



4th Quarter 2010

Oslo, 18 February 2011

Agenda

- **Highlights and key figures**

Olav Line

- Financial update

Svein Hov Skjelle

- Markets and operations

Olav Line

- Strategy for long-term value creation

Olav Line

- Closing remarks

Olav Line

- Q&A session

HIGHLIGHTS AND KEY FIGURES

2010 was a year of transformation: From financial to industrial player

- ✓ Sale of hotel operation
 - Sale of Norgani Hotels AS closed in November 2010

- ✓ Improved financial flexibility
 - Net LTV from 75.7% to 66.7% (62.7% if Norgani vendor financing is included)

- ✓ Built organisational strength to address future value drivers
 - Established inhouse property management organisation and systems
 - Established inhouse development organisation
 - Strengthened market organisation and financial function

- ✓ Established long-term master plans for major properties
 - Established plans for redevelopment and upgrade of major properties

Stable operational performance

- Positive results from continued operations in Q4 2010
 - Profit before fair value adjustments and tax of NOK 86.5 million (110% up from Q4 2010)
 - Positive cash flow from operations after ordinary financial expenses of NOK 113.8 million.

- Overall positive fair value adjustments
 - Minor negative adjustment of investment properties
 - Positive revaluation of financial derivatives

- Completed sale of Norgani Hotels
 - Net effect discontinued operations in Q4 NOK 203.3 million (full year effect NOK -810.8 million)

- Continual improvement in financial position
 - Net LTV reduced from 69.6% in Q3 to 66.7% in Q4 (62.7% if including vendor financing)

- Net asset value per share (book equity), NOK 10.01 (EPRA NAV: NOK 10.84)

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Income statement

NOK million	2010 Q4	2009 Q4	2010	2009
Gross rental income	250.4	261.9	1,025.1	1,043.9
Maintenance and property related cost	-27.5	-14.9	-91.2	-63.7
Administrative and group expenses	-13.9	-34.1	-58.9	-100.9
Operating result before value adjustment	209.0	212.9	870.4	879.3
Net financial items excluding derivatives	-122.5	-171.7	-542.7	-633.1
Profit before value adjustments	86.5	41.2	327.7	246.2
Net gain on disposals	-2.4	-17.1	9.4	-7.1
Net gain/loss on value adjustments, investment properties	-36.0	28.2	170.6	-474.0
Change in market value of financial derivatives	101.5	10.7	-69.9	68.3
Profit before income tax for continued operations	149.6	63.0	437.9	-166.6
Income tax for continued operations	-4.1	-12.2	-86.7	47.1
Profit for the period for continued operations	145.5	50.8	351.2	-119.5
Profit for discontinued operations	203.3	-219.0	-810.8	-1,049.5
Profit for the period	348.8	-168.2	-459.6	-1,168.9
Earnings per share (NOK), from continued operations	0.30	0.14	0.90	-0.59

Sale of Norgani Hotels AS

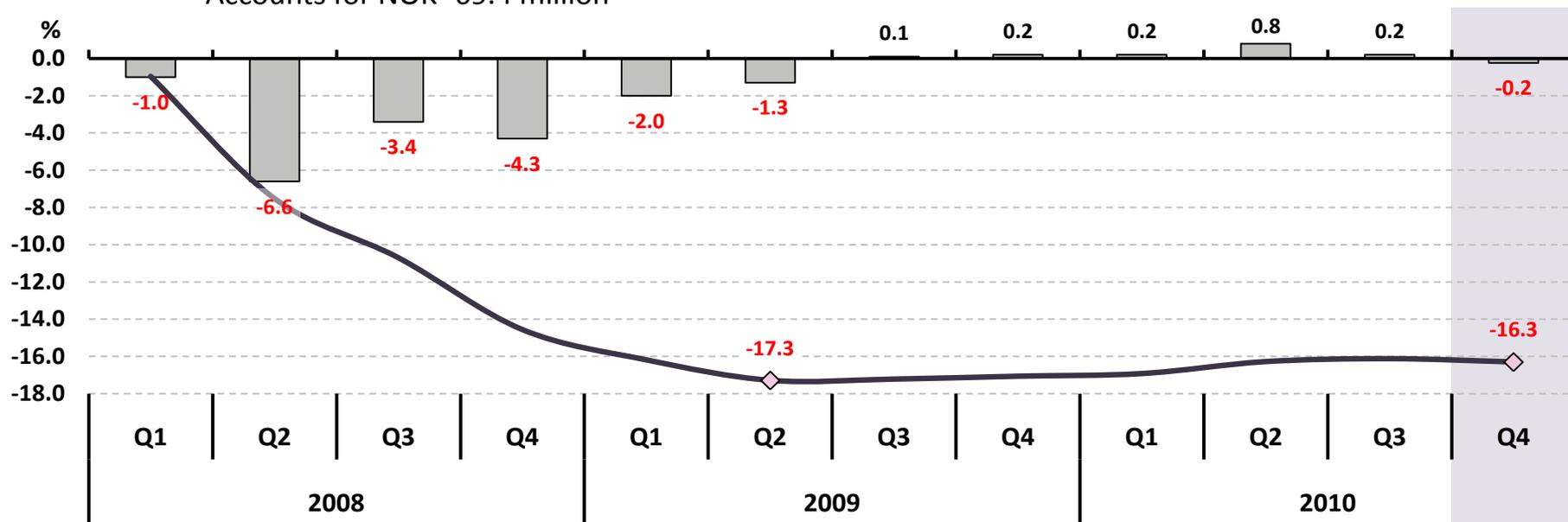
- Sale of Norgani Hotels AS completed on 4 November 2010
 - Acquisition financing repaid and other interest bearing debt in Norgani Hotels AS taken over by buyer

- Financial effects
 - Net result of NOK 203.3 million from discontinued operations in Q4 (NOK -810.8 million for full year 2010)
 - Positive effect from final adjustment of currency effects, financial derivatives and taxes
 - Net cash release of NOK 357 million after repayment of debt
 - NOK 600 million vendor financing remaining
 - NOK 200 million maturing in 2 years and NOK 400 million maturing in 5 years
 - Earning 5% fixed interest

- Option to acquire 9.9% of the shares in Norgani Hotels AS not called, and has expired

Historical fair value adjustments

- Fair value adjustment of -0.2% in Q4
 - Positive adjustment of properties with long-term leases
 - Negative adjustment of properties with short-term leases
 - Lysaker Torg 35 (If) and Middelthunsgate 17 (Nordea) have had negative effect due to tenants planning to leave at expiry of extended lease period
 - Accounts for NOK -69.4 million



Portfolio valuation by area

- Net yield for total portfolio is 6.3% based on current payable rent
- External valuation conducted by DTZ RealKapital and Akershus Eiendom
 - Market rent estimated to be 3.5% (Q3: 4.9%) higher than current payable rents
- Negative fair value adjustment of NOK 36 million (-0.2%)

