FINANCIAL REPORT FOR THE FOURTH QUARTER 2010

2010 Q4

HIGHLIGHTS OF THE QUARTER

SALE OF HOTEL BUSINESS COMPLETED AND FOCUS ON LONG-TERM VALUE CREATION

Stable and strong operations

Norwegian Property ASA achieved a profit for continuing operations before tax and fair value adjustment of NOK 86.5 million in the fourth quarter 2010, compared with NOK 41.2 million in the corresponding period the year before. Gross rental income totalled NOK 250.4 million, compared with NOK 261.9 million in the fourth quarter 2009. After fair value adjustment, profit before tax for continuing operations came to NOK 149.6 million in the fourth quarter 2010, compared with NOK 63.0 million in the corresponding period in 2009. Profit including discontinued operations and tax totalled NOK 348.8 million in the fourth quarter 2010, compared with a loss of NOK 168.2 million in the same quarter in 2009.

Sale of hotel business completed

Since the start of 2010 Norwegian Property has been working to increase its concentration on core business activities. In November the sale of the hotel business to a joint venture owned by Pandox AB, Eiendomsspar AS and Sundt AS was completed. Taking into account changes in exchange rates, interest rate derivatives and final tax effects, the contribution from discontinued operations totalled NOK 203.3 million for the fourth quarter 2010 and NOK -810.8 million for the year as a whole. Interest-bearing debt and financing linked to the acquisition of Norgani Hotels has now been repaid or taken over by the purchaser.

Foundation for long-term value creation established

Throughout 2010 Norwegian Property has been working systematically to strengthen and develop its organisation within the most important areas for future value creation: property rental, development, facilities and asset management, transactions and finance. Through the year the number of administrative staff rose from 14 to 40. As at the end of 2010 all important functions are in place and fully operational. Norwegian Property's long-term goal is to be the most customer-oriented property company. By having the most attractive properties it also aims to provide a competitive return on investment.

Continued market improvement

The office rental market in Norwegian Property's areas of operation has turned the corner. During the quarter Norwegian Property entered into 18 new rental contracts, generating total annual rents of NOK 136.3 million and a comparable rental growth of 18.1 per cent.

Increased financial flexibility

The Group's net loan-to-value ratio was reduced from 75.7 per cent at the start of 2010 to 66.7 per cent at the end of the fourth quarter. Adjusted for the effect of the vendor financing to Norgani's buyers, the net loan-to-value ratio at the end of the fourth quarter 2010 was 62.7 per cent.

KEY FIGURES

Profit and loss for continued business		2010 Q4	2009 Q4	2010	2009
Gross income	NOK mill.	250.4	261.9	1,025.1	1,043.9
Operating profit ex. adm. expenses, net fin. cost and fair value adj.	NOK mill.	222.9	247.0	929.3	980.2
Operating profit ex. net financial cost and fair value adjustments	NOK mill.	209.0	212.9	870.4	879.3
Profit before tax and fair value adjustments	NOK mill.	86.5	41.2	327.7	246.2
Profit before tax	NOK mill.	149.6	63.0	437.9	-166.6
Net profit	NOK mill.	145.5	50.8	351.2	-243.0

Balance sheet		2010 Q4	2009 Q4	2010	2009
Market value of investment portfolio	NOK mill.			15,062.4	23,951.2
Equity	NOK mill.			4,988.6	4,918.0
Interest bearing debt	NOK mill.			10,294.6	18,378.8
Equity ratio	%			31.4	19.9
Pre-tax return on equity (annualised)	%	12.4	4.9	8.8	-3.4

Cash flow		2010 Q4	2009 Q4	2010	2009
Cash flow from operating activities	NOK mill.	239.9	455.5	1,155.9	1,480.0
Cash position	NOK mill.	248.4	248.2		

Key figures, shares		2010 Q4	2009 Q4	2010	2009
Number of shares issued	#	498,596,832	453,270,832	498,596,832	453,270,832
Average number of shares in period	#	498,596,832	453,270,832	489,034,909	280,100,370
Pre-tax profit per share for continued operations [1]	NOK	0.30	0.14	0.90	-0.59
Basic earnings per share for continued operations (EPS) [1]	NOK	0.29	0.11	0.72	-0.87
Basic earnings per share for total operations (EPS) [1]	NOK	0.70	-0.37	-0.94	-4.17
Operating cash flow per share	NOK	0.48	1.00	2.36	5.28
Interest-bearing debt per share	NOK	20.65	40.55		
Book value per share	**NOK**	**10.01**	**10.85**		
Deferred property tax per share	NOK	0.40	2.53		
Goodwill per share	NOK	0.00	-1.28		
Financial derivative instrument per share	NOK	0.43	0.73		
Net asset value per share (EPRA) [2]	**NOK**	**10.84**	**12.83**		

[1] Diluted earnings per share is the same as the basic earnings per share.

