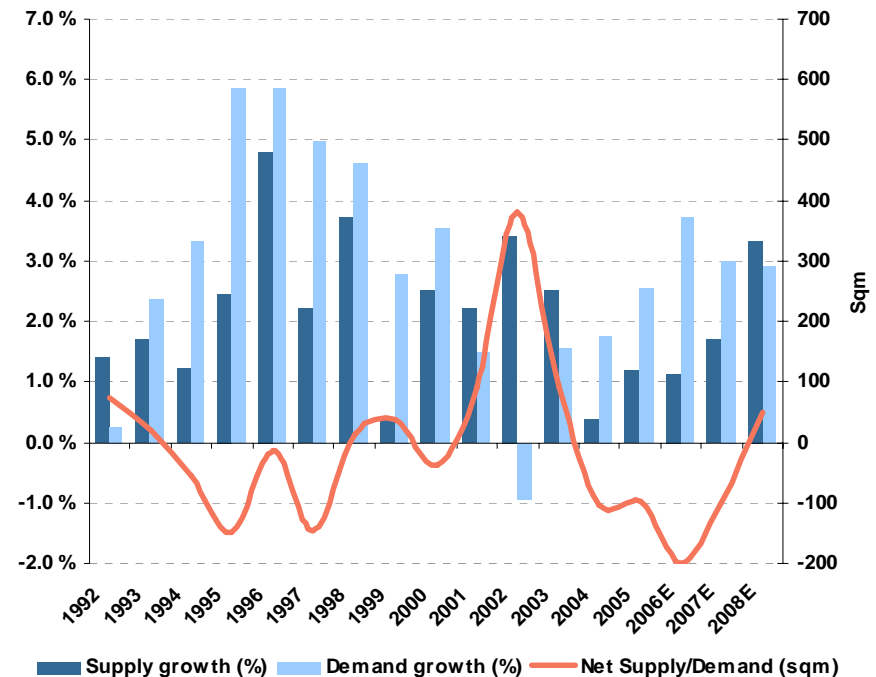
# Supply and demand for office space in Oslo

## Employment main demand driver

- Total growth in number of headcount employment is estimated at approx. 29,000 for 2006-2008 in Oslo/Akershus
- Approx. 20,000 assumed to result in demand for office space
- Assumed space per employee is approx. 30 sqm
- Demand growth for 2006-2008 resulting from employment growth is 600,000 sqm
- Other demand drivers (increased space per employee, planned expansion, etc.) expected to contribute with 200,000 sqm
- Estimated total supply ('06-'08) is 550,000 sqm
- Net absorption of 250,000 sqm

**Vacancy dropping from 7% to 4%**

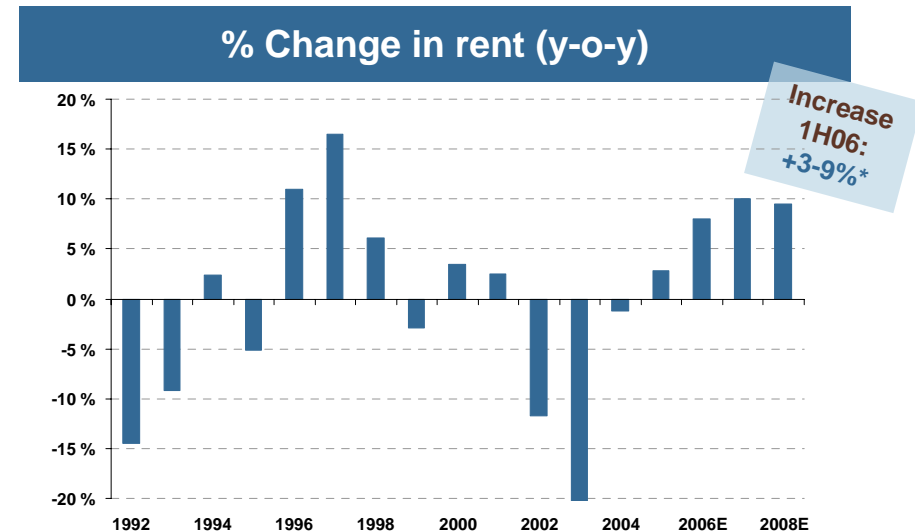
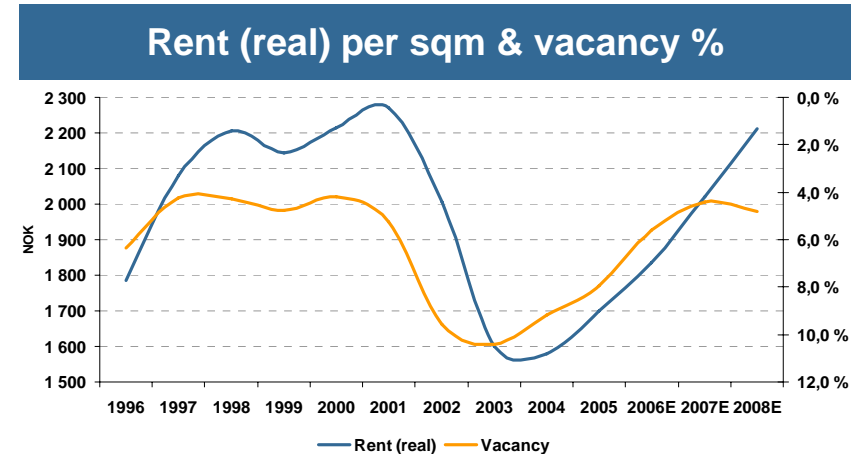
## Total supply- & demand growth



# Office rent levels Oslo

## – Fornebu/Lysaker/Skøyen/Vika

- Real rent was at its lowest in 2004 but increased through 2005 and continues to increase in 2006
- Record low new-building activity
- Estimated future growth in real rent is appealing
- Q2 2006, rental situation**
  - Great demand for office rental objects in 1-tier and 2-tier segment
  - Increased acceptance for higher rents
  - Quicker tenant decisions
  - Rent level some 20% below top in Q3 2001
  - Expected growth 2006-2008: +20%
  - Record low new-building



\*Depending on area/standard of premises

Source: Union Næringsmegling, Dagens Næringsliv "Kysten rundt"/OPAK, Eiendomsspar

# Office rent levels Stavanger, Bergen & Trondheim

## – Modern and central location

- Relatively stable positive rent development in office markets outside Oslo with good prospects for all major cities

### Stavanger

- 1H06: +8%
  - Few new construction projects
  - Vacancies dropping
  - Zero vacancy for larger office areas (CBD)
  - Oil-area (Forus) - demand for space increasing

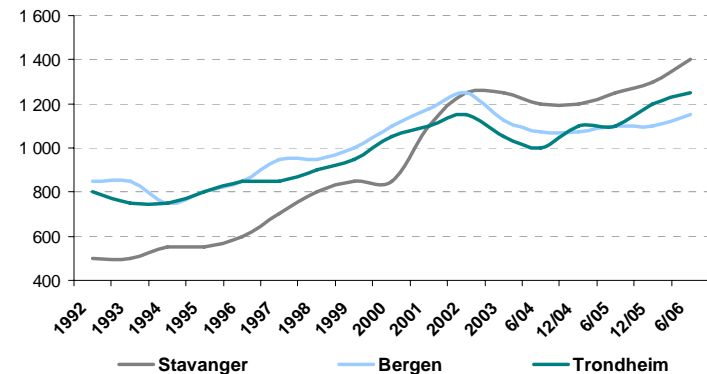
### Bergen:

- 1H06: +5%
  - Very low vacancy in city/central areas (less than 5%)
  - Increasing demand for premises
  - Rents are increasing

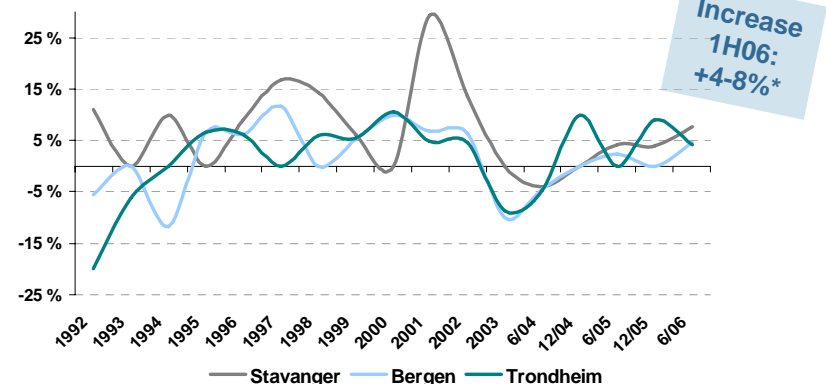
### Trondheim:

- 1H06: +4%
  - Great demand for attractive premises
  - Vacancies dropping

Rent in NOK per sqm



% Change in rent (y-o-y)