Area	Total space (m ²)	Area vacancy (%)	EPRA ¹⁾ vacancy (%)	CPI adj. (%)	Duration (years)	Valuation		Gross rent per year		Net yield ²⁾ (%)	
						NOK mill.	NOK/m ²	NOK mill.	NOK/m ²		
Oslo	CBD	149,848	7.5	5.5	98.5	3.6	5,510	36,767	337	2,247	5.7
	Skøyen	108,203	8.3	8.8	100.0	6.2	2,866	26,483	194	1,792	6.4
	West	114,532	0.0	0.0	100.0	6.0	2,451	21,399	174	1,520	6.7
	Nydalen	110,108	6.2	5.6	95.8	6.0	1,859	16,879	133	1,208	6.7
	North / east	26,455	20.7	28.2	100.0	9.0	327	12,354	26	981	7.5
Stavanger	114,703	2.3	0.3	89.5	5.2	2,052	17,885	152	1,321	6.9	
Total office portfolio	623,849	5.8	5.0	97.4	5.2	15,062	24,144	1 015	1,621	6.3	

1) Market rent of vacant space divided by market rent of the whole portfolio

2) Based on gross rent and estimated operating expenses of 6%

Financial position

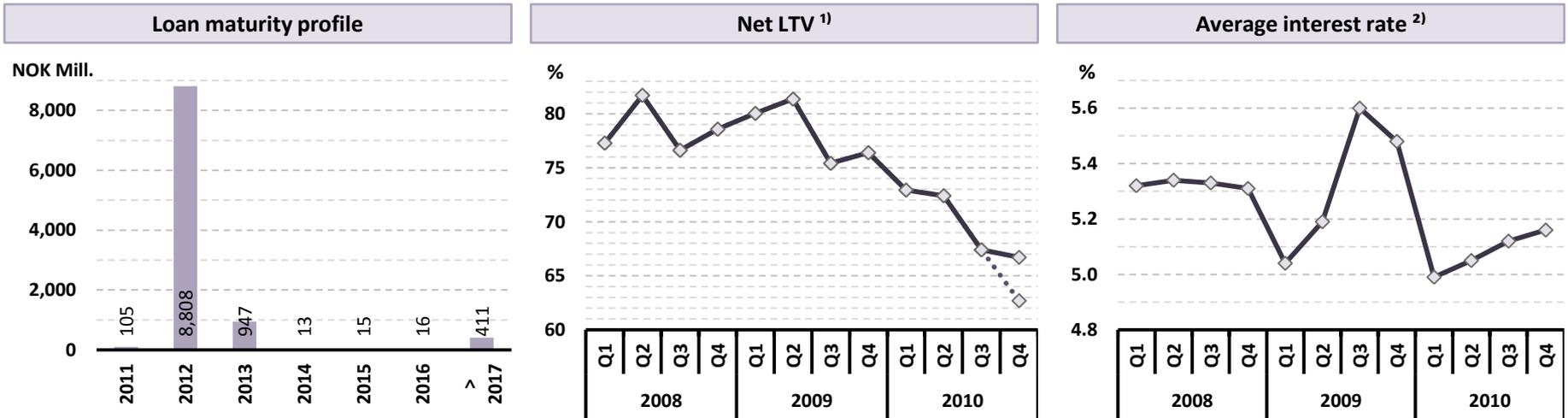
Interest bearing debt and hedging as of 31 December 2010		NPRO
Total interest bearing debt	NOK mill.	10,295
Property value (gross of deferred tax at acquisition)	NOK mill.	15,062
Loan to value	%	68.3
Net Loan to value ¹⁾	%	66.7
Net Loan to value including vendor financing ²⁾	%	62.7
Cash and cash equivalents	NOK mill.	248
Vendor financing	NOK mill.	600
Unused committed credit facilities (short and long term)	NOK mill.	1,000
Average remaining duration, hedging	years	4.1
Average interest rate (including margin)	%	5.16
Average margin	%	0.74
Average remaining duration, borrowing	years	2.0
Hedging ratio	%	94.0

1) Gross interest bearing debt less cash divided by gross property value

2) Gross interest bearing debt less cash and vendor financing divided by gross property value

Managing debt and hedging portfolio

- Duration of debt
 - Refinancing process ongoing with six invited Nordic banks
 - Positive sentiment in Nordic banking sector
 - Completion of refinancing during first half year 2011
- Average interest rate of 5.16%
 - Roll-over of hedges in 2011 will reduce average interest rate



1) Gross interest bearing debt less cash divided by gross property value. For Q4 2010: net LTV including vendor financing is also shown

2) Comparable figures, excluding financing of Norgani Hotels AS historically

Balance sheet

NOK million	2010	2009
Investment properties ¹⁾	14,862	23,733
Vendor financing	600	0
Deferred tax asset	70	0
Goodwill	0	580
Cash and cash equivalents	248	248
Equity	4,989	4,918
Long term interest bearing debt	10,204	17,781
Short term interest bearing debt	91	597
Market value financial derivatives (net)	301	462
Deferred tax liability	0	365
Net other debt	197	436
Equity ratio	31.4%	19.9%
Net asset value per share (NOK) ²⁾	10.01	10.85
Net asset value per share (NOK), EPRA ²⁾	10.84	12.84

1) Net of deferred tax at acquisition

2) Number of shares as of 31 December 2009: 453 270 832

3) Number of shares as of 31 December 2010: 498 596 832

Tax effects in balance sheet

- Net deferred tax asset of NOK 70.0 million
 - Capitalized 28% deferred tax based on accumulated consolidated EBT for the period 2006-2010 ¹⁾
 - Includes NOK 84.2 million relating to deferred tax on financial derivative instruments
 - Does not include any deferred taxes related to investment property ²⁾
 - Deferred tax not capitalized at acquisition of investment property
 - Capitalisation on accumulated positive value adjustments after acquisition
 - Negative accumulated value adjustments reduces tax compensations from acquisitions

- Reduction in recorded value of investment property of NOK 199.9 million
 - Relating to tax compensation at acquisition of investment property

1) Gross carry forward losses approximately NOK 1.2 bn.

2) Property tax value approximately NOK 8.0 bn.

Cash flow

NOK million	2010 Q4	2009 Q4	2010	2009
Cash flow from operating activities	239.9	455.5	1 155.9	1,480.0
Net financial items (excl. fair value adj. and currency gain/loss)	-126.0	-268.0	-791.8	-1,056.0
Adjusted cash flow from operating activities	113.9	187.5	364.1	424.0
Cash received from sale of assets	978.2	0.0	1,122.6	1,052.4
Purchase of tangible assets and subsidiaries	-43.0	-16.9	-68.0	-77.4
Cash flow from investment activities	935.2	-16.9	1,054.6	975.0
Net change in interest bearing debt	-1,018.8	-106.5	-1,944.5	-2,730.8
Capital increases	0.0	0.0	526.2	1,450.6
Other financing activities	0.0	-6.5	0	-35.1
Adjusted cash flow from financing activities	-1,018.8	-106.5	-1,418.3	-1,315.3
Net change in cash	30.3	57.7	0.0	83.7
Net cash at end of period	248.4	248.2	248.4	248.2

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Highlights during the quarter