[2] Ordinary book value of equity (excluding minority interest) per share adjusted for deferred property tax, goodwill and financial derivative instrument per share. Deferred property tax per share includes both ordinary deferred tax related to properties and tax compensation at purchase (accounted for as a reduction of investment properties). Goodwill per share is calculated from the single item in the balance sheet, while financial derivative instrument per share is calculated based on the asset and liability items (market values of interest / exchange rate swap contracts and similar) in the balance sheet after tax.

FINANCIAL PERFORMANCE

RESULTS FOR THE FOURTH QUARTER

The fourth-quarter income statement for continuing operations covers Norwegian Property's office property business. The Group's hotel business was acquired by new owners in the fourth quarter. This business is therefore reported under the heading "discontinued operations".

Total gross rental income for Norwegian Property was NOK 250.4 million in the fourth quarter 2010, compared with NOK 261.9 million in the same period in 2009. Adjusted for the sale of properties, this corresponds to a NOK 7.1 million decrease in gross rental income compared with the fourth quarter the year before. The reduction is due to a slight increase in vacancies in the portfolio compared with the same period in 2009.

Maintenance and property-related expenses came to NOK 27.5 million in the quarter (NOK 14.9 million). The increase is due to development costs associated with individual properties (approx. NOK 5 million) being charged to expenses and the establishment of an internal facilities management organisation at the same time as NEAS continues to perform certain tasks until the outsourcing agreement expires in May. Administration costs totalled NOK 13.9 million (NOK 34.1 million). In the coming periods both these items will be somewhat higher than normal due to the transfer of property management activities to the internal facilities organisation, as well as major efforts relating to the drawing up and execution of development plans for the various properties. Profit before financial items and fair value adjustment totalled NOK 209.0 million (NOK 212.9 million).

Net financial expenses came to NOK 122.5 million (NOK 171.7 million) in the fourth quarter, down NOK 49.2 million. The decrease can be ascribed to a reduction in net interest-bearing debt, partly as a result of the sale of Norgani Hotels, lower interest rates in the market and a lower average interest rate due to a reduced hedging ratio. The fair value adjustment of the property portfolio came to NOK -36.0 million (NOK 28.2 million). The downward adjustment was due to a fall in the value of two properties whose tenants have decided to vacate, as well as development costs incurred with respect to individual properties. The income element associated with financial derivatives increased in value in the fourth quarter by an amount corresponding to NOK 101.5 million (NOK 10.7 million).

Profit before tax for continuing operations in the fourth quarter totalled NOK 149.6 million, compared with NOK 63.0 million in the fourth quarter 2009. Tax for the quarter is calculated at NOK 4.1 million, compared with NOK 12.2 million in the same period the year before. Profit after tax for continuing operations totalled NOK 145.5 million in the period, compared with NOK 50.8 million the year before.

Discontinued operations made a profit of NOK 203.3 million, compared with a loss of NOK 219.0 million. This is due to the final settlement of foreign exchange effects, interest rate derivatives and tax adjustments. Profit in the period therefore totalled NOK 348.8 million, compared with a loss of NOK 168.2 million.

RESULTS FOR THE FULL YEAR 2010

Rental income for Norwegian Property's continuing operations in 2010 as a whole totalled NOK 1,025.1 million, compared with NOK 1,043.9 million in 2009. Adjusted for the sale of property, this corresponds to an increase in gross rental income of NOK 0.8 million compared with the year before.

Maintenance and property-related costs totalled NOK 95.8 million for the year as a whole, compared with NOK 63.7 million in 2009. The increase can be ascribed to the recognition of development costs and the establishment of an internal facilities management organisation. Administration costs totalled NOK 58.9 million (NOK 100.9 million). Profit before financial items and fair value adjustment totalled NOK 327.7 million (NOK 246.2 million).

Net financial expenses for the year as a whole totalled NOK 542.7 million (NOK 633.1 million). The reduction can be ascribed to lower interest-bearing debt, lower interest rates in the market and a lower average interest rate due to reduced hedging ratio. Fair value adjustment of the property portfolio came to NOK 170.6 million (NOK -474.0 million). For the year as a whole the value of the income element associated with financial derivatives changed by NOK -69.9 million (NOK 68.3 million).

Continuing operations made a profit of NOK 437.9 million in 2010 as a whole, compared with a year-end loss of NOK 166.6 million in 2009. Tax for the period is calculated at NOK -86.7 million, compared with NOK -76.4 million in the same period in 2009. Continuing operations made a profit after tax of NOK 351.2 million in the period, compared with a loss of NOK 243.0 million the year before.