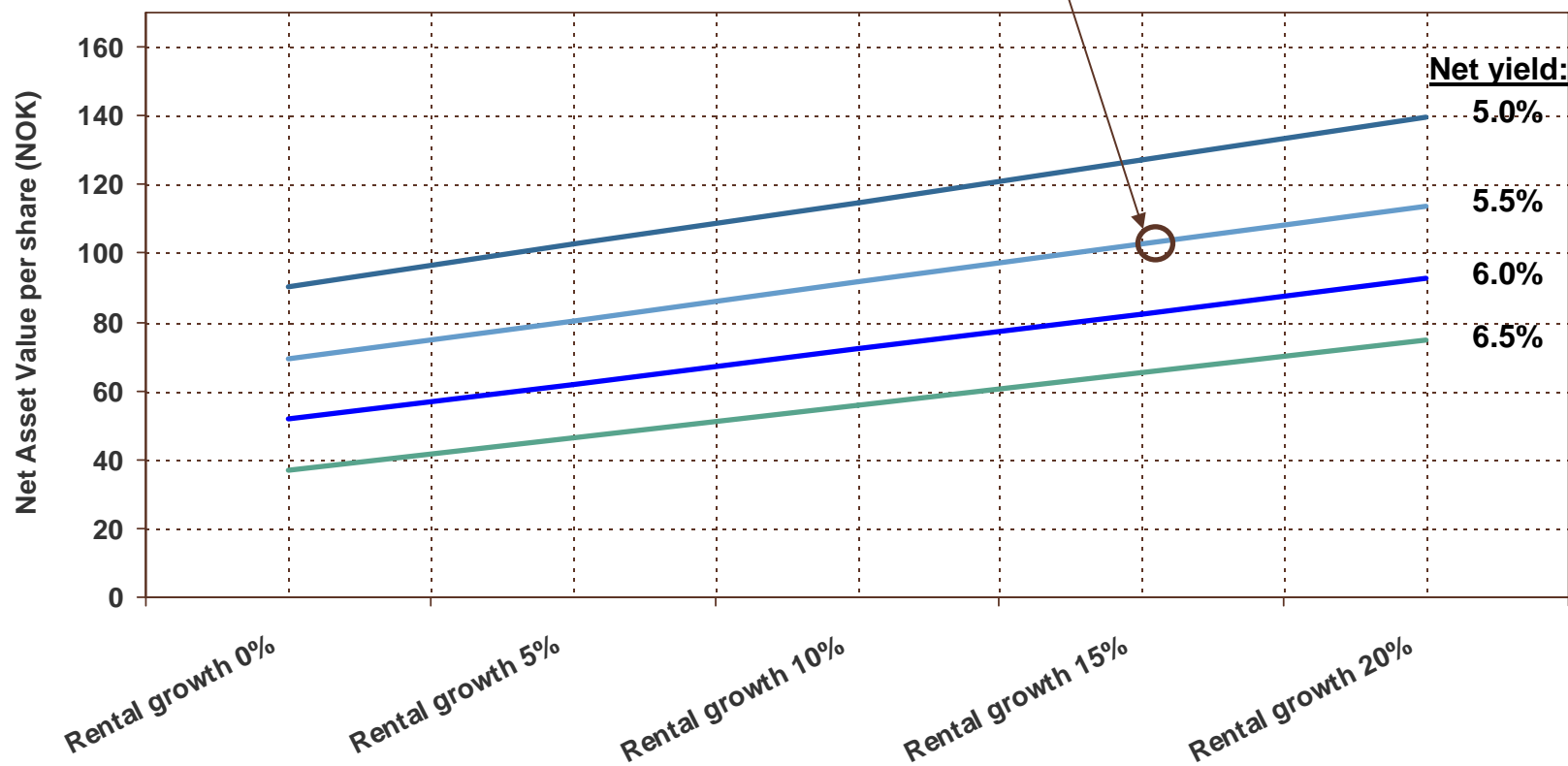
\*Stavanger 8%, Bergen 5%, Trondheim 4%

Source: Dagens Næringliv "Kysten rundt"/OPAK quarterly reports

# NAV sensitivity example

## ■ High leverage case (~73%)

**Example** (all other parameters kept constant):  
 Rental increase = 15%  
 Net yield = 5.5%  
 NAV per share = approx NOK 105



### Assumptions

2006 gross rent, CPI-adjusted by 2.0%  
 = NOK 902m

2006 net rent, CPI adjusted;  
 = NOK 854m

Net yield = 5.9%

No of shares:  
 73.5m (pre IPO)

Net debt end 2006

= NOK 10.4bn

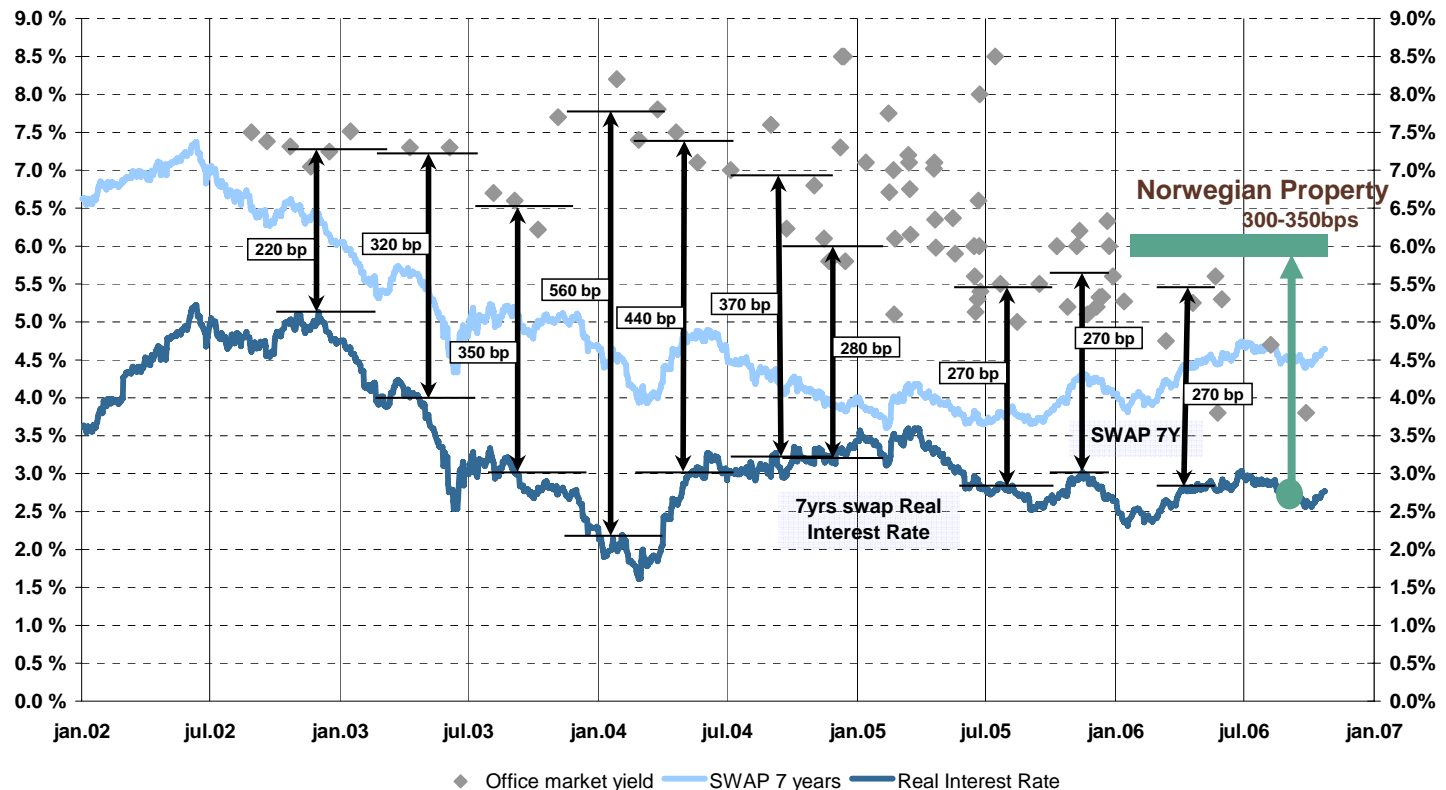
### NAV/share =

[Asset value based on 2006 rent, CPI-adjusted (given yields of 5-6.5% given different market rent growth (0%→+30%)) – Net debt end 2006] / no. of shares



# Norwegian office market net yields v. real interest rates

- 2002-2006 yield gap and actual office transactions in Oslo
- 2002-2006 7Y interest rate swaps and real interest rate swaps (adj for CPI)
- The current CBD market: Yield gap of approx 200-250bp less financing margin



Source: Enskilda, Datastream, Union Næringsmegling, DnB NOR Næringsmegling, Akershus Eiendom

# Details for acquired portfolios



Portfolio	Total as of 18 May	LT35	F44	Ibsen	L. Høegh	GW9	Aker Hus	Total end October
Num properties	31	1	1	1	5	1	1	41
Sqm	377,850	21,934	22,032	38,147	44,141	28,299	58,343	590,746
Avrg sqm size	12,189	21,934	22,032	38,147	8,828	28,299	58,343	14,408
Avrg EV per sqm	23,555	27,355	20,470	30,933	23,527	26,671	25,247	24,372
Avrg EV size (NOKm)	287	600	451	1,180	208	755	1,473	351
Avrg rent per sqm	1,557	1,744	1,254	1,650	1,411	1,566	1,335	1,526
<b>Valuation</b>								
EV (NOKb)	8.9	0.6	0.5	1.2	1.0	0.8	1.5	14.4
Gross rent	588.3	38.3	27.6	62.9	62.3	44.3	77.9	901.6
Opex	-36.3							-46.8
Net rent	552.0							854.4
Gross yield, 2006 +2% CPI	6.6%	6.4%	6.1%	5.3%	6.0%	5.9%	5.3%	6.3%
Net yield, 2006 +2% CPI	6.2%							5.9%
Duration	7.5	6.2	11.3	7.5	4.5	6.5	13.1	7.8
CPI adj	93 %	100 %	100 %	100 %	100 %	100 %	100 %	96 %
Vacancy	0 %	0.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0 %