- Positive rental market

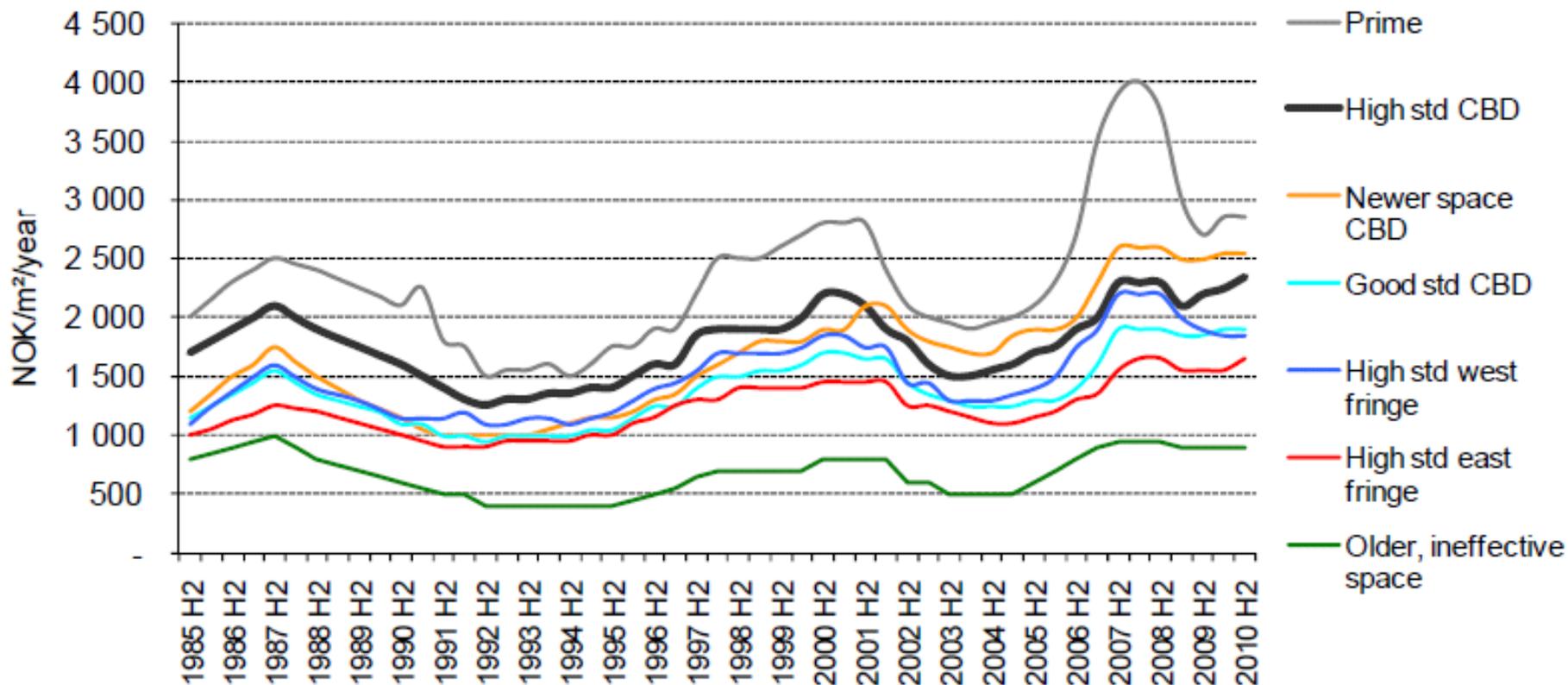
- Renewal or extension of 18 contracts with an annual value of NOK 136.3 million
 - Comparable rental uplift 18.1 %
 - Limited investments comitted

- Major renewals
 - Nordea extended contract in Middelthunsgate 17 from January 2014 to January 2016 with an uplift of 33.3% for the extension period
 - If Skadeforsikring extended contract at Lysaker Torg 35 from October 2012 to April 2013 with an uplift of 18.6% for the extension period

- Space vacancy is now at 5.8%, EPRA vacancy rate (financial) is 5.0%

Oslo office rents

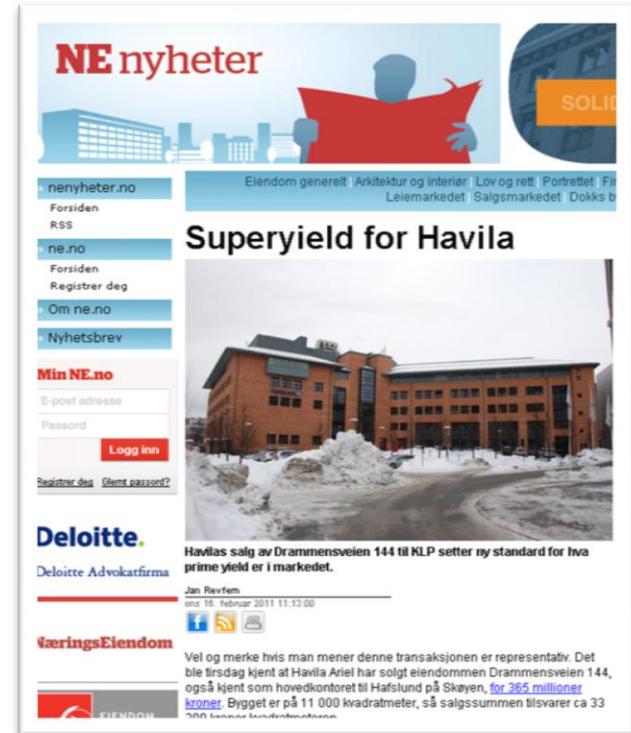
OFFICE RENTS 1986-2010
(Nominal NOK)



Source: Akershus Eiendom (February 2011)