Discontinued operations made a loss of NOK 810.8 million, compared with a loss of NOK 925.9 million the year before. The company made an overall loss of NOK 459.6 million in 2010, compared with a loss of NOK 1,168.9 million the year before.

VALUATION OF PROPERTIES

Two independent external appraisers have valued each of the properties in the Group's office portfolio. The valuations are based on the same methods and principles applied in previous periods.

As at 31 December 2010 the Group's office property portfolio was valued at NOK 15,062 million before adjustment for deferred tax. The recognised fair value of the office property portfolio was adjusted downwards by NOK 36.0 million in the fourth quarter (upwards NOK 170.6 million for 2010 as a whole). The values of Middelthunsgate 17 and Lysaker Torg 35 have fallen following notification by the tenants of their intention to vacate the premises at the expiry of the contracts in 2016 and 2013 respectively. Significant costs have also been incurred in connection with specific development projects for individual properties and tenants, which will not be reflected in the valuations until new leases have been signed. The value of properties with long-term rental agreements has generally risen as a result of a decrease in the market's yield requirement for this type of property. So far there has been no corresponding increase in the value of properties rented out on shorter contracts and somewhat in need of an upgrade when the lease comes to an end.

CASH FLOW

Net cash flow from operating activities before net financial items was NOK 239.9 million (NOK 455.5 million) in the fourth quarter. For the year as a whole net cash flow from operating activities totalled NOK 1,155.9 million (NOK 1,480.0 million). Net cash flow from investing activities totalled NOK 935.2 million (NOK -16.9 million) in the fourth quarter. Investments in the office property portfolio came to NOK 43.0 million, while the sale of Norgani Hotels released funds amounting to NOK 978.2 million. For the year as a whole net cash flow from investing activities totalled NOK 1,054.6 million (NOK 974.9 million). Net cash flow from financing activities came to NOK -1,144.8 million (NOK -381.0 million) in the fourth quarter. Although some surplus liquidity was used to pay off the revolving credit facility during the quarter, the funds may be drawn upon should the need arise. Furthermore, the company bought back NOK 60 million worth of its own bonds, and the acquisition financing associated with Norgani Hotels AS has been fully repaid. For the year as a whole net cash flow from financing activities totalled NOK -2,210.1 million (NOK -2,371.3 million). The net proceeds from the share issue in March accounted for NOK 526.2 million of this amount. During the year cash and cash equivalents fell by NOK 0.5 million net (NOK 83.7 million).

BALANCE SHEET

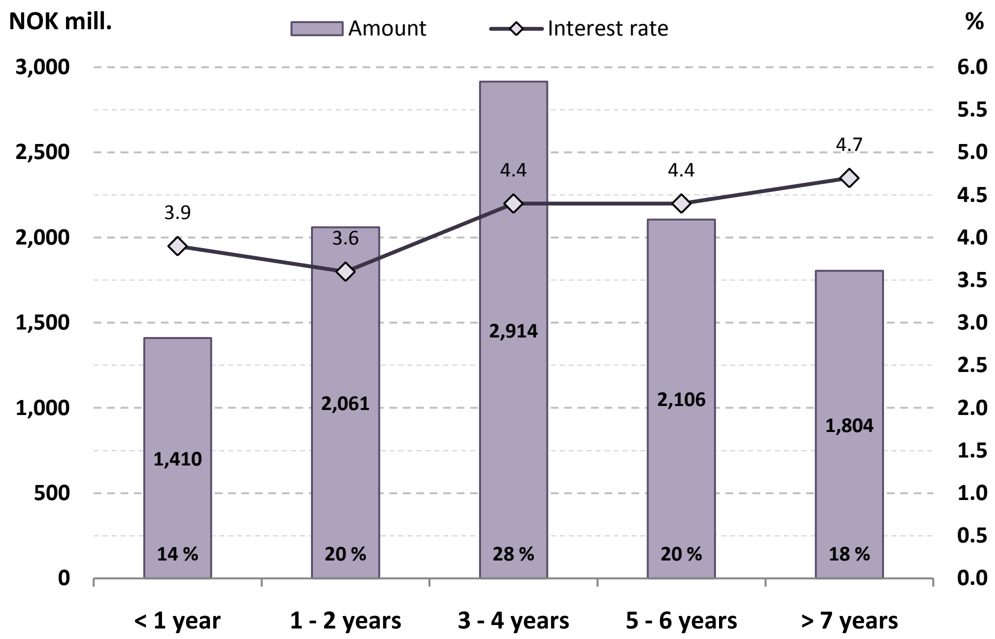
As at 31 December 2010 cash and cash equivalents totalled NOK 248.4 million, compared with NOK 248.2 million as at 31 December 2009. In addition, continuing operations had unused credit facilities totalling NOK 1,000 million. Total equity amounted to NOK 4,988.6 million (NOK 4,918.0 million), which corresponds to an equity ratio of 31.4 per cent (19.9 per cent). The recognised net asset value per share was NOK 10.01 (NOK 10.85). The net asset value per share based on the EPRA standard was NOK 10.84 (NOK 12.83). At the close of the fourth quarter the number of shares was 498,596,832 (453,270,832 832).