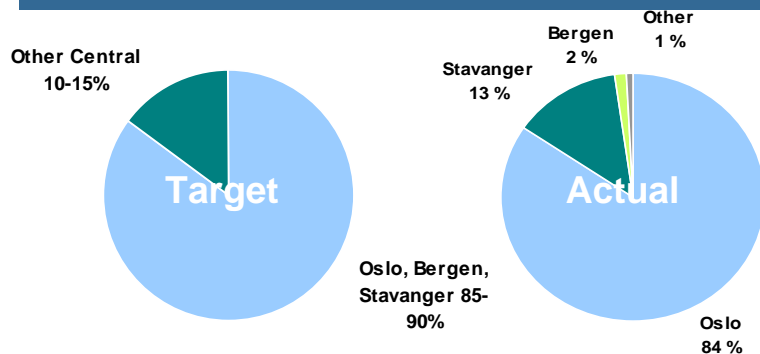


# Prime locations: >50% of rental income in CBD Oslo

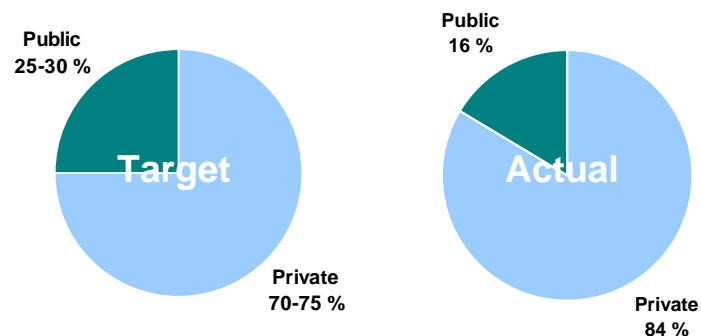


# Targets and actual positions

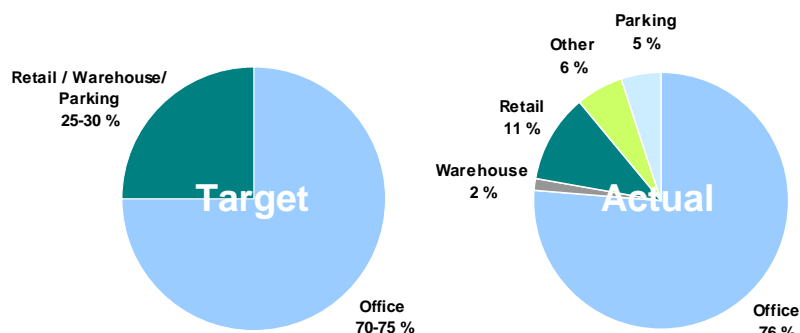
## Geographic focus\* – target & actual



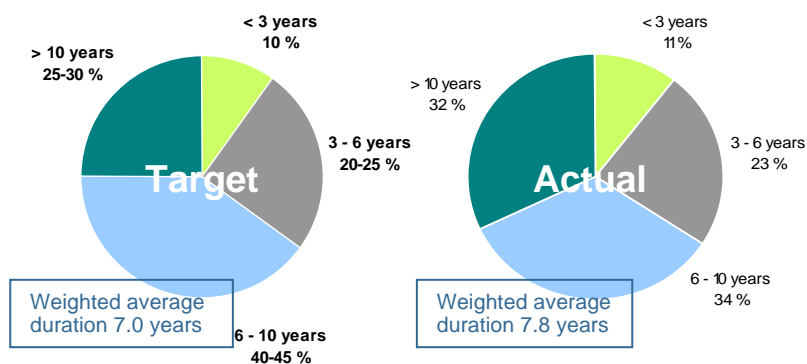
## Tenant mix\*\* – target & actual



## Property mix\*\* – target & actual



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



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

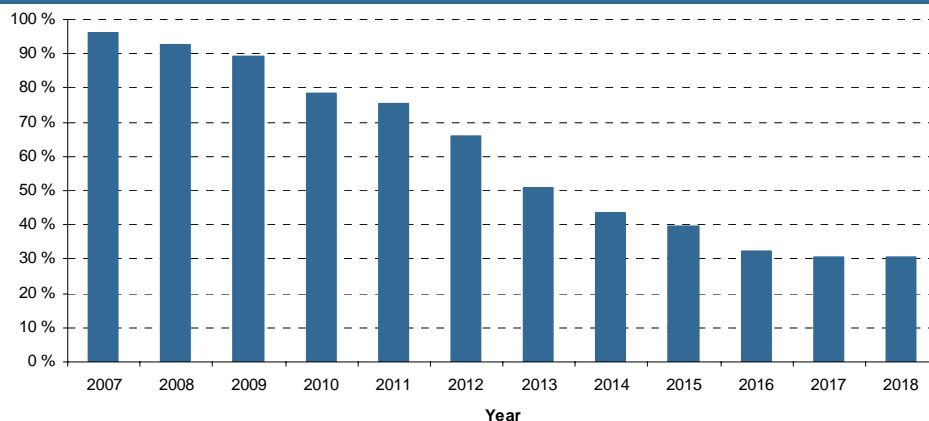


# Prime contracts

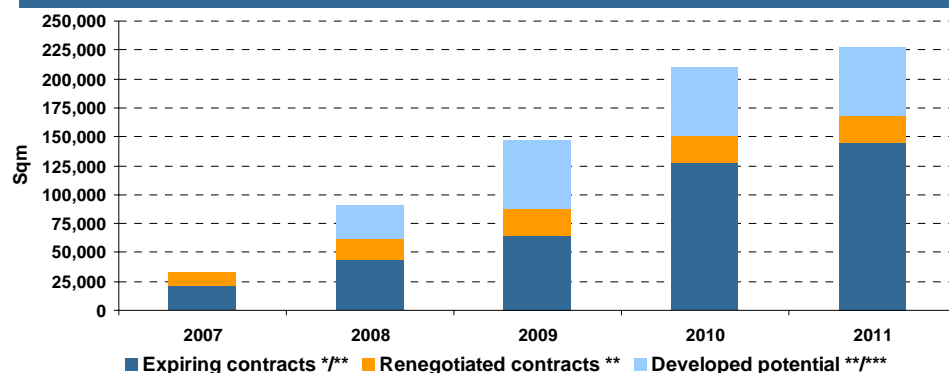
## – and upside rent potential

- **The average length of the lease contracts is currently 7.8 years\***
  - The expiration profile is well diversified over the coming years
- **The lease contracts are automatically adjusted according to the CPI annually**
  - Weighted average of 96% adjustment on total portfolio)
- **New contracts will be negotiated at market terms**
- **There is considerable upside potential in revenues over the next 3-5 years due to:**
  - 20-25% of the contracts\* will be subject to regular renegotiations\*\*
  - 3-5% estimated renegotiations due to change of needs (tenants expanding or relocating etc.)
  - 5-10% new contracts on development potential\*\*/\*\*

Contract duration profile (2006 rents)\*



Rent potential (accumulated)



\*As of 30 September 2006

\*\*Based on estimated market rents 2007-2011 according to market reports by Union Næringsmegling, DnBNOR Næringsmegling, Akershus Eiendom

\*\*\*Estimated by technical consultants OPAK and BER. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities.

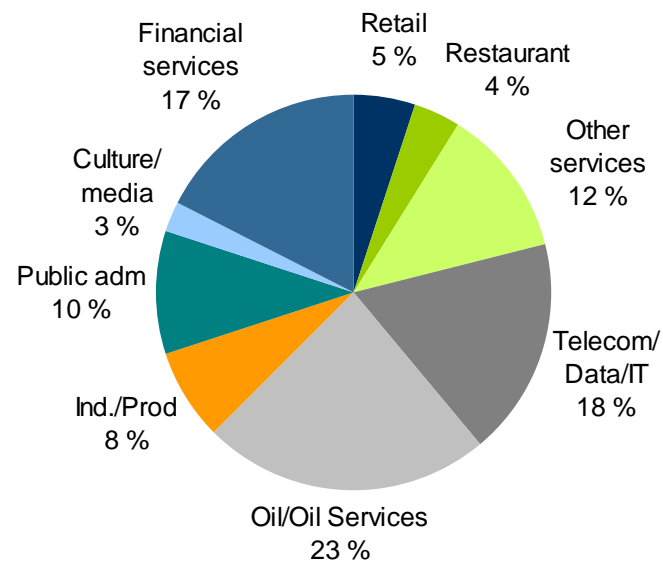
# Solid tenants

## 25 largest tenants

Tenant	Privat/ Public	Listed	2006 contractual rent, CPI adjusted (NOKm)	%	Duration (years)*
1 Aker ASA/Aker Kværner ASA	Pr	Y	78.3	8.7 %	13.1
2 EDB Business Partner ASA	Pr	Y	75.5	8.4 %	12.6
3 Nordea	Pr	Y	43.7	4.9 %	7.4
4 SAS	Pr	Y	40.4	4.5 %	10.3
5 If Skadeforsikring	Pr	Y	38.4	4.3 %	6.2
6 Statoil	Publ	Y	35.3	3.9 %	5.1
7 Total E&P	Pr	Y	27.5	3.0 %	11.5
8 Leif Høegh	Pr		25.9	2.9 %	13.6
9 Telenor	Pr	Y	25.8	2.9 %	9.1
10 Aker Kværner Offshore Partner	Pr	Y	23.0	2.5 %	3.3
11 Skanska Norge AS	Pr	Y	21.1	2.3 %	8.7
12 Fokus bank	Pr	Y	19.9	2.2 %	6.4
13 Astrup Fearnley/Astrup Fearnely stiftelsen	Pr		19.2	2.1 %	10.9
14 Nera ASA	Pr	Y	17.8	2.0 %	5.1
15 Ementor Norge AS	Pr	Y	17.7	2.0 %	6.0
16 Oslo Sporveier	Publ		17.0	1.9 %	8.8
17 Simonsen Advokatfirma DA	Pr		16.7	1.9 %	6.3
18 Rikshospitalet	Publ		16.2	1.8 %	15.5
19 Arbeidsdirektoratet	Publ		14.3	1.6 %	5.0
20 GlaxoSmithKlein	Pr	Y	14.3	1.6 %	10.4
21 TietoEnator	Pr		12.5	1.4 %	6.0
22 Dagens Næringsliv	Pr		12.2	1.4 %	2.8
23 Hydro Texaco AS	Pr		12.1	1.3 %	3.1
24 Bergesen Worldwide Offshore AS	Pr	Y	10.6	1.2 %	6.9
25 Esso Norge	Pr	Y	9.1	1.0 %	4.3
<b>TOTAL 25 LARGEST TENANTS</b>			<b>645</b>	<b>71 %</b>	<b>9.0</b>
Other tenants			257	29 %	4.7
<b>TOTAL ALL TENANTS</b>			<b>902</b>	<b>100 %</b>	<b>7.8</b>

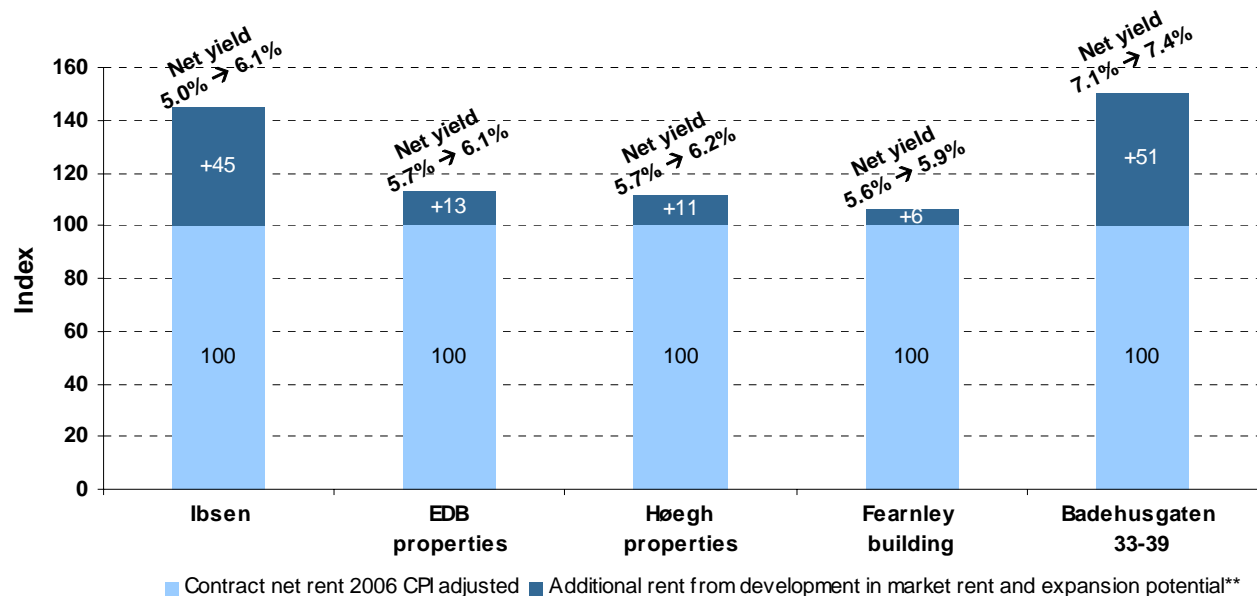
\*As of 30 September 2006

## Tenants by line of business



# Significant yield improvement potential

	Net yields				Rent NOKm	
	Contract rent 2006 CPI adjustment	Market rent 2H06*	Expansion potential**	2006 market rent* + Expansion potential**	Contract net rent 2006 CPI adjust.	2006 market rent* + Expansion potential**
Ibsen	5.0 %	5.6 %	8.6 %	6.1 %	59.5	86.2
EDB properties	5.7 %	5.7 %	11.7 %	6.1 %	73.0	82.4
Høegh properties	5.7 %	6.0 %	15.4 %	6.2 %	97.9	109.0
Fearnley building	5.6 %	5.8 %	11.9 %	5.9 %	42.2	44.8
Badehusgaten 33-39	7.1 %	7.1 %	8.1 %	7.4 %	21.7	32.7
<b>Average / Total</b>	<b>5.7 %</b>	<b>5.9 %</b>	<b>12.1 %</b>	<b>6.2 %</b>	<b>294.3</b>	<b>355.1</b>