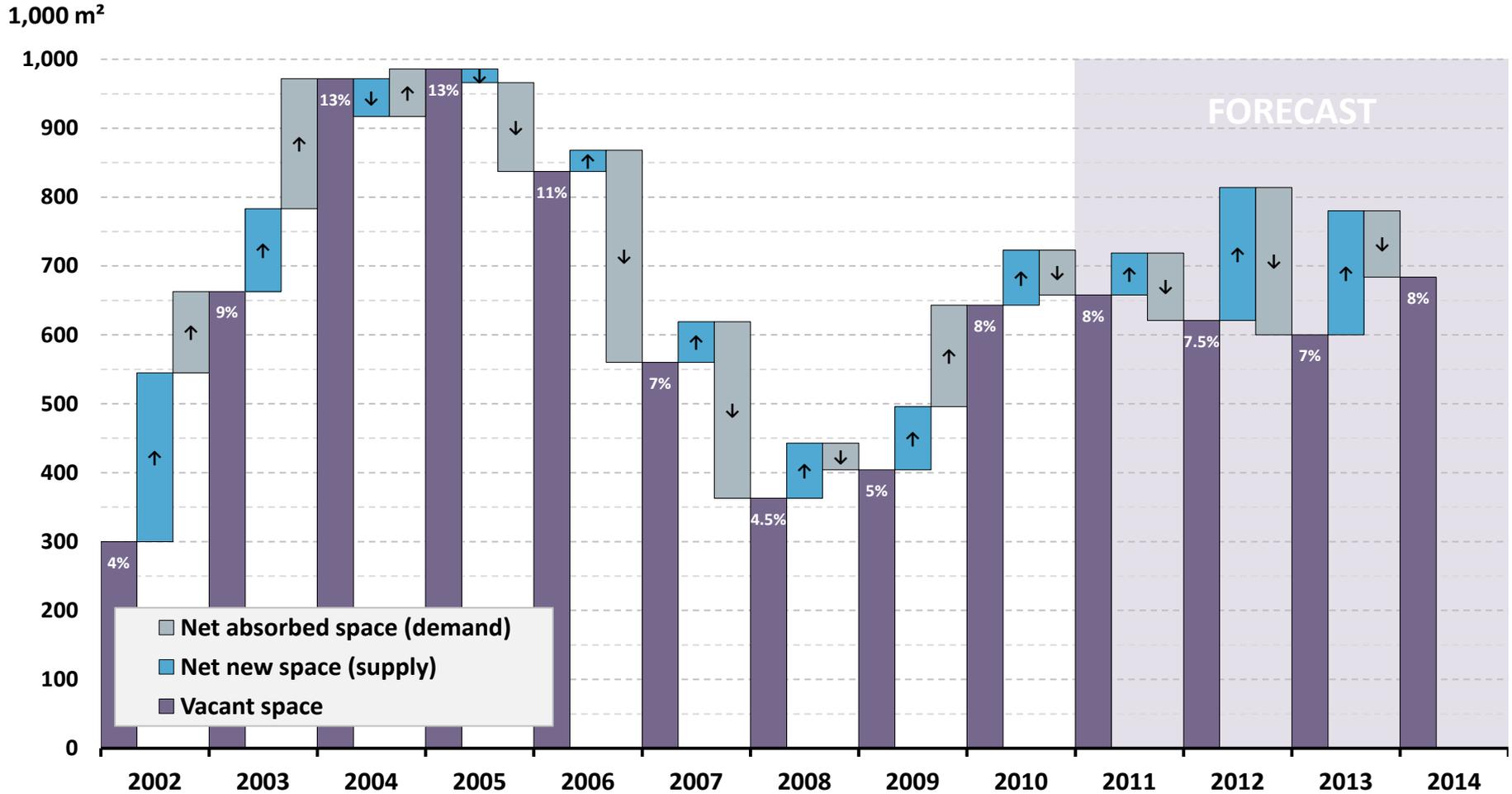
Market sentiment is positive

- Rental levels breaking through NOK 4,000 per m² on Tjuvholmen
- Neighbouring property to Drammensveien 134 at Skøyen area sold at yield 5.2%



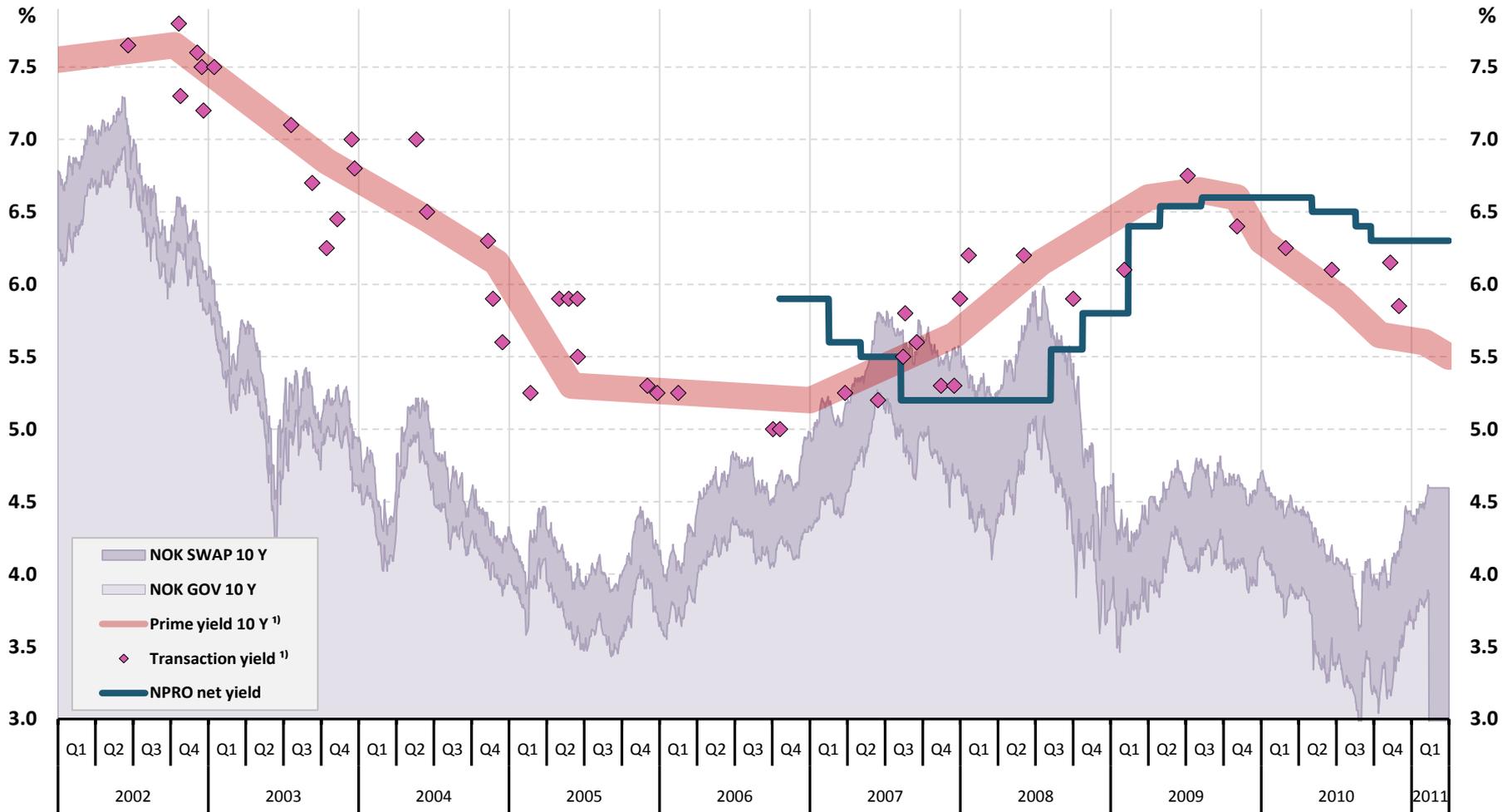
Source: Næringseiendom (www.nenyheter.no), 14 and 16 February 2011

Oslo office vacancy, new buildings and absorption



Source: Akershus Eiendom (February 2011)