FINANCING

Total interest-bearing debt after capitalised costs at 31 December 2010 was NOK 10,295 million (NOK 18,379 million).

Interest-bearing debt and hedging as of 31 December 2010		
Total interest-bearing debt	NOK mill.	10,295
Interest hedging ratio	%	94.0
Cash and cash equivalents	NOK mill.	248
Vendor financing	NOK mill.	600
Unused credit facilities	NOK mill.	1,000
Average time to maturity, hedging	years	4.1
Average interest rate (including margin)	%	5.16
Average margin	%	0.74
Average residual term, borrowing	years	2.0
Property value	NOK mill.	15,062
Interest-bearing debt to property value (LTV)	%	68.3
Net interest-bearing debt to property value (net LTV)	%	66.7
Net interest-bearing debt less vendor financing to property value (net LTV)	%	62.7

Maturity profile for interest rate hedging instruments as of 31 December 2010:



Maturity profile interest hedges		< 1 year	1-2 years	3-4 years	5-6 years	> 7 years
Amount	NOK mill.	1,410	2,061	2,914	2,106	1,804
Average interest rate	%	3.9	3.6	4.4	4.4	4.7
Share of total liabilities	%	14	20	28	20	18

The remaining acquisition financing for Oslo Properties AS and interest-bearing debt for Norgani Hotels AS has been repaid in its entirety or taken over by Norgani Hotels' new owners.

Apart from ordinary instalments on interest-bearing debt, none of Norwegian Property's credit facilities are due to expire in 2011.

OPERATIONS

SALE OF HOTEL BUSINESS COMPLETED IN NOVEMBER 2010

In October 2010 Oslo Properties AS and a buyers' consortium comprising Pandox AB and a joint venture between Eiendomsspar AS and Sundt AS signed a final agreement for the sale of Norgani Hotels AS. The transaction was completed in November 2010.

The buyers' consortium paid NOK 1,620 million net for the acquisition of shares and net working capital from Norwegian Property. NOK 600 million of this comprises a vendor financing note at previously announced terms and conditions. NOK 681.4 million of the remaining amount was used to pay off the acquisition financing for OPAS. After deduction for estimated costs with respect to the transaction, Norwegian Property therefore released funds totalling approximately NOK 340 million. Norwegian Property elected not to exercise the option, expiring on 31 December 2010, to buy back up to 9.9 per cent of the shares in Norgani Hotels AS.

THE HOTEL BUSINESS IN THE FOURTH QUARTER 2010

Given the completion of the sale of the hotel business, its results in the fourth quarter are recognised under discontinued operations. Based on the sales agreement entered into, the business made a profit after tax, depreciation of goodwill and write-down of property values of NOK 203.3 million in the fourth quarter. Details with respect to the income statement and balance sheet are presented in Note 1 to the financial statements.

COMMERCIAL PROPERTY MARKET

Norway has emerged from the financial crisis in better shape than most countries. Following a period when optimism was a sentiment primarily felt by the business community, households also began to increase their consumption towards the end of 2010. This indicates that mainland Norway is expecting an upturn in the time ahead. Unemployment levels are relatively stable, and it is expected that the central bank will seek to head off future inflationary tendencies by increasing the base rate.

In a report published in January 2011, commercial property agent DnB NOR Næringsmegling estimate that vacant space amounts to around 8.5 per cent in Oslo. Based on updated forecasts for demand for and supply of new space, DnB NOR Næringsmegling expects that the amount of vacant space will fall somewhat in 2011, before increasing slightly again in 2012 and 2013 as new projects come onto the market. Modern, environment-friendly buildings which make effective use of space and are located close to public transport facilities are the most attractive.

The cautiously positive development in the market rate for rents for quality properties in the most attractive areas continues. For less attractive office space the trend is still relatively flat, while in certain areas with a large supply rents are tending to fall.

The market in Stavanger is relatively quiet, and there is therefore limited new information on developments in rent levels.

The transaction market was very buoyant in 2010, particularly in the fourth quarter. DnB NOR Næringsmegling estimates the total transaction volume in 2010 at NOK 36 billion. Properties with secure long-term cash flows are still the most attractive, and there has so far been limited interest in properties with shorter term cash flows.

THE PROPERTY PORTFOLIO

At the end of the quarter, Norwegian Property owned 47 office and commercial properties. These are primarily located in central areas of Oslo and Bærum (82 per cent of gross rental income), Gardermoen (3 per cent of gross rental income) and Stavanger (15 per cent of gross rental income). The Group's properties mainly comprise office premises with associated warehousing and parking, and commercial and restaurant space.