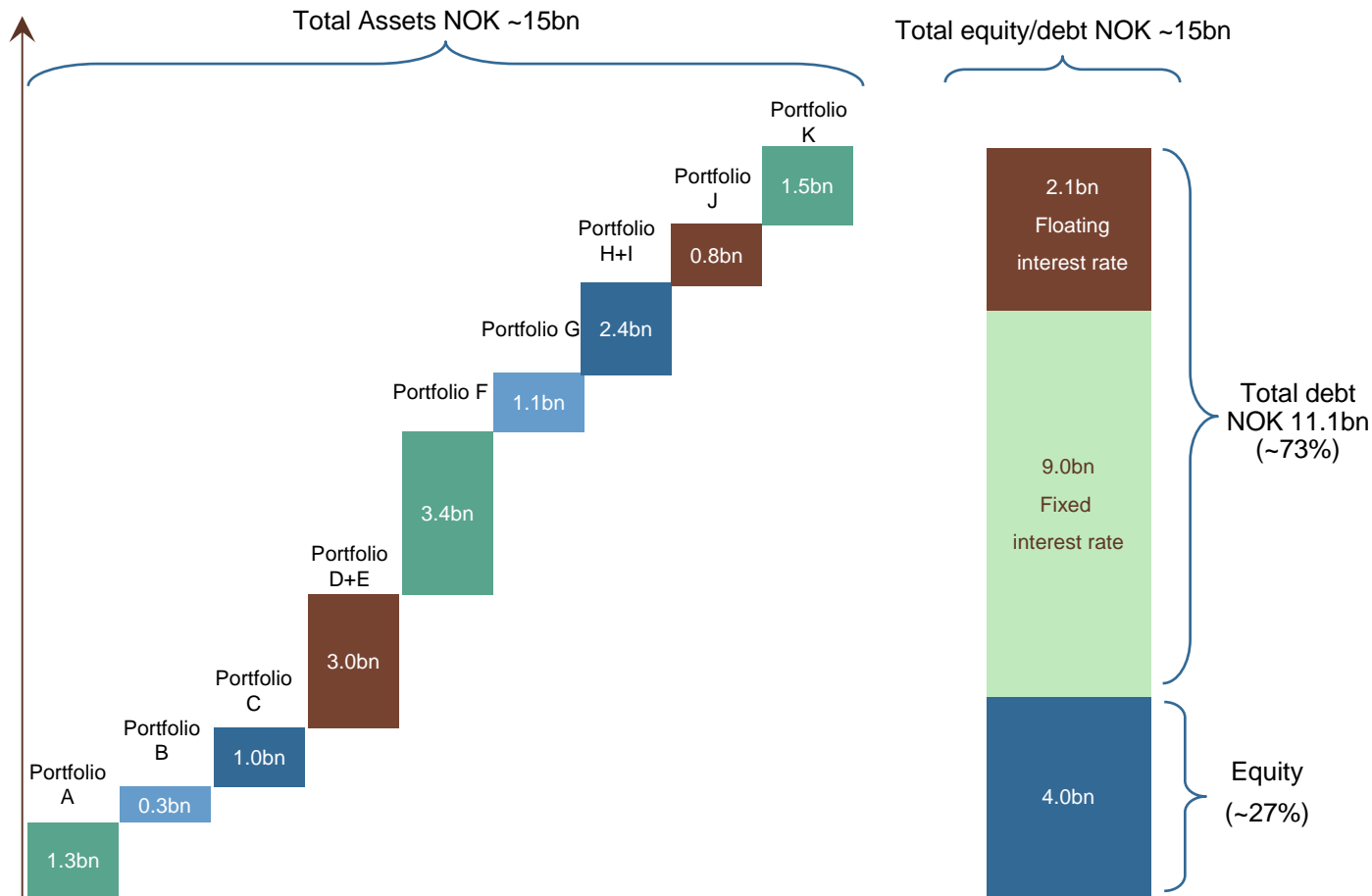
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\*\*\*Estimated based on due diligence reports and DTZ

# Financing of current portfolio

## – 80 % of debt at fixed interest rate



	Interest rates	
	Fixed	Floating
<b>Share of total debt</b>	<b>81 %</b>	<b>19 %</b>
Current interest rate	4.33 %	3.42 %
Margin	0.80 %	0.80 %
Up front fees	0.18 %	0.18 %
<b>Total</b>	<b>5.31 %</b>	<b>4.40 %</b>
<b>Average</b>	<b>5.14 %</b>	

Note; debt figures assumes NOK 1.1bn in debt related to Aker Hus which is expected to be total drawn amount in Nov'07)

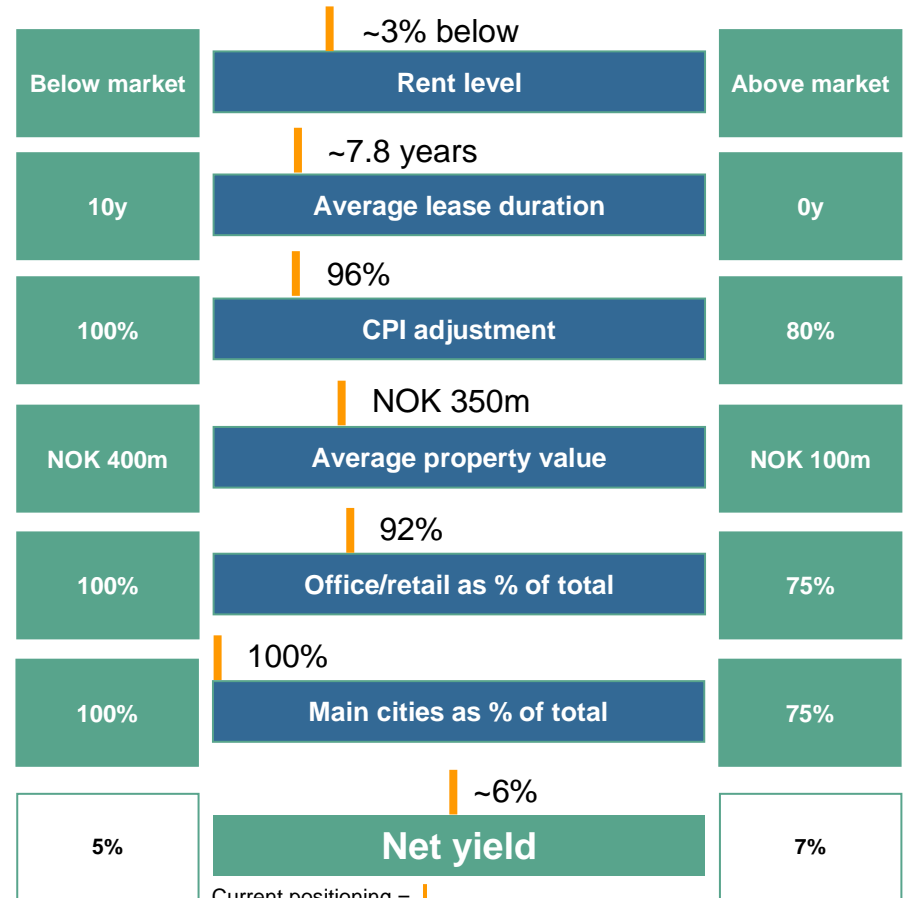


# Investment strategy for future growth

## Growth to follow implemented strategy

- Properties in CBD and prime locations in Norway
- Office/retail properties with parking
- Properties with development potential
- Acquisitions at average yield of 6%
- Both single property portfolio acquisitions
- M&A targets

## Current portfolio exceeds defined targets



# 3Q06 income statement

NOKm	YTD	Q3
<b>Gross rental income</b>	<b>212.2</b>	<b>181.0</b>
Maintenance and property related costs	-9.2	-7.0
Other operating expenses	-21.9	-16.3
<b>Operating result</b>	<b>181.1</b>	<b>157.7</b>
Value adjustments properties	0.0	0.0
Net financial items	-134.5	-113.8
Change in market value of financial derivatives	-29.5	-57.2
<b>Profit before tax</b>	<b>17.1</b>	<b>-13.3</b>
Earnings per share (NOK)	0.18	-0.14

# 3Q06 balance sheet

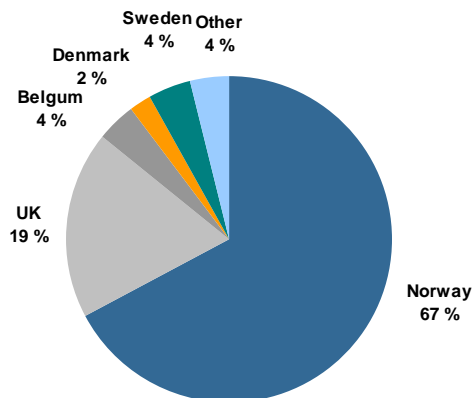
NOKm	Q3
Investment properties	13,151
Deferred tax assets	61
Cash and cash equivalents	422
Equity	3,519
Interest bearing debt	9,896
Net working capital	219
Net interest bearing debt	9,475
Equity ratio	25.6 %
Net interest bearing debt per share	139.87

# Broad shareholder base

## Key share details

- **No. of shares outstanding: 73.5m**
- **Par value per share: NOK 25**
- **Last traded share price: NOK 51**
- **No. of shareholders: 215**
  - Norwegian: 181
  - Non-Norwegian: 34
- **OSE-ticker / OTC-ticker: NPRO**

## Shareholder distribution by domicile



## 20 largest shareholders\*

Name	Country	% stake
1 ANDERS WILHELMSSEN GROUP	NO	21.8 %
2 FRAM MANAGEMENT	NO	10.9 %
3 MORGAN STANLEY & CO. INC. (NOMINEE)	UK	6.0 %
4 CREDIT SUISSE SECURITIES	UK	4.0 %
5 ALPINE WOODS CAPITAL INVESTORS	BL	3.5 %
6 VITAL FORSIKRING ASA	NO	3.1 %
7 QVT FINANCIAL LP	UK	3.1 %
8 SPENCER FINANCE CORP.	NO	3.0 %
9 LANI INDUSTRIER AS	NO	2.7 %
10 ACTA	SE	2.7 %
11 DANSKE BANK A/S (NOMINEE)	DK	2.3 %
12 OPPLYSNINGSVESENETS FOND	NO	2.2 %
13 CREDIT SUISSE SECURITIES (NOMINEE)	UK	1.7 %
14 METEVA AS	NO	1.5 %
15 WOODBOURNE INVESTMENT MGMT LLP	US	1.5 %
16 NORSK HYDROS PENSJONSKASSE	NO	1.4 %
17 GOLDMAN SACHS INTERNATIONAL (NOMINEE)	UK	1.1 %
18 VENTOR AS	NO	1.1 %
19 ORKLA ASA	NO	1.0 %
20 CONTINENTAL INVEST AS	NO	1.0 %
<b>Others</b>		<b>24.4 %</b>
<b>TOTAL</b>		<b>100.0 %</b>

as of 23 October 2006

\*Due to authorisation by certain shareholders to identify them as shareholders, this list is not concurrent with a formal shareholder list from VPS (the Norwegian Central Securities Depository) which show these shareholders only as nominee accounts