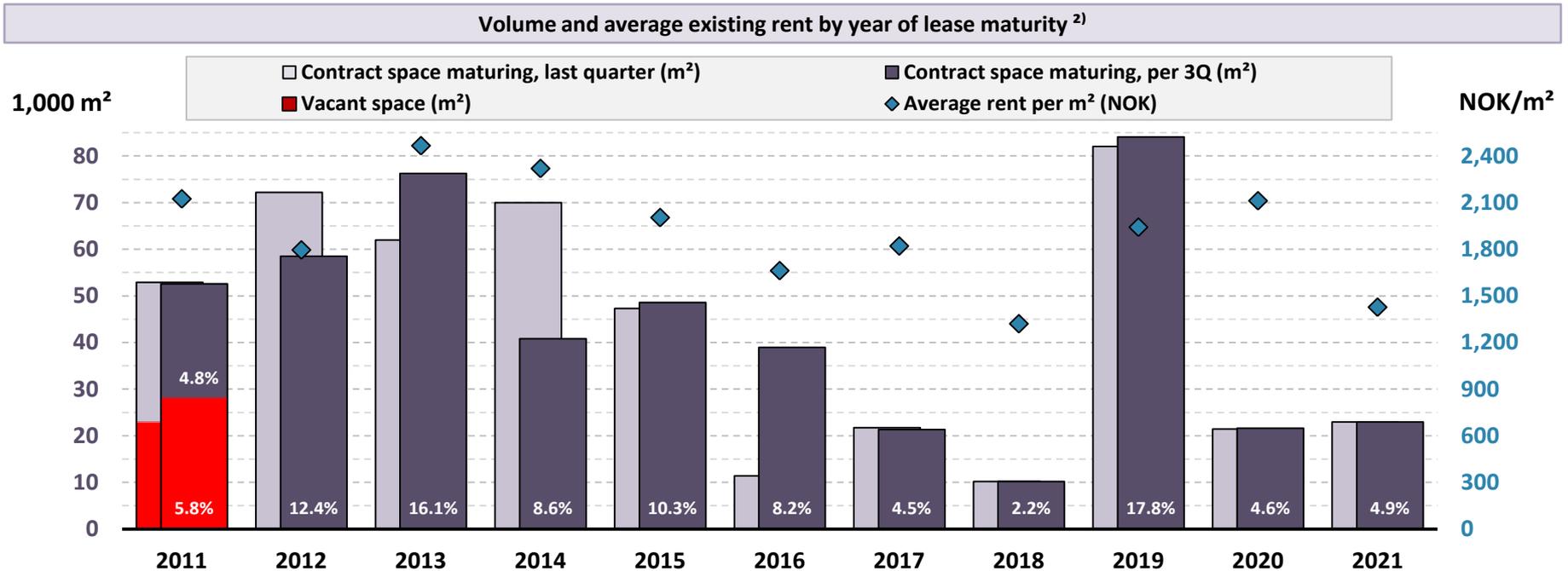
Historical yield spread for long-term contracts



1) Source: Akershus Eiendom (February 2011)

Portfolio maturity

- 5.2 years duration of leases (Q3: 5.3 years)
- Area vacancy at 5.8% (Q3: 4.7%), EPRA vacancy rate at 5.0%
- Average yearly rent of NOK 1,627 per m² (Q3: NOK 1,621 per m²) ¹⁾
- 97.4% of lease rent is CPI adjusted (cash flow inflation hedged)



1) Entire portfolio, includes all types of spaces

2) Office space only

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Senior management organisation



Olav Line (CEO)

Olav Line (1958) joined NPRO as CEO in January 2010. Prior to NPRO he was CEO of Steen og Strøm since 2003. Line has 25 years experience from the Norwegian and Nordic commercial real estate market through leading positions in NSB / Rom Eiendom, Storebrand Eiendom, Nora (now KLP) Eiendom and Avantor. Line holds a MSc in Engineering from NTNU in Trondheim.



INVESTMENT AND FINANCE Svein Hov Skjelle (CFO)

Svein Hov Skjelle (1967) rejoined NPRO as CFO in January 2010 after one year as CFO for Entra Eiendom (his first period with NPRO was in the period 2006-2009). Prior to this he held positions CFO for TeleComputing, SVP Finance for Merkantildata (now Atea) and various positions within finance and accounting for Veidekke. Skjelle holds MSc in Finance from NHH in Bergen and is an authorized financial analyst (CFA).



LEASING AND MARKETING Aili Klami (Director Leasing & Marketing)

Aili Klami (1956) joined NPRO in December 2006 and has been part of the management group since then. Prior to NPRO she was Director Sales for Avantor (1996-2006) and other various positions within the same company. Klami has also ten years experience from Nydalens Cundertakeompagnie. Klami has studied at BI in Oslo, as well as completed different property administration, management and sales courses.



PROPERTY MANAGEMENT Bjørge Aarvold (Director Property Management)

Bjørge Aarvold (1966) was appointed Director Property Management in May 2010. Aarvold has been part of NPRO since the establishment in May 2006, initially as a hired consultant from PwC and later as Deputy COO. Prior to NPRO Aarvold worked a number of years as a consultant for PricewaterhouseCoopers and Cag Gemini, in addition to various accounting and administration positions. Aarvold holds a Bachelors degree from BI in Oslo.



DEVELOPMENT Fredrik Baumann (Director Property Development)

Fredrik Baumann (1962) joined NPRO in January 2011. He came from the position as CEO for OKK Entreprenør, a position he had held since 2006. Prior to this Baumann was Project Director for Avantor where he was responsible for the company's district development project in Nydalen, Oslo. He has also held various positions with CoNova and PABAS. Baumann holds a degree in Civil Engineering from Heriot-Watt in Edinburgh and NTNU in Trondheim.

Focus for 2011

- Market and leasing
 - Focus on vacant areas and contracts expiring in 2011 to 2015
 - Position Norwegian Property as the most customer focused property company

- Development
 - Develop and run projects in collaboration with Market and leasing

- Property management
 - Complete insourcing of property management
 - Secure high customer satisfaction

- Finance and investment
 - Secure refinancing of debt expiring in 2012
 - Actively pursue value enhancing opportunities

- Environment and social responsibility
 - Finalise strategy for environment and social responsibility

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Positioned for long-term value creation

- Stable and improving operations
- Market improving
 - Rental market
 - Property transaction market
 - Banking sector
- Organisation in place to focus on core business and build long-term values