The contractually stipulated rental income generated by the office property portfolio as at 1 January 2011 is NOK 1,015 million. This is somewhat higher than at the end of the third quarter (NOK 1,007 million) as a result of adjustment for inflation. The average CPI adjustment factor for the portfolio is 97.4 per cent. As at 31 December 2010, 5.8 per cent of the portfolio was standing vacant, up from 4.7 per cent in the third quarter 2010, but lower than the general vacancy rate in the Oslo market. Norwegian Property has relatively few leases due for renewal in the next 12 months. The average residual lease term is 5.2 years. When valuing the property portfolio, today's market rate for rents is estimated as being 3.5 per cent higher than the average contract rent.

During the second quarter 18 new leases were entered into or renegotiated. These had a combined value of NOK 136.3 million, which resulted in a comparable rent increase of 18.1 per cent for these contracts. The largest new contract was entered into with Nordea. Nordea has extended its lease for Middelthunsgate 17 by two years until 2016. The rent rises by 33.3 per cent in the last two years of the rental agreement with no investment requirement on Norwegian Property's part.

SHAREHOLDER INFORMATION

At the close of the fourth quarter the company had 2,508 (2,742) registered shareholders, 234 fewer than at the end of the previous quarter and 788 fewer that at the end of the fourth quarter of 2009 (3,296). At the close of the quarter 51.0 per cent of the share capital was held by non-Norwegian shareholders, compared with 49.4 per cent at the end of the previous quarter. Liquidity was somewhat lower in the fourth quarter, around 800,000 shares per day, compared with 1.1 million in the third quarter. As of 31 December 2010 the company's share capital totalled NOK 249,298,416, divided between 498,596,832 shares, each share having a face value of NOK 0.50.

The largest shareholders registered with the Norwegian Central Securities Depository (VPS) as of 31 December 2010 are presented below.

#	Name	Share (%)	Number of shares	Account type	Nationality
1	STATE STREET BANK & TRUST CO.	10.4	51,765,664,	NOM	USA
2	BNP PARIBAS SECS SERVICES PARIS	6.6	33,154,559	NOM	FRA
3	CANICA AS	5.6	27,895,467		NOR
4	BANK OF NEW YORK MELLON	4.9	24,225,590	NOM	USA
5	AWILHELMSEN CAPITAL AS	4.7	23,254,334		NOR
6	JPMORGAN CHASE BANK	4.2	20,701,963	NOM	GBR
7	SKANDINAVISKA ENSKILDA BANKEN	4.1	20,283,596	NOM	SWE
8	FOLKETRYGDFONDET	4.0	19,824,000		NOR
9	BANK OF NEW YORK MELLON SA/NV	3.0	14,795,749	NOM	BEL
10	CITIBANK N.A. (LONDON BRANCH)	2.0	9,924,322	NOM	GBR
11	DNB NOR NORGE SELEKTV (III)	1.5	7,389,220		NOR
12	SHB STOCKHOLM CLIENTS ACCOUNT	1.4	7,070,075	NOM	NOR
13	AWILHELMSEN CAPITAL II AS	1.4	6,934,000		NOR
14	ARCTIC SECURITIES ASA	1.3	6,594,500	MEG	NOR
15	TRONDHEIM KOMMUNALE PENSJONSKASS	1.3	6,363,700		NOR
16	VITAL FORSIKRING ASA	1.2	6,111,087		NOR
17	FRAM HOLDING AS	1.2	6,000,000		NOR
18	THE NORTHERN TRUST CO.	1.2	5,771,435	NOM	GBR
19	AWECO INVEST AS	1.1	5,486,765		NOR
20	CITIBANK N.A., LONDON BRANCH	1.1	5,288,980	NOM	GBR
	Total 20 largest shareholders	**60.2**	**300,112,795**		**11 / 20 NOR**

ORGANISATION

Fredrik W. Bauman started as Director of Development in January 2011. Before joining the company he was CEO of OKK Entreprenør AS, and has previously been employed as Project Director at Avantor ASA with responsibility for major development projects.

NEW STRATEGIC DIRECTION

Concentration

The sale of Norgani Hotels was completed in the fourth quarter 2010, enabling the company to concentrate all its organisational and financial resources on long-term value creation within the commercial property portfolio.

Industrialisation

Norwegian Property's administrative staff increased from 14 to 40 people during 2010. With the recruitment of the final staff members in the fourth quarter 2010 and start of 2011, Norwegian Property has largely completed its efforts to establish a competent and competitive organisation within the fields of property rental, development, facilities and portfolio management, and transactions and finance. The strengthening of the organisation has been an important element in Norwegian Property's efforts to transform itself from a financial investor into an industrial player.