Source: VPS, Enskilda

# Summary

## - Attractively positioned in a prime property market

- **Norwegian Property is a prime real estate investment opportunity in a strong Norwegian market in the years to come**
- **Norwegian Property offers unique exposure to high quality real estate in mainly Oslo/CBD and Stavanger**
- **Norwegian Property is attractively priced with strong value drivers**
  - 20-40% rent growth expected
  - 45-60,000 sqm. expansion potential in existing portfolio
  - Refinancing at improved terms
  - Attractive M&A possibilities
- **Norwegian Property targets attractive returns to investors**
  - Target pre-tax IRR of 13-15%
  - Target 4-6% dividend yield to investors
  - Free float of around 75%

# Role of the Managers and the Board of Directors

## Role of SEB Enskilda ASA

- SEB Enskilda ASA (“Enskilda”) has initiated the creation of Norwegian Property and identified the properties which Norwegian Property has acquired, and has, in respect of the latter, assisted in the facilitation and negotiation of the property acquisitions, together with its advisors. Further, Enskilda has initiated the dialogue and also facilitated the process with the lenders to Norwegian Property and has assisted in locating the current board of directors of Norwegian Property.
- Enskilda and its wholly owned subsidiary Enskilda Eiendomsmegling AS have entered into an agreement with Norwegian Property where the former parties will act as the exclusive financial advisor and property broker, respectively, for Norwegian Property until 12 months following the stock listing of Norwegian Property. The agreement has been negotiated on arms length terms. The assignment includes assessing and presenting investment objects to Norwegian Property, financial advice in negotiations with sellers of properties, coordination of due diligence, advising in respect of debt financing and acting as manager in equity transactions, and will include also being financial adviser in case of tender bid on Norwegian Property and the acquisition of Norwegian Property’s shares or properties. The abovementioned assignment will be split between Enskilda and Pareto Securities ASA/Pareto Private Equity ASA.

## The Board of Directors of the Company

- The Chairman of the Board of Directors, Mr. Knut Brundtland, is independent of the sellers of properties and the other major stakeholders in the Company. The majority of the Board of Directors is, however, comprised by individuals which represent different shareholders of the Company and which were sellers of properties to the Company. The directors also representing shareholders of the Company, have undertaken not engage in activities which may be in conflict with the Company’s business.



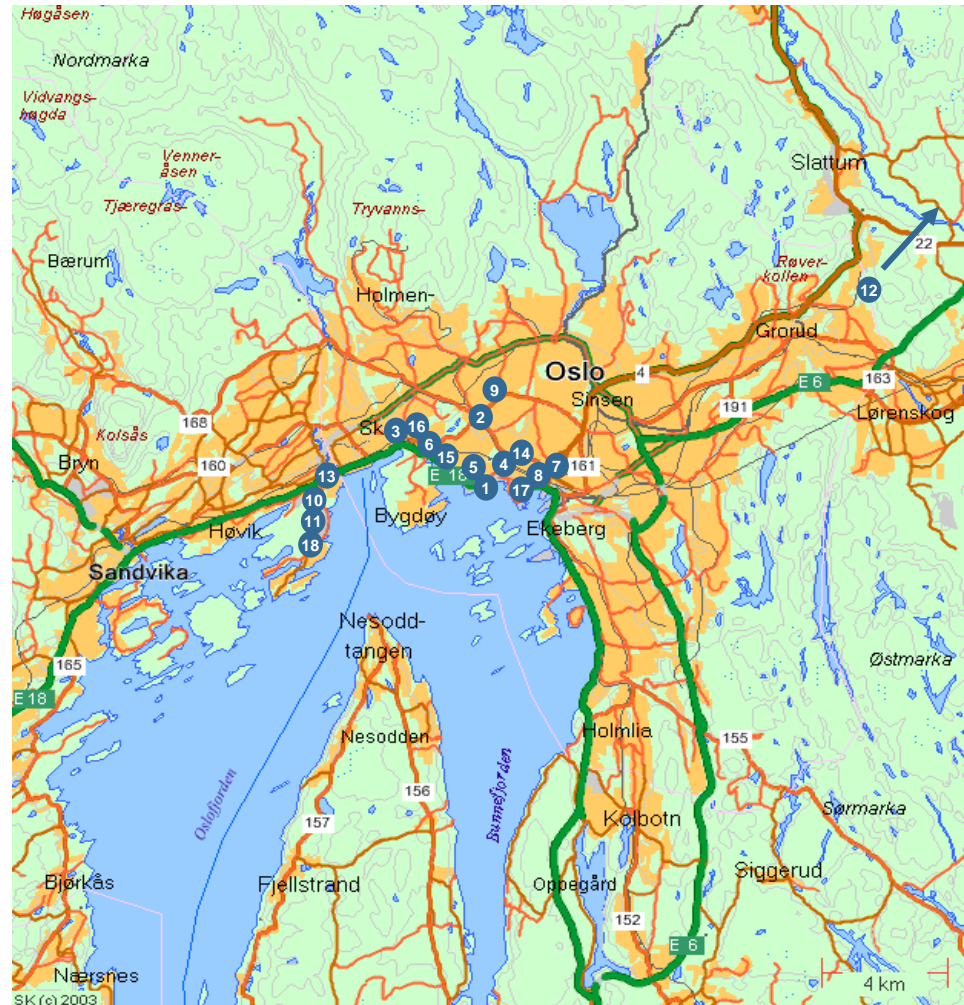
## Appendix

[www.npro.no](http://www.npro.no)  
[www.norwegianproperty.no](http://www.norwegianproperty.no)



# Properties in Oslo area

1. **Aker Brygge**
  - Dokkbygget
  - Terminalbygget
  - Verkstedhallene
  - Kaibygning II
  - Trekanten (Støperiet, Snekkeriet & Adm bygget)
2. **Middelthunsgate 17**
3. **Hovfaret 11**  
**Nedre Skøyenvei 24**  
**Nedre Skøyenvei 26a-e**  
**Nedre Skøyenvei 26f**
4. **Stortingsgaten 6**
5. **Drammensveien 60**
6. **Drammensveien 134 (Building 1&6)**
7. **Økernveien 9**
8. **Kolstadgata 1**
9. **Forskningsveien 2**
10. **Magnus Poulssons vei 7**
11. **Oksenøyveien 3**
12. **Oslo Airport Gardermoen**
13. **Lysaker Torg 35**
14. **Ibsen-kvartalet**
15. **Drammensveien 134 (Building 2-5)**
16. **Drammensveien 149**
17. **Grev Wedels Plass 9**
18. **Aker Hus**





1. **Badehusgaten 33-39**
2. **Nedre Holmegate 30-34**
3. **Maskinveien 32**
4. **Svanholmen 2**
5. **Strandsvingen 10**
6. **Forusbeen 35**
7. **Grenseveien 21**
8. **Grenseveien 19**
9. **Mauritz Kartevolds Plass 1**
10. **Elvegaten 25**
11. **Finnestadveien 44**

The map shows the proposed high-speed rail route (green line) through the Stavanger region. The route starts at Randaberg (Station 11) and ends at Algard (Station 45). Stations 1-10 are marked along the route. The map includes labels for various locations like Stavanger, Sandnes, and Sandnes Politistasjon, as well as geographical features like fjords and mountains. A scale bar indicates 4 km.

# Portfolio – Oslo CBD

**Stortingsgt. 6**



**Aker Brygge**



**C.J. Hambros pl 2**



**Grev Wedels plass 9**





# Portfolio – Oslo CBD



**Stortingsgaten 6**  
Fokus Bank/  
Danske Bank  
Oslo

**6,300 sqm**



**Ibsenkvartalet**  
Simonsen  
Advokatfirma,  
Aetat  
Oslo

**38,200 sqm**



**Drammensveien 149**  
Esso Norge  
Oslo

**16,600 sqm**



**Grev Wedels  
plass 9**  
Astrup Fearnley,  
ABM Amro  
Oslo

**28,300 sqm**



**Drammensveien 134**  
Leif Høegh,  
TietoEnator  
Oslo

**20,600 sqm**



**Drammensveien 134  
(building 5)**  
Ementor Norge  
Oslo

**8,400 sqm**

# Portfolio – Oslo, Lysaker, Fornebu and Stavanger



**Oksenøyveien 3**  
SAS  
Bærum

12,900 sqm



**Badehusgaten 33-39**  
Aker Kværner  
Offshore Partners  
Stavanger

21,500 sqm



**Forskningsveien 2**  
Rikshospitalet  
GlaxoSmithKline  
Oslo

24,000 sqm



**Grenseveien 19**  
Statoil,  
DnB NOR  
Forus

5,400 sqm



**Drammensveien 60**  
Skanska Norge  
Oslo

10,900 sqm



**Lysaker Torg 35**  
IF Skadeforsikring  
Lysaker

22,000 sqm



**Nedre Skøyen vei 26a-e**  
EDB Business Partner  
HQ  
Oslo

18,000 sqm



**Nedre Skøyen vei 26f**  
EDB Business Partner  
HQ Newbuilding  
Oslo

13,500 sqm



**Aker Hus**  
Aker/Aker Kværner  
Fornebu

58,000 sqm

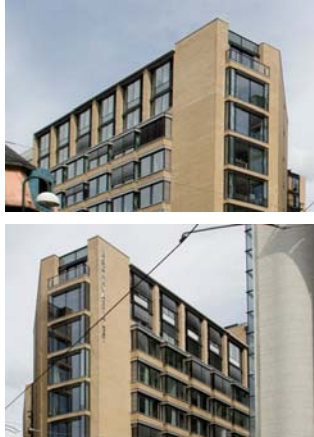
# Expansion potential in the property portfolio\*

Property	Address	City	Sqm	Comment
Ibsen-building	C. J. Hambros plass 2	Oslo	8 400	New office space
EDB/Fram-properties	Nedre Skøyen vei 24-26	Oslo	7 900	2,250 sqm office, 4,800 parking, 850 warehouse
Aker Brygge	Terminalbygget, Adm.bygget, Snekkeriet	Oslo	4 000	2,000 sqm from office to retail, 1,200 new office space, 800 new retail space
Høegh-properties	Drammensveien 134	Oslo	3 800	2,000 sqm from office to retail, 1,800 new office space
Badehusgaten 33-39	Badehusgaten 33-39	Stavanger	8 500	New office space or converted to housing
Svanholmen 2	Svanholmen 2	Stavanger	6 000	New office space
Forusbeen 35	Forusbeen 35	Stavanger	3 000	New office space
Kokstadveien 23	Kokstadveien 23	Bergen	20 000	New office space (in 5-10 years)
<b>Total</b>			<b>61 600</b>	

**Total expansion potential estimated by the technical consultants = NOKm 300-400\***

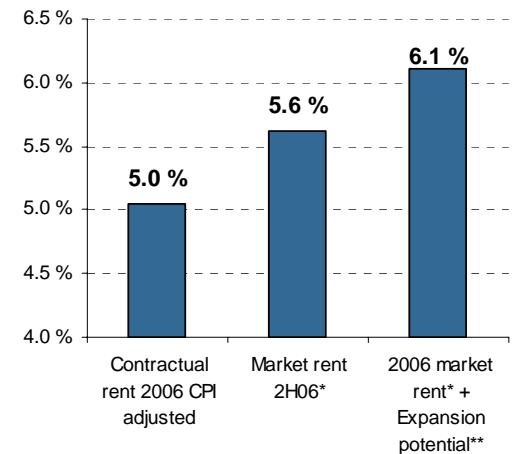
\*Estimated by the technical consultants OPAK and/or BER. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities.