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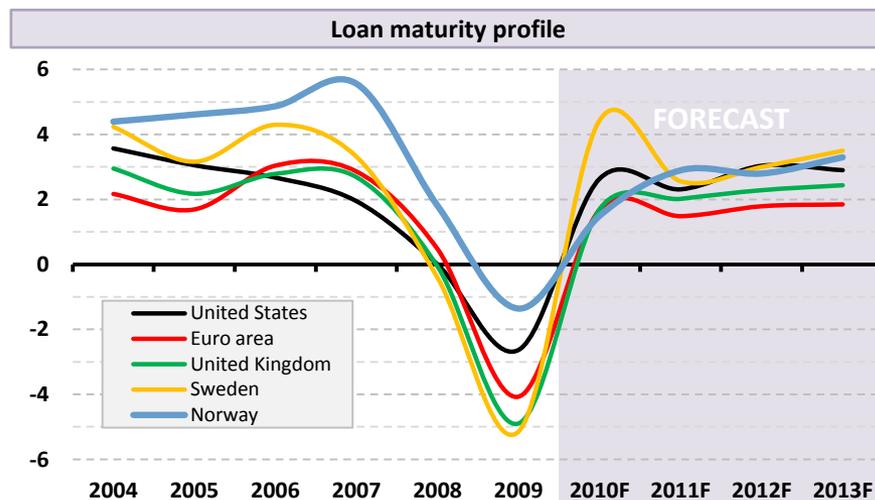
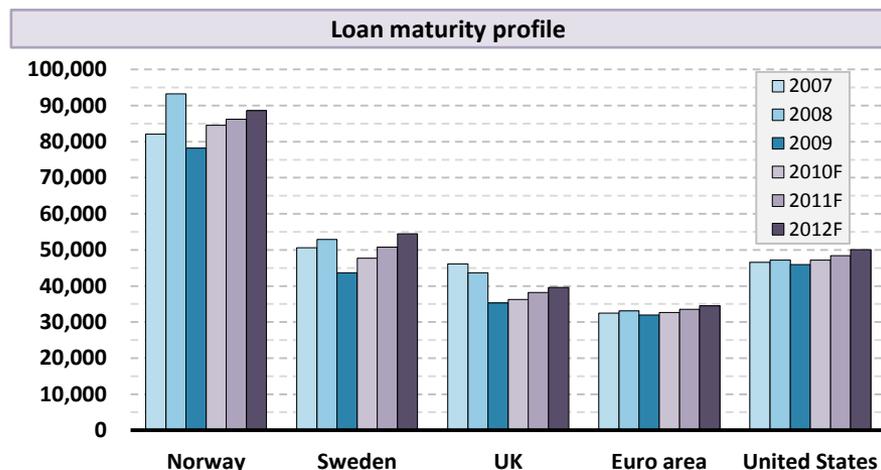
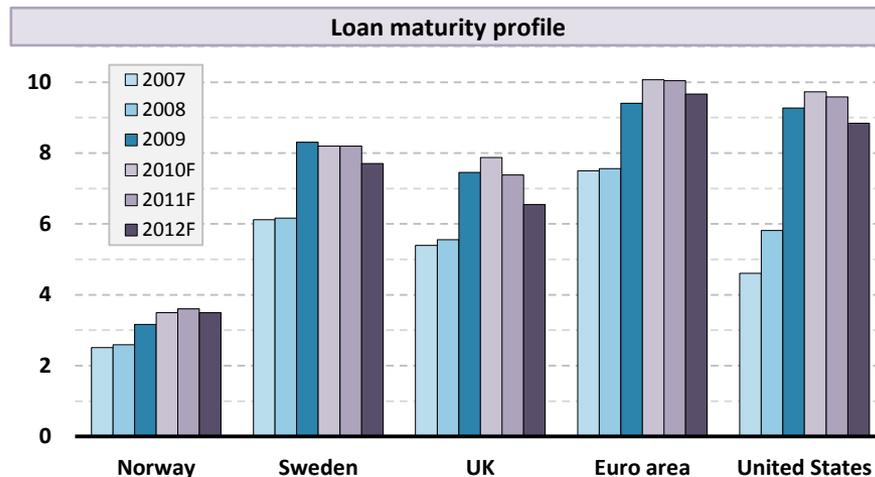
- **Q&A session**

Appendix



Norwegian economy at a glance

- Government Pension Fund Global now worth NOK 3,150 bn. (\$550 bn. / €400 bn.)
 - Guideline for usage allows for counter cyclical spending
- Large public sector
- Inflation 2010: 2.5%



Source: International Monetary Fund - "World economic outlook, October 2010"

Overview and key figures



Key figures as of 31 December 2010		
Properties	#	47
Portfolio size	m ²	623 849
Average size per property	m ²	13 273
Gross rent per year (run rate)	NOK mill.	1 015
Operational expenses per year ¹⁾	NOK mill.	61
Net rent per year (run rate)	NOK mill.	954
Average gross rent per m ² per year	NOK	1 621
Gross market value	NOK mill.	15 062
Average value per property	NOK mill.	320
Average value per m ²	NOK	24 144
Gross yield, actual	%	6.7
Net yield, actual	%	6.3
Gross yield at current market rent ²⁾	%	7.0
Net yield at current market rent ²⁾	%	6.6
Duration	years	5.2
CPI adjustment per 1 Jan 2012	%	97.4
Vacancy (area)	%	5.8
EPRA vacancy rate ³⁾	%	5.0



¹⁾ Assuming 6% operating expenses on property level

²⁾ Total portfolio's market rent has been assessed by external appraisers to be 3.5% above current contractual rents

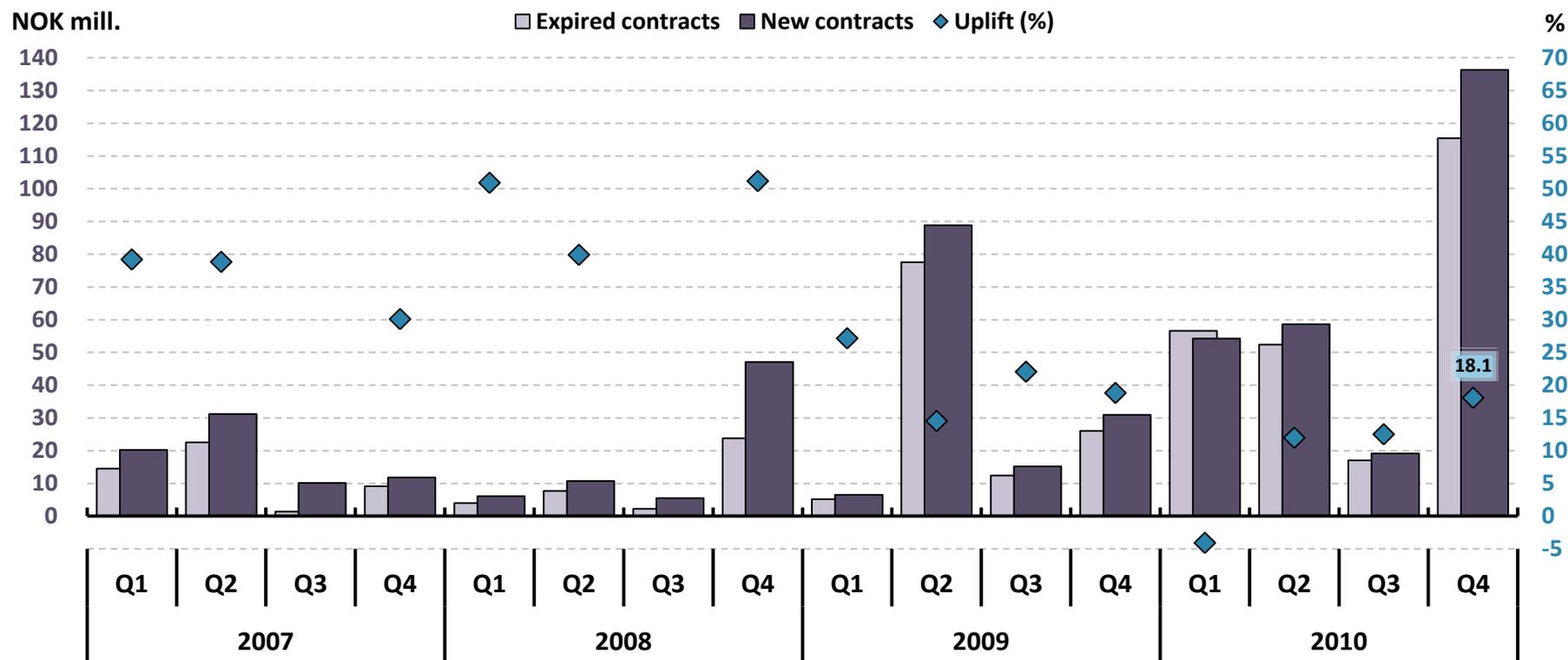
³⁾ Market rent of vacant space divided by market rent of the whole portfolio