Increased financial flexibility

Through the year Norwegian Property reduced its net loan-to-value ratio from 75.7 per cent to 66.7 per cent (62.7 per cent including the effect of the vendor note granted in connection with the Norgani sale. Its long-term aim is to achieve a loan-to-value ratio of 55-65 per cent. The company will continue to focus on increasing its financial flexibility in order to secure the freedom of movement it needs to execute the Group's industrial plans.

As previously announced, management has embarked upon a process with the Group's most important bank relations, and aims to have a complete refinancing package in place during the first half of 2011. This will secure a balanced solution that meets the company's need for long-term financing while exploiting the favourable borrowing terms afforded by today's loan portfolio.

DIVIDEND POLICY

The board's ambition is that, over time, a substantial portion of Norwegian Property's value creation will be distributed to shareholders in the form of a dividend. The long-term goal is for dividend to account for 30-50 per cent of operating profit after tax but before fair value adjustment.

At the 2011 AGM the board is planning to propose a dividend of at least NOK 0.10 per share, provided that the refinancing of the Group's debt does not meet any unforeseen obstacles. This is somewhat lower than the board's long-term goal, but must be seen in light of its desire to strengthen the company's financial flexibility and its ambitious plans to invest in the existing portfolio.

OUTLOOK

The Norwegian economy is growing steadily more robust, and optimism is gradually returning. This is also leading to a greater feeling of optimism in the commercial property market. Despite a larger amount of new space coming onto the market than in the previous economic upturn, vacancy rates are expected to decrease in 2011. In most parts of Oslo, therefore, demand for office space is growing, and rent levels are tending to rise. However, tenants are selective. While location is an extremely important criterion, effective use of space, technical and architectural qualities, environmental issues and overall cost-effectiveness are all important parameters in tenants' decision-making process.

Norwegian Property focuses on high-quality properties near traffic hubs in the most central and attractive parts of Oslo and Stavanger. With a strong focus on the customer's needs and an organisation whose competence and capability in the areas of property rental, development and facilities management have been enhanced, Norwegian Property is well equipped to both attract new tenants and retain existing ones. The board is therefore of the opinion that Norwegian Property is strongly placed to be a key player in the commercial property market. The Group's improved financial position will enable Norwegian Property to fully exploit the potential inherent in its property portfolio.

Norwegian Property ASA
Board of Directors, 17 February 2011

For further information on Norwegian Property, including presentation material relating to this interim report and the company's financial calendar, please visit **www.npro.no.**

FINANCIAL INFORMATION

ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION

This quarterly report has been prepared in accordance with IAS 34 – Interim Financial Reporting. The results for the period have been prepared in line with applicable IFRS standards and interpretations. Norwegian Property has changed its presentation plan in line with the recommendation of the Norwegian Society of Financial Analysts (NFF). An agreement relating to the sale of the hotel business was signed in the third quarter, with the sale being completed in the fourth quarter 2010. The results for the hotel business during the period are therefore recognised under “discontinued operations”. In all other respects the accounting principles applied to the current interim financial statements are the same as those used when drawing up the year-end financial statements for 2009. Sold properties are recognised in the financial statements only until the relevant transactions have been completed. The financial statements are unaudited.

CONSOLIDATED INCOME STATEMENT

Figures in NOK 1,000	Note	2010 Q4	2009 Q4	2010	2009
Gross income		**250,392**	**261,859**	**1,025,114**	**1,043,861**
Maintenance and other operating expenses		-26,282	-14,295	-90,335	-57,830
Other property related expenses		-1,182	-587	-5,488	-5,845
Total property related expenses		**-27,463**	**-14,882**	**-95,823**	**-63,675**
Operating profit before administrative expenses		**222,929**	**246,977**	**929,291**	**980,186**
Administrative expenses		-13,941	-34,089	-58,886	-100,919
Profit before net financial cost and value adjustments		**208,988**	**212,888**	**870,405**	**879,267**
Financial income		7,714	9,605	24,011	38,010
Financial cost		-130,211	-181,332	-566,681	-671,073
Profit before income tax and value adjustments		**86,490**	**41,161**	**327,735**	**246,205**
Change in market value of investment property		-36,025	28,192	170,607	-474,032
Change in market value of financial derivative instruments		101,494	10,662	-69,878	68,329
Unrealised gains and losses		**65,470**	**38,854**	**100,729**	**-405,703**
Gain / loss related to property sales		-2,357	-17,058	9,413	-7,104
Realised gains and losses		**-2,357**	**-17,058**	**9,413**	**-7,104**
Profit before income tax for continued operations		**149,603**	**62,957**	**437,877**	**-166,601**
Income tax for continued operations		-4,099	-12,154	-86,652	-76,426
Profit for continued operations		**145,504**	**50,803**	**351,225**	**-243,027**
Profit for discontinued operations	1	203,313	-218,990	-810,807	-925,915
Profit for the period		**348,817**	**-168,187**	**-459,582**	**-1,168,942**
Profit attributable to non-controlling interests		0	0	0	0
Profit attributable to owners of the company		**348,817**	**-168,187**	**-459,582**	**-1,168,942**
Currency effects for discontinued operations		264,257	-179,050	126,308	-433,824
Gain / loss on financial derivative instruments for continued operations		-1,526	-414	-2,081	-25,143
Gain / loss on financial derivative instruments for discontinued operations		0	-34,754	-6,557	95,140
Income tax related to comprehensive income for continued operations		427	116	583	7,040
Income tax related to comprehensive income for discontinued operations		0	9,731	1,836	-26,639
Reclassification of currency exchange differences for discontinued operations		-263,762	0	-134,779	0
Reclassification of financial derivative instruments for discontinued operations		0	0	13,687	0
Total other comprehensive income		**-604**	**-204,371**	**-1,003**	**-383,426**
Total comprehensive income		**348,213**	**-372,558**	**-460,585**	**-1,552,368**
Total comprehensive income attributable to owners of the Company		348,213	-372,558	-460,585	-1,552,368
Total comprehensive income attributable to non-controlling interests		0	0	0	0