# Improvement potential 1: Ibsen (CBD Oslo)



The Ibsen-building: Current and potential rents

	Contractual rent 2006 CPI adjusted	Market rent 2H06*	Expansion potential**	2006 market rent* + Expansion potential**
Sqm size	38,147	38,147	8,400	46,547
Total investment (NOKm)	1,180	1,180	231	1,411
Investment per sqm	30,933	30,933	27,500	30,313
Gross contract rent	62.9	69.9	21.0	90.9
- Opex***	3.4	3.6	1.1	4.7
= Net rent	59.5	66.3	19.9	86.2
= Rent per sqm	1,649	1,832	2,500	1,953
<b>Implied Net yield</b>	<b>5.0 %</b>	<b>5.6 %</b>	<b>8.6 %</b>	<b>6.1 %</b>
Contract duration (Y)	6.3		10.0	6.0
CPI adj	100 %		100 %	100 %
CPI adj	2.0-2.5%		2.0-2.5%	2.0-2.5%



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

\*\*Estimated by technical consultant BER. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities.

\*\*\*Estimated based on due diligence reports and DTZ

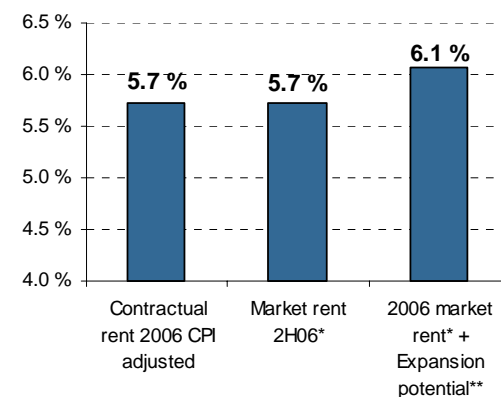


# Improvement potential 2: EDB-properties (CBD Oslo)



## EDB-properties: Current and potential rents

	Contractual rent 2006 CPI adjusted	Market rent 2H06*	Expansion potential**	2006 market rent* + Expansion potential**
<b>Sqm size</b>	<b>41,604</b>	<b>41,604</b>	<b>7,880</b>	<b>49,484</b>
Total investment (NOKm)	1,277	1,277	79	1,356
Investment per sqm	30,694	30,694	10,000	27,399
Gross contract rent	75.1	75.3	9.5	84.8
- Opex***	2.1	2.1	0.3	2.4
= Net rent	73.0	73.2	9.2	82.4
= Rent per sqm	1,805	1,810	1,200	1,713
<b>Net yield</b>	<b>5.7 %</b>	<b>5.7 %</b>	<b>11.7 %</b>	<b>6.1 %</b>
Contract duration (Y)	12.6		10.0	10.0
CPI adj	100 %		100 %	100 %
CPI adj	2.0-2.5%		2.0-2.5%	2.0-2.5%

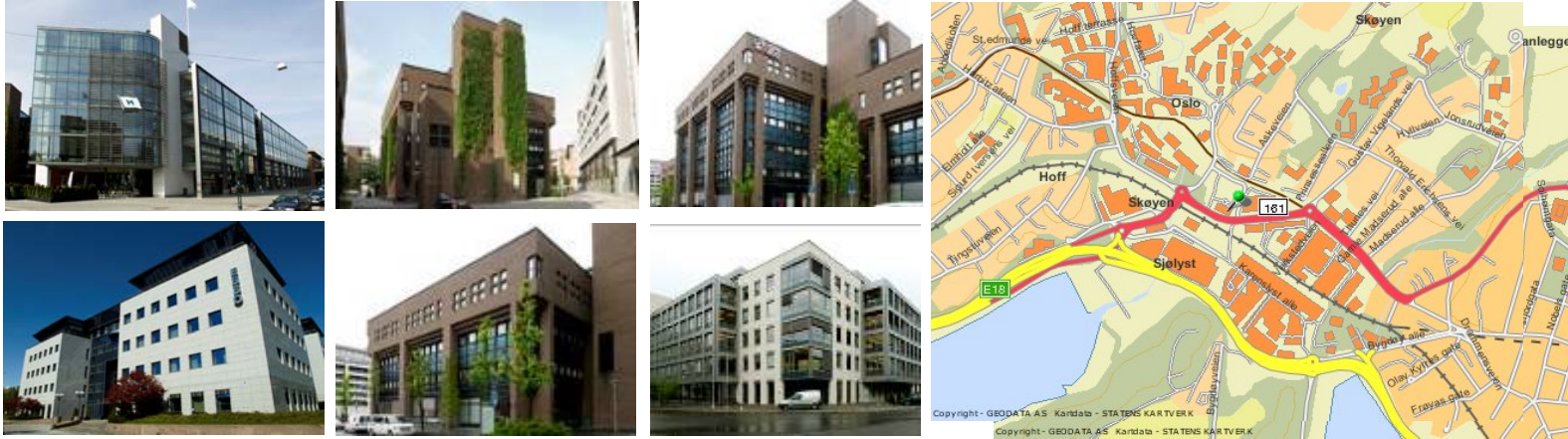


\*Based on estimated market rents 2007 according to market reports Union Næringsmegling, DnBNOR Næringsmegling, Akershus Eiendom.

\*\*Estimated by technical consultant BER. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities.

\*\*\*Estimated based on due diligence reports and DTZ

# Improvement potential 3: Høegh-properties (CBD Oslo)



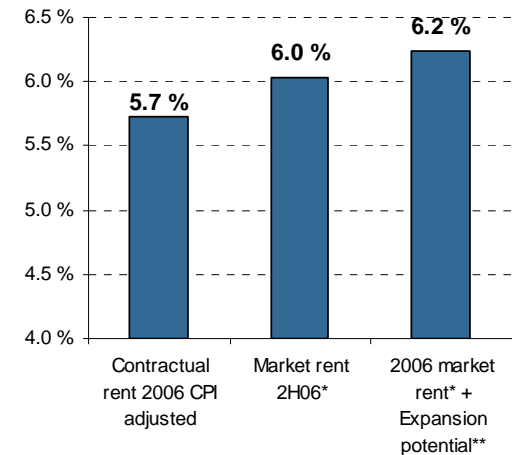
The Høegh-properties: Current and potential rents

	Contractual rent 2006 CPI adjusted	Market rent 2H06*	Expansion potential**	2006 market rent* + Expansion potential**
Sqm size	<b>64,800</b>	<b>64,800</b>	<b>3,800</b>	<b>68,600</b>
Total investment (NOKm)	1,710	1,710	38	1,748
Investment per sqm	26,389	26,389	10,000	25,481
Gross contract rent	102.2	107.5	6.1	113.6
- Opex***	4.3	4.3	0.2	4.5
= Net rent	97.9	103.2	5.8	109.0
= Rent per sqm	1,577	1,659	1,600	1,656
<b>Net yield</b>	<b>5.7 %</b>	<b>6.0 %</b>	<b>15.4 %</b>	<b>6.2 %</b>
Contract duration (Y)	6.7		5.0	5.0
CPI adj	100 %		100 %	100 %
CPI adj	2.0-2.5%		2.0-2.5%	2.0-2.5%

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

\*\*Estimated by technical consultant OPAK. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities.

\*\*\*Estimated based on due diligence reports and DTZ





# Improvement potential 4: Fearnley-building (CBD Oslo)



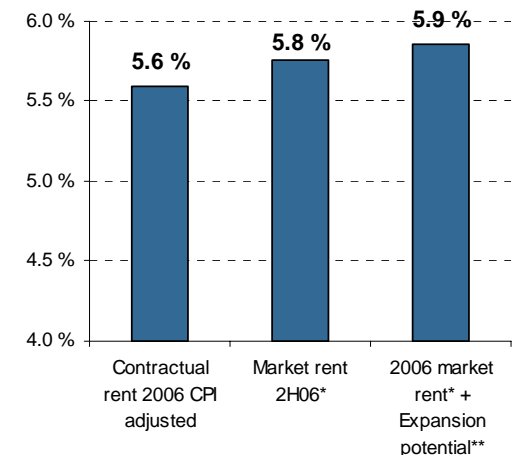
The Fearnley-building: Current and potential rents

	Contractual rent 2006 CPI adjusted	Market rent 2H06*	Expansion potential**	2006 market rent* + Expansion potential**
Sqm size	28,299	28,299	1,000	29,299
Total investment (NOKm)	754	754	12	766
Investment per sqm	26,644	26,644	12,000	26,144
Gross contract rent	44.3	45.5	1.5	47.0
- Opex***	2.1	2.1	0.1	2.2
= Net rent	42.2	43.4	1.4	44.8
= Rent per sqm	1,565	1,608	1,500	1,604
<b>Net yield</b>	<b>5.6 %</b>	<b>5.8 %</b>	<b>11.9 %</b>	<b>5.9 %</b>
Contract duration (Y)	6.5		5.0	5.0
CPI adj	100 %		100 %	100 %
CPI adj	2.0-2.5%		2.0-2.5%	2.0-2.5%

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

\*\*Estimated by technical consultant OPAK. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities.