Largest tenants

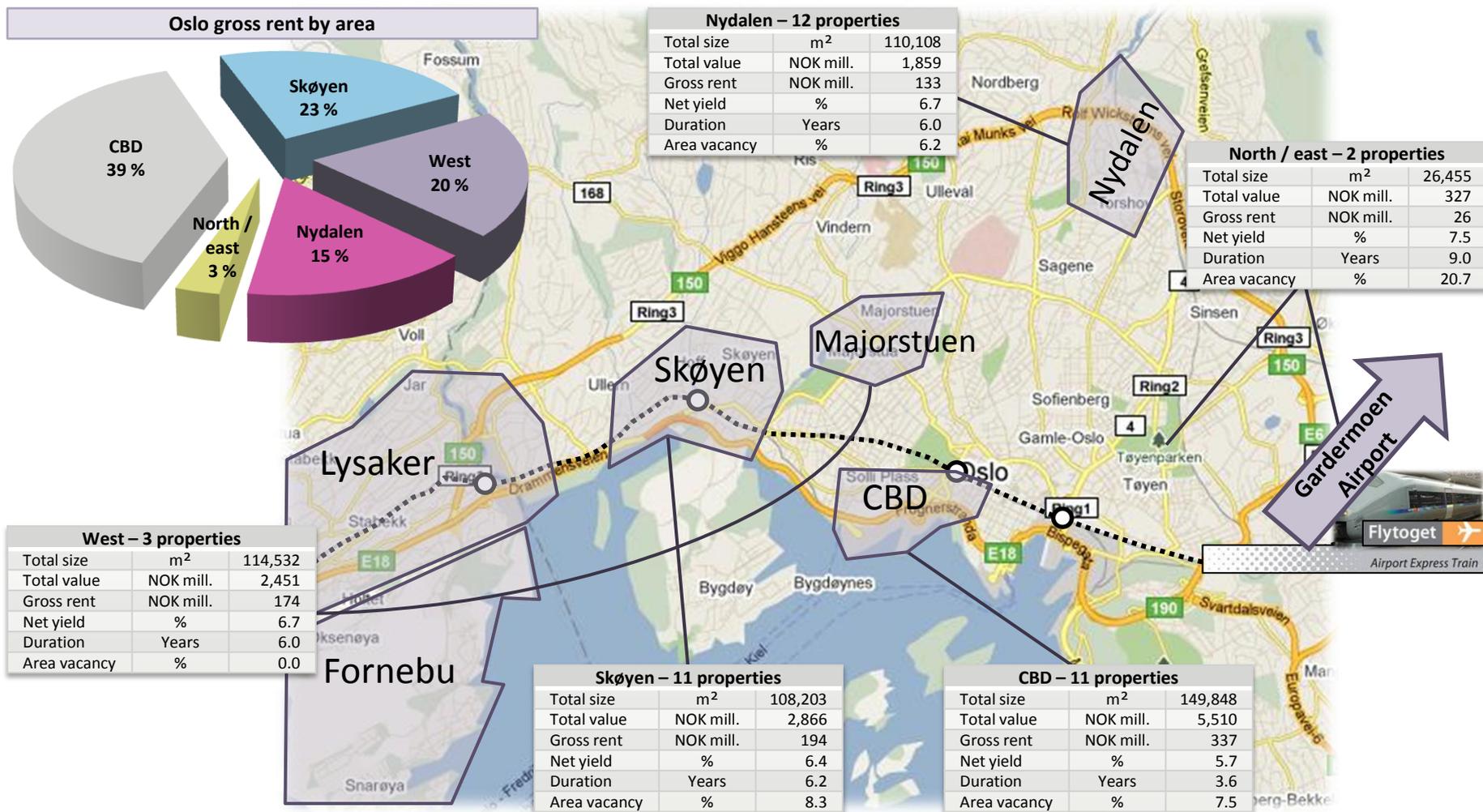
Tenant	Sector	Rent (NOK mill.)	Duration (years)	Share of total portfolio (%)	Public sector participation	Listed at group level
EDB Business Partner ASA	IT	85.8	8.2	8.5 %	√	√
Aker Solutions ASA	Oil service	85.0	8.3	8.4 %	√	√
DnB NOR ASA	Financials	74.2	2.3	7.3 %	√	√
Nordea	Financials	47.3	5.1	4.7 %	√	√
Statoil ASA	Energy and oil	43.8	2.1	4.3 %	√	√
If Skadeforsikring	Financials	41.7	2.3	4.1 %		√
Aker Offshore Partner AS	Oil service	34.8	4.0	3.4 %	√	√
Total E&P Norway AS	Energy and oil	32.0	11.0	3.1 %		√
Höegh Autoliners Management AS	Shipping	28.7	9.2	2.8 %		
Get AS	Telecom	28.4	8.0	2.8 %		
Telenor Eiendom Holding AS	Telecom	27.9	4.7	2.7 %	√	√
NetCom AS	Telecom	26.0	9.5	2.6 %	√	√
SAS Scandinavian Airlines Norge AS	Travel	25.9	9.0	2.6 %	√	√
Skanska Norge AS	Construction	21.1	4.7	2.1 %		√
Fokus Bank	Financials	20.7	2.1	2.0 %	√	√
Atea ASA	IT	19.2	1.7	1.9 %		√
NAV	Public	16.8	5.5	1.7 %	√	
TDC AS	Telecom	16.7	4.8	1.6 %		√
Tieto Norway AS	IT	14.1	1.6	1.4 %		√
BW Offshore AS	Shipping	12.0	2.9	1.2 %		√
Simonsen Advokatfirma DA	Law services	11.8	0.8	1.2 %		
Økokrim	Public	11.8	15.6	1.2 %	√	
Uno-X Energi AS	Retail	11.1	4.7	1.1 %		√
Bugge, Arentz-Hansen & Rasmussen	Law services	10.2	1.6	1.0 %		
Esso Norge AS	Retail	9.9	4.8	1.0 %		√
Total 25 largest tenants		756.9	5.7	74.6 %	12 / 25	19 / 25
Total other tenants		258.2	3.7	25.4 %		
Total all tenants		1 015.1	5.2	100.0 %		

Historical rental uplift

- 18 new lease agreements resulted in an uplift of 18.1% over existing rent level
 - Nordea 33.3% and If Skadeforsikring 18.6%
- Estimated uplift potential of 3.5% according to external appraisers