CONSOLIDATED BALANCE SHEET

Figures in NOK 1,000	Note	2010	2009
Financial derivative instruments		24,319	33,719
Goodwill		0	580,230
Deferred tax asset		70,015	0
Investment property		14,862,518	23,732,704
Fixtures and equipment		2,401	6,997
Shares and interests		0	1,691
Receivables	1	600,000	8,883
Total non-current assets		**15,559,253**	**24,364,224**
Financial derivative instruments		1,778	2,745
Accounts receivable		51,868	93,037
Other receivables		15,521	4,825
Cash and cash equivalents		248,407	248,216
Total current assets		**317,574**	**348,823**
Total assets		**15,876,828**	**24,713,047**
Paid in equity		9,737,541	9,206,357
Other reserves		7,278	8,282
Retained earnings		-4,756,224	-4,296,643
Total equity		**4,988,595**	**4,917,996**
Deferred tax liability		0	365,497
Financial derivative instruments		317,440	487,775
Interest-bearing liabilities		10,203,850	17,781,346
Total non-current liabilities		**10,521,290**	**18,634,618**
Financial derivative instruments		9,265	11,184
Interest-bearing liabilities		90,730	597,492
Accounts payable		14,700	15,486
Other liabilities		252,248	536,271
Total current liabilities		**366,942**	**1,160,433**
Total liabilities		**10,888,232**	**19,795,051**
Total equity and liabilities		**15,876,828**	**24,713,047**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in NOK 1,000	2010	2009
Total equity including minority interests, beginning of the year	4,917,996	5,001,160
Total comprehensive income	-460,585	-1,552,368
Share issue, net of cost and after tax	531,184	1,469,204
Total equity including minority interests, end of period	**4,988,595**	**4,917,996**

Figures in NOK 1,000	Share capital	Share premium	Other paid in equity	Other reserves	Retained earnings	Total equity
Total equity as of 31 December 2008	**5,040,885**	**1,196,268**	**1,500,000**	**391,708**	**-3,127,701**	**5,001,160**
Equity decrease	-4,940,068		4,940,068			
Share issue	125,818	1,383,995				1,509,813
Total cost related to share issues, net of tax (28%)		-40,609				-40,609
Financial derivatives accounted to equity, net of tax (28%)				50,398		50,398
Currency exchange effects				-433,824		-433,824
Profit for the period					-1,168,942	-1,168,942
Total equity as of 31 December 2009	**226,635**	**2,539,654**	**6,440,068**	**8,282**	**-4,296,643**	**4,917,996**
Share issue	22,633	521,279				543,912
Total cost related to share issues, net of tax (28%)		-12,728				-12,728
Financial derivatives accounted to equity, net of tax (28%)				-6,220		-6,220
Currency exchange effects				126,308		126,308
Reclassification of currency effects, discontinued operations				-134,779		-134,779
Reclassification of financial derivative instruments, disc. oper.				13,687		13,687
Profit for the period					-459,582	-459,582
Total equity as of 31 December 2010	**249,268**	**3,048,205**	**6,440,068**	**7,278**	**-4,756,224**	**4,988,595**

CONSOLIDATED STATEMENT OF CASH FLOW

The cash flow statement includes both continued and discontinued operations. Cash flows for discontinued operations is presented separately in note 1.