\*\*\*Estimated based on due diligence reports and DTZ



# Improvement potential 5: Badehusgaten 33-39 (CBD Stavanger)



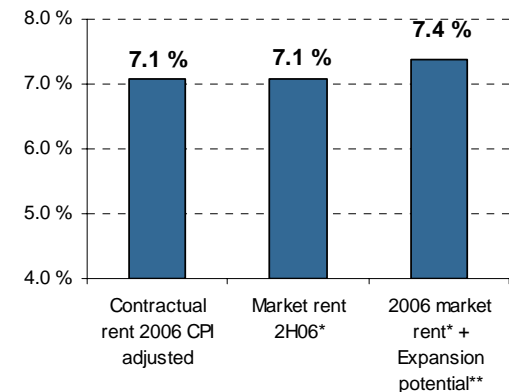
**Badehusgaten 33-39: Current and potential rents**

	Contractual rent 2006 CPI adjusted	Market rent 2H06*	Expansion potential**	2006 market rent* + Expansion potential**
Sqm size	<b>21,528</b>	<b>21,528</b>	<b>8,500</b>	<b>30,028</b>
Total investment (NOKm)	306	306	136	442
Investment per sqm	14,214	14,214	16,000	14,720
Gross contract rent	22.7	22.7	11.5	34.2
- Opex***	1.0	1.0	0.5	1.5
= Net rent	21.7	21.7	11.0	32.7
= Rent per sqm	1,054	1,054	1,350	1,138
<b>Net yield</b>	<b>7.1 %</b>	<b>7.1 %</b>	<b>8.1 %</b>	<b>7.4 %</b>
Contract duration (Y)	3.3		5.0	3.0
CPI adj	100 %		100 %	100 %
CPI adj	2.0-2.5%		2.0-2.5%	2.0-2.5%

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

\*\*Estimated by technical consultant BER. Utilising the expansion potential is i.a. subject to approval from third parties, including approvals from various public authorities.

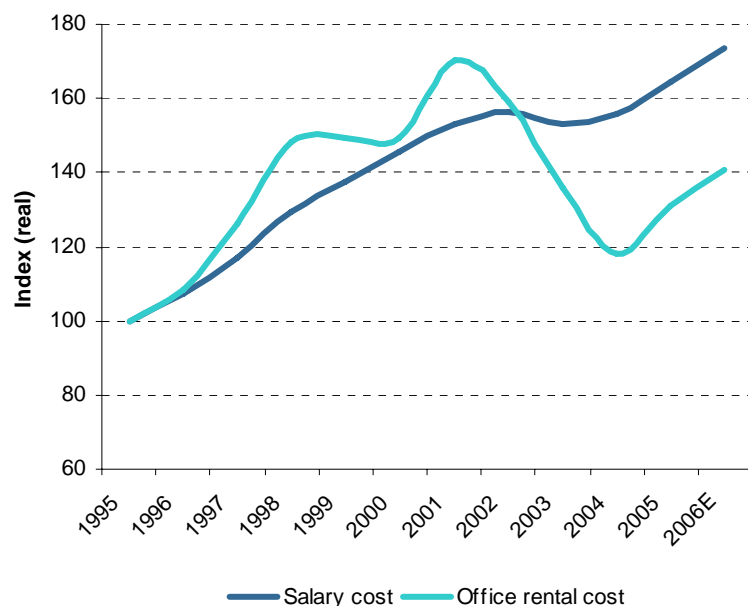
\*\*\*Estimated based on due diligence reports and DTZ



# Rental costs/total costs still significantly below last peak

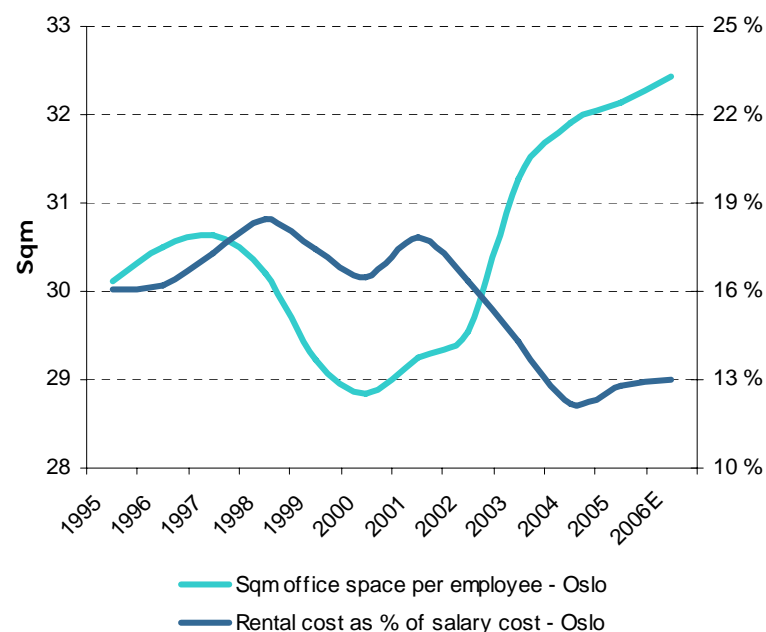
## Salary cost and office rental cost

- The tenants can afford more centrally located premises



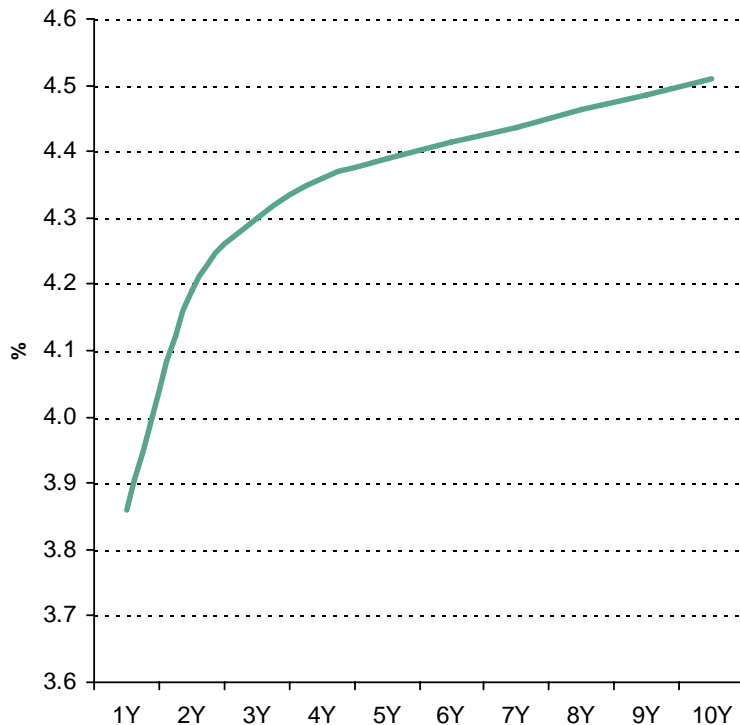
## Rental cost and growth in sqm/employee

- Additional sqm per employee cost less than before



# 10-year rates down ~10 basis points since July

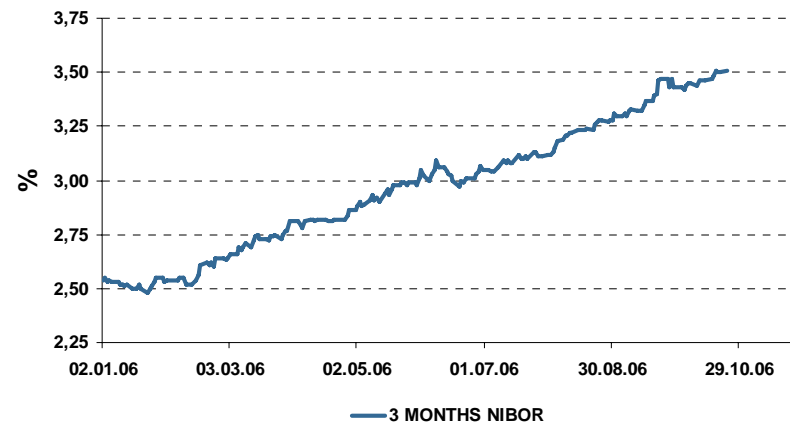
## Yield curve - Norway



## 10 year governmental (YTD)



## 3 months NIBOR (YTD)



# Company development in 2006

## Development until mid-May

- **Initial plan:**
  - To create a listed Norwegian property company with focus on office and retail properties in the largest Norwegian cities
- **M&A activity:**
  - Acquisitions of NOK 9.1bn
  - Number of acquired properties: 30
  - Number of sqm: 380,000 sqm
  - Gross rent of NOK 585m
  - Sellers: Linstow/A. Wilhelmsen (6), Fram (4), Pareto Syndicates (11), First Syndicates (8), Formuesforvaltning Syndicate (1)
- **Organisation:**
  - Recruitment of PricewaterhouseCoopers (PwC) as temporary management
- **Share liquidity:**
  - Completion of private placement, of NOK 1.75bn, at a share-price of NOK 50 per share. The offering was 5.3 times oversubscribed by Norwegian and foreign investors
  - Equity issue towards Sellers of NOK 1.4bn

## Development since mid-May

- **M&A activity:**
  - Acquisitions of NOK 5.6bn
  - Number of acquired properties: 11 (90% in the Oslo area)
  - Number of sqm: 211,000 sqm
  - Gross rent of NOK 312m
- **Organisation:**
  - Recruitment of management group
  - CEO: Petter Jansen
- **Share liquidity:**
  - OTC-listing in June 2006
  - Share issue of NOK 300m in July
  - Transaction volume in NPRO shares: 6.4m
  - Oslo Stock Exchange listing approved 25 October
- **Market development:**
  - Significant market rent increase documented and further upside expected
  - Transaction volumes in the property market are at all time high