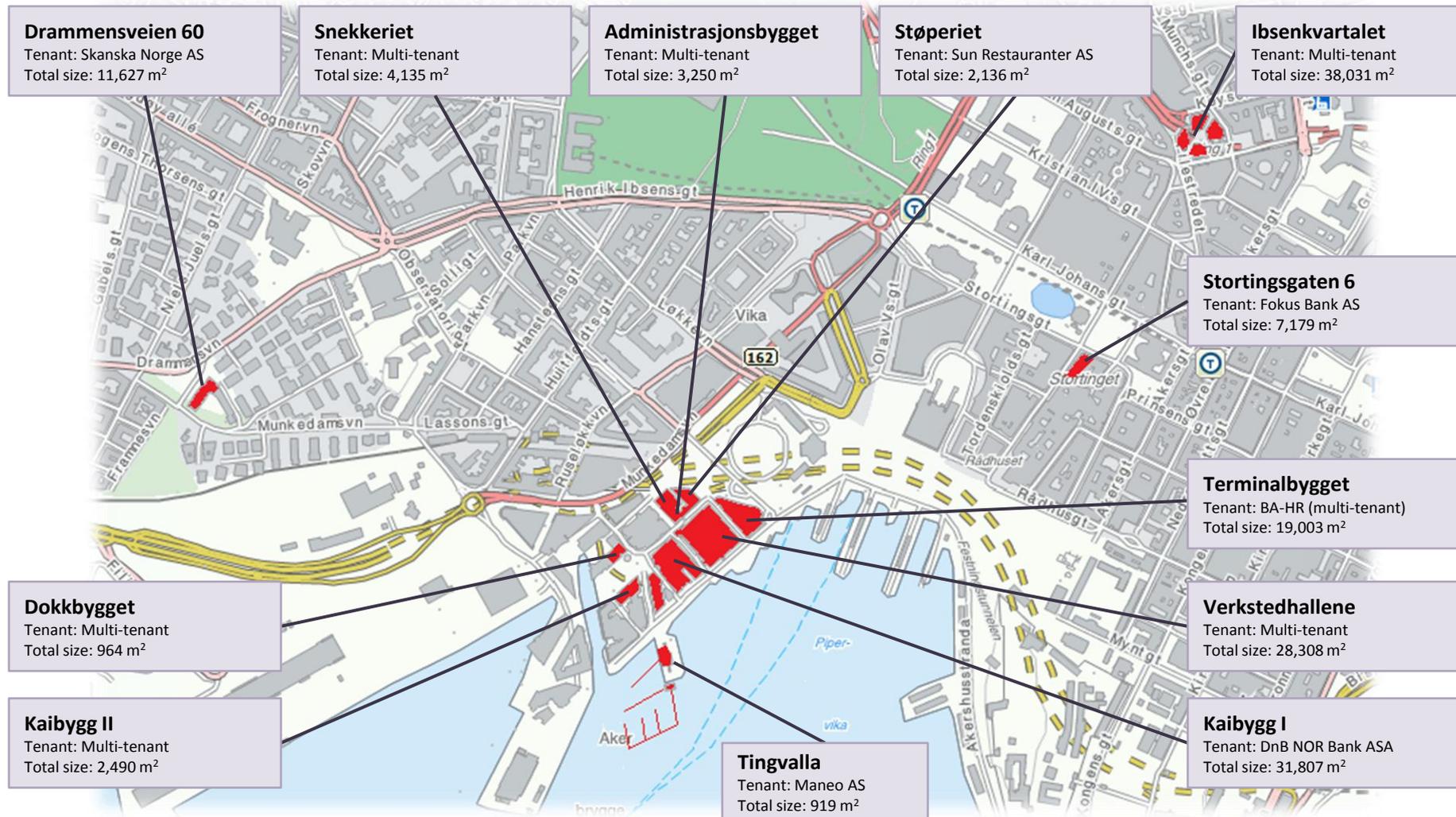


Exposure to prime locations in Oslo

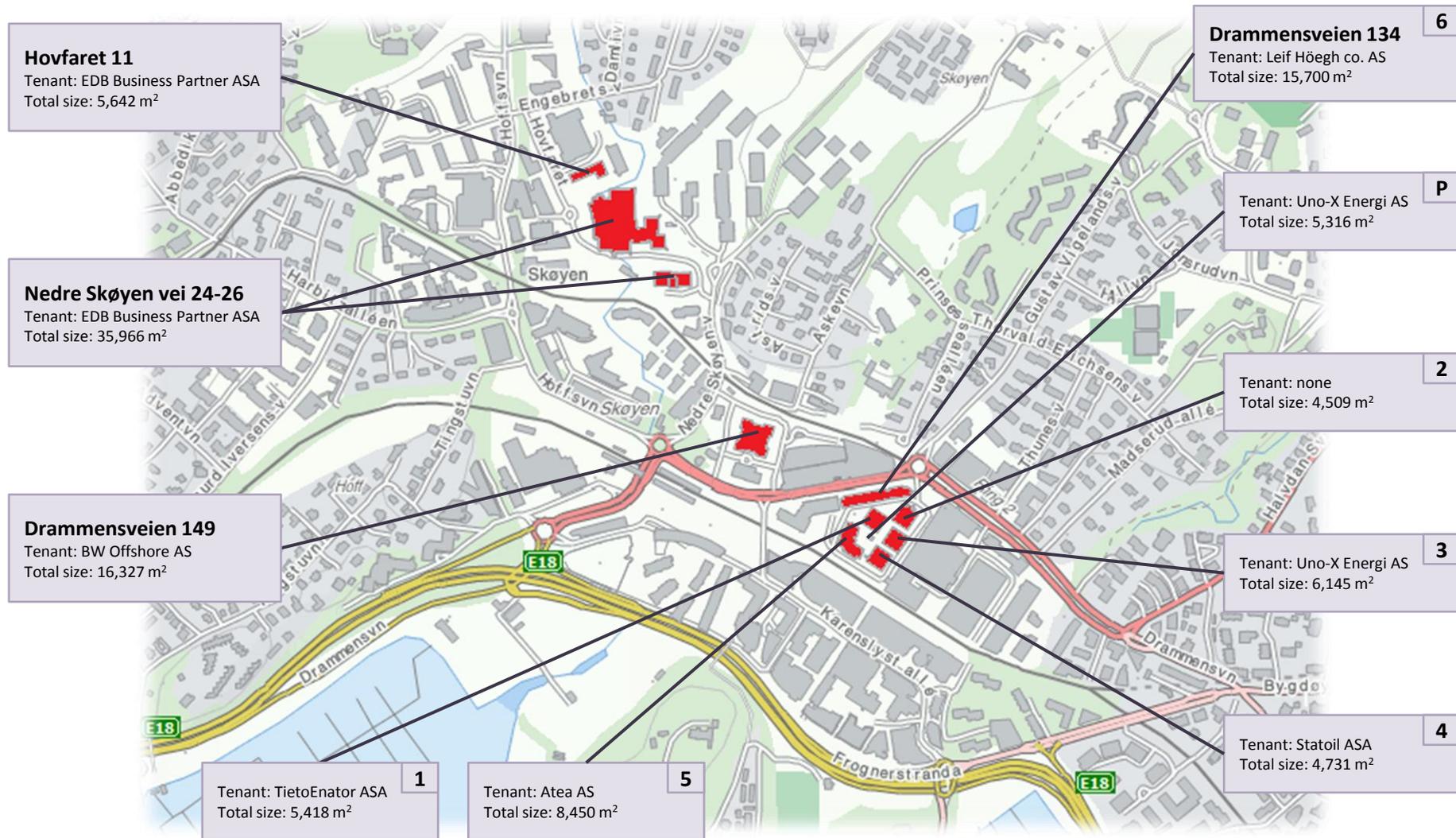


APPENDIX