Figures in NOK 1,000	2010 Q4	2009 Q4	2010	2009
Profit before income tax	348,463	-276,332	-721,699	-1,399,018
Paid taxes in the period	0	-24,507	-16,766	-24,862
Depreciation of tangible assets	165	1,737	1,595	3,976
Gain from sale of investment property and operations	-199,981	17,058	-69,081	7,104
Gain from fair value adjustments of investment property	36,025	280,806	534,580	1,517,369
Gain from fair value adjustments of financial derivative instruments	-101,494	-31,678	201,050	-35,518
Impairment of goodwill	0	84,334	570,928	308,832
Net financial items ex. value adj. of financial derivative instruments	125,975	268,001	791,805	1,055,965
Change in short-term items	30,703	136,083	-136,482	46,185
Net cash flow from operating activities	**239,856**	**455,502**	**1,155,929**	**1,480,033**
Received cash from sale of investment property and disc. operations	978,169	0	1,122,568	1,052,387
Payments for purchase of investment property	-42,981	-16,852	-67,964	-77,439
Net cash flow from investment activities	**935,188**	**-16,852**	**1,054,604**	**974,948**
Net repayment of interest-bearing debt	-1,018,813	-106,471	-1,944,493	-2,730,818
Net financial items ex. value adj. and currency gain / loss	-125,975	-268,001	-791,805	-1,055,965
Capital increase	0	0	526,235	1,450,638
Payments related to other financing activities	0	-6,497	0	-35,109
Net cash flow from financial activities	**-1,144,788**	**-380,969**	**-2,210,063**	**-2,371,254**
Net change in cash and cash equivalents	**30,256**	**57,681**	**471**	**83,727**
Cash and cash equivalents at the beginning of the period	218,151	190,540	248,216	174,220
Currency exchange effects	0	-5	-280	-9,731
Cash and cash equivalents at the end of the period	**248,407**	**248,216**	**248,407**	**248,216**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DISCONTINUED OPERATIONS

The hotel business, Norgani Hotels AS, was divested in 2010. Below is a breakdown of results for discontinued operations, which are presented net on a line in the income statement from the Board's approval of the offer for sale of Norgani Hotels AS. Prior period comparative figures are restated.

Figures in NOK 1,000	2010 Q4	2009 Q4	2010	2009
Gross income	**0**	**168,231**	**540,092**	**723,804**
Property related expenses	0	-23,773	-59,910	-83,356
Administrative expenses	0	-15,157	-43,004	-64,983
Operating profit	**0**	**129,301**	**437,178**	**575,465**
Net financial cost related to hotel properties	0	-85,998	-213,537	-338,169
Net financial cost related to OPAS	-3,478	-10,227	-35,598	-84,734
Profit before income tax and value adjustments	**-3,478**	**33,026**	**188,043**	**152,562**
Change in market value of investment properties	0	-308,998	-705,187	-1,043,337
Change in market value of financial derivative instruments	0	21,016	-131,172	-32,811
Impairment of goodwill	0	-84,334	-570,928	-308,832
Profit before income tax for discontinued operations	**-3,478**	**-339,290**	**-1,219,244**	**-1,232,417**
Income tax	4,453	120,300	348,769	306,502
Profit before income tax for discontinued operations	**975**	**-218,990**	**-870,475**	**-925,915**
Gain from sale of discontinued operations	202,338	0	59,668	0
Income tax	0	0	0	0
Profit for the period for discontinued operations	**203,313**	**218,990**	**-810,807**	**-925,915**

Net cash flow from discontinued operations is included in the Group's reported cash flow, as specified below.

Figures in NOK 1,000	2010 Q4	2009 Q4	2010	2009
Net cash flow from operating activities	-8,231	245,812	364,671	520,175
Net cash flow from investing activities	978,169	-16,775	961,213	-59,934
Net cash flow from financial activities	-612,971	-242,467	-952,754	-403,456
Net change in cash and cash equivalents	**356,967**	**-13,430**	**373,130**	**56,785**

Gain from sale of discontinued operations in 2010 is specified in the table below.

Figures in NOK 1,000	
Cash consideration, less the settlement of intercompany debt and transaction costs	440,773
Deferred settlement (vendor financing)	600,000
Net sales proceeds	**1,040,733**
Investment property	8,439,084
Other non-current assets	10,876
Current assets	129,015
Interest-bearing liabilities	-6,259,771
Interest-bearing intercompany liabilities	-583,192
Deferred tax asset	-146,295
Financial derivative instruments	-351,153
Other liabilities	-136,408
Net assets	**1,102,156**
Net sales proceeds	1,040,733
Net assets	-1,102,156
Currency effects and financial derivative instruments reclassified from equity to profit on sale	121,092
	59,668

[1)] Interest-bearing vendor financing with a fixed annual interest rate of 5% and maturity of 2 years for NOK 200 million and 5 years for NOK 400 million.

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