# Property overview

Property	PROPERTY FACTS						RENT FACTS (2006 CPI ADJUSTED)					
	Space split (sqm)						Vacancy %	CPI	Duration	2006 gross rent, CPI adjusted	2006 net rent, CPI adjusted	Gross rent/sqm
	Offices	Retail	Ware- house	Indoor parking	Other	Total sqm						
OSLO/AKERSHUS												
CBD												
Aker Brygge - total	30,012	23,289	1,789	1,302	1,103	57,496	0.0%	100 %	3.3	152.0	136.1	2,643
Drammensveien 134 - building 2-5	21,846	0	1,214	4,625	0	27,685	2.9%	100 %	4.1	41.0	39.0	1,480
Drammensveien 134 - building 1 and 6	14,643	1,207	1,616	3,195	0	20,661	0.0%	100 %	10.9	39.9	38.8	1,933
Drammensveien 149	10,433	0	2,044	3,980	0	16,456	9.2%	100 %	5.2	21.3	20.1	1,294
Drammensveien 60	8,593	797	1,483	0	0	10,873	0.0%	100 %	9.1	19.5	18.8	1,792
Grev Wedels plass 9	16,405	2,601	83	5,589	3,621	28,299	0.0%	100 %	6.5	44.3	42.1	1,566
Ibsenkvartalet (C.J. Hambros plass 2)	31,872	1,713	2,938	0	1,624	38,147	0.0%	100 %	7.5	62.9	59.5	1,650
Hovfaret 11	4,377	0	569	0	694	5,640	0.0%	100 %	12.6	10.6	10.3	1,874
Nedre Skøyen vei 24	3,630	0	696	0	520	4,845	0.0%	100 %	12.6	8.5	8.3	1,760
Nedre Skøyen vei 26 a-e	11,444	0	1,093	1,234	3,850	17,621	0.0%	100 %	12.6	33.8	32.9	1,918
Nedre Skøyen vei 26 f	8,767	0	0	4,235	497	13,499	0.0%	100 %	12.6	22.2	21.6	1,648
Stortingsgaten 6 (99%)	5,084	851	242	0	0	6,177	0.0%	100 %	6.3	20.1	19.3	3,258
Total CBD	167,105	30,458	13,767	24,160	11,908	247,398	0.6%	100 %	6.8	476.2	446.8	1,925
Oslo West/Lysaker/Fornebu												
Aker Hus (Snarøyveien)	35,556	0	0	18,089	4,698	58,343	0.0%	100 %	13.1	77.9	77.2	1,335
Forskningsveien 2 (80%)	15,960	0	0	3,246	0	19,206	0.0%	100 %	13.1	30.4	28.2	1,581
Lysaker Torg 35	14,422	0	412	7,100	0	21,934	0.0%	100 %	6.2	38.3	37.4	1,744
Magnus Poulssons vei 7	5,357	0	0	1,861	0	7,218	0.0%	100 %	8.9	9.7	9.3	1,349
Middelthunsgt 17	26,847	0	3,472	3,000	0	33,319	0.0%	100 %	7.4	43.6	42.0	1,308
Oksenøyveien 3	10,200	0	0	2,700	0	12,900	0.0%	100 %	5.8	16.5	15.8	1,277
Total Oslo West/Lysaker/Fornebu	108,342	0	3,884	35,997	4,698	152,920	0.0%	100 %	10.0	216.3	209.9	1,414
Oslo North/East												
Kolstadgaten 1	5,479	0	0	0	0	5,479	0.0%	75 %	4.0	8.6	7.8	1,561
Økernveien 9	12,761	0	0	0	0	12,761	0.0%	100 %	8.8	16.9	16.0	1,324
Oslo Airport Gardermoen	0	0	0	0	20,976	20,976	0.0%	100 %	13.4	23.8	23.5	1,134
Total Oslo North/East	18,240	0	0	0	20,976	39,216	0.0%	96 %	10.2	49.2	47.4	1,255
TOTAL OSLO/AKERSHUS	293,687	30,458	17,651	60,157	37,582	439,534	0.4%	100 %	8.0	741.7	704.1	
STAVANGER												
CBD												
Badegutsgaten 33-39	12,973	0	2,540	2,315	3,700	21,528	0.0%	70 %	3.3	22.7	21.7	1,054
Nedre Holmegate 30-34	3,054	1,023	0	1,173	0	5,250	0.0%	100 %	7.2	4.6	4.1	871
Forus/Airport												
Forusbeen 35	17,674	0	0	3,750	0	21,424	0.0%	100 %	9.1	25.7	24.5	1,200
Grenseveien 19	5,390	0	0	0	0	5,390	0.0%	53 %	1.7	6.3	5.6	1,170
Grenseveien 21	27,721	0	0	0	0	27,721	0.0%	50 %	5.8	29.1	26.7	1,049
Maskinveien 32	5,086	0	0	0	0	5,086	0.0%	100 %	6.5	5.0	4.5	986
Strandsvingen 10	2,059	0	0	0	0	2,059	0.0%	80 %	7.7	2.9	2.6	1,386
Svanholmen 2	2,883	6,580	0	0	0	9,463	0.0%	100 %	9.1	8.7	7.7	918
Sandnes												
Elvegaten 25	5,583	0	0	0	0	5,583	0.0%	70 %	1.3	6.6	5.7	1,186
Mauritz Kartevolds plass 1	3,610	0	0	0	0	3,610	0.0%	70 %	13.4	3.2	3.0	897
Stavanger - other												
Finnestadveien 44	21,832	200	0	0	0	22,032	0.0%	100 %	11.3	27.6	27.0	1,254
Total Stavanger	107,865	7,803	2,540	7,238	3,700	129,146	0.0%	80 %	7.1	142.4	133.0	1,103
BERGEN												
Kokstadveien 23	8,600	0	0	0	13,466	22,066	0.0%	50 %	5.1	17.5	17.2	794
Total Bergen	8,600	0	0	0	13,466	22,066	0.0%	50 %	5.1	17.5	17.2	794
GROSS TOTAL	410,152	38,261	20,191	67,395	54,748	590,746	0.3%	96 %	7.8	901.6	854.3	1,526

Note; gross total includes LOI property

# Management team in place

## CEO - Petter Jansen

- Extensive management experience from large Norwegian corporations
- Former positions include CEO of SAS Braathens (the Norwegian division of SAS) and Executive Vice President in DnB
- Management and business education- Swedish War Academy, Executive education London Business School

## CIO - Dag Fladby

- Vice president for corporate business development at Finland's Altia Corporation Oy since August 2005. CEO of Scandinavian Beverage Group (SBG) from 1995. The company was sold to Altia in 2004 after successful expansion.
- Master's degree in business and marketing at the Norwegian School of Business in 1993.

## CFO - Svein Hov Skjelle

- CFO from 16 October
- Previously Managing Director of TeleComputing Norway and CFO for the TeleComputing group
- Previous Senior Vice President Finance position at Merkantildata (now: Ementor) finance manager with Veidekke
- MSc in business economics and authorised financial analyst

## Sales & marketing director - Aili Klami

- Extensive experience from property management and sales after 10 yrs with Avantor and 10 yrs with Nydalens Compagnie
- Education from the Norwegian School of Business



# Q3 2006 income statement

## Consolidated Income Statement Figures in NOK 1.000

	30.09.2006	Q3 2006
Rental income from properties	211 750	180 594
Other revenues	484	439
<b>Gross rental income</b>	<b>212 234</b>	<b>181 033</b>
Maintenance and property related costs	(9 188)	(6 973)
Other operating expenses	(21 917)	(16 257)
<b>Total operating costs</b>	<b>(31 105)</b>	<b>(23 230)</b>
<b>Gross operating profit</b>	<b>181 129</b>	<b>157 803</b>
Gain/ loss from fair value adjustments on investment property	-	-
Gain/ loss from sales of investment property	-	-
<b>Operating profit</b>	<b>181 129</b>	<b>157 803</b>
Financial income	3 607	1 834
Financial costs	(138 141)	(115 629)
Change in market value of financial derivatives	(29 544)	(57 192)
<b>Net financial items</b>	<b>(164 077)</b>	<b>(170 986)</b>
<b>Profit before income tax</b>	<b>17 052</b>	<b>(13 183)</b>
Income tax expense	(4 775)	3 691
<b>Profit for the period</b>	<b>12 277</b>	<b>(9 492)</b>
Income/loss to minorities	(178)	(178)
<b>Profit after minority interest</b>	<b>12 099</b>	<b>(9 670)</b>

- Gross rental income of NOKm 212
- Operating profit of NOKm 181
- Net financial items of NOKm -164
- Profit before taxes of NOKm 12



# Q3 2006 balance sheet

## Consolidated Balance Sheet Figures in NOK 1.000

<b>ASSETS</b>	<b>30.09.2006</b>
<b>Non-current assets</b>	
<i>Intangible assets</i>	
Deferred tax assets	60,859
<i>Tangible assets</i>	
Investment property	13,151,026
Equipment	6,750
<b>Total non-current assets</b>	<b>13,218,636</b>
<b>Current assets</b>	
Derivative financial instruments	41,094
Seller guarantees for future rent	19,300
Accounts receivables	23,386
Current receivables	30,891
Cash and cash equivalents	422,164
<b>Total current assets</b>	<b>536,835</b>
<b>Total assets</b>	<b>13,755,470</b>
<b>EQUITY</b>	
<i>Majority's equity</i>	
Share capital	1,787,823
Share premium	1,689,518
Fin. derivatives accounted to Total Equity	(14,474)
Retained earnings	12,099
<i>Minority interests</i>	
Minority interests	43,756
<b>Total equity</b>	<b>3,518,722</b>
<b>LIABILITIES</b>	
<i>Non-current liabilities</i>	
Derivative financial instruments	35,943
Interest bearing long term liabilities	9,846,590
<b>Total non-current liabilities</b>	<b>9,882,533</b>
<i>Current liabilities</i>	
Derivative financial instruments	20,452
Short-term interest bearing liabilities	49,500
Trade and other payables	66,578
Current income tax liabilities	9,462
Other current liabilities	208,223
<b>Total current liabilities</b>	<b>354,215</b>
<b>Total liabilities</b>	<b>10,236,748</b>
<b>Total equity and liabilities</b>	<b>13,755,470</b>

- **Total assets of NOK 13.8bn**
  - Total tangible assets of NOK 13.2bn
  - Total current assets of NOK 0.5bn
  
- **Total equity of NOK 3.5bn**
  
- **Total liabilities of NOK 10.2bn**
  - Long term liabilities of NOK 9.8bn
  - Current liabilities of NOK 0.4bn

## Q3 2006 cash flow

- Net cash flow from operating activities of NOKm 455
- Net cash flow from investing activities of NOKm -11,684
- Net cash flow from financial activities of NOKm 11,650
- Net change in cash of NOKm 422

### Cash flow

*Figures in NOK 1.000*

	30.09.2006	Q3 2006
Cash generated from operating activities	455,772	418,699
Cash used in investing activities	(11,684,169)	(3,441,021)
Cash generated from financial activities	11,650,460	2,689,959
<b>Net changes in cash and cash equivalents</b>	<b>422,064</b>	<b>(332,363)</b>
Cash and cash equivalents at the beginning of the year	100	754,527
<b>Cash and cash equivalents at the end of the period</b>	<b>422,164</b>	<b>422,164</b>

# Q3 2006 key figures

- EBITDA margin of 85.3%
- Pre-tax margin of 8.0%
- Earnings per share of NOK 0.18
- Operating cash flow per share of NOK 7.09

## Margins

	30.09.2006	Q3 2006
EBITDA margin	85.3 %	87.2 %
EBIT margin	85.3 %	87.2 %
Pre-tax margin	8.0 %	-7.3 %

## Balance sheet

*Figures in NOK 1.000*

		30.09.2006
Market value adj. portfolio	NOK	13,151,026
Equity	NOK	3,518,722
Net-interest bearing debt	NOK	9,508,875
- of which hedged	NOK	8,027,000
Equity %	%	25.6 %
Pre tax return on paid in equity	%	0.5 %
EPS	NOK	0.18
Number of shares issued	(`000)	71,513
Average no of shares YTD	(`000)	67,984

## Per share figures

	30.09.2006
Number of shares issued ('000)	71,513
Average no of shares YTD ('000)	67,984
Pre-tax profit/share	0.25
EPS	0.18
Operating cash-flow per share	7.09
Book value per share	51.76
Net interest bearing debt per share	139.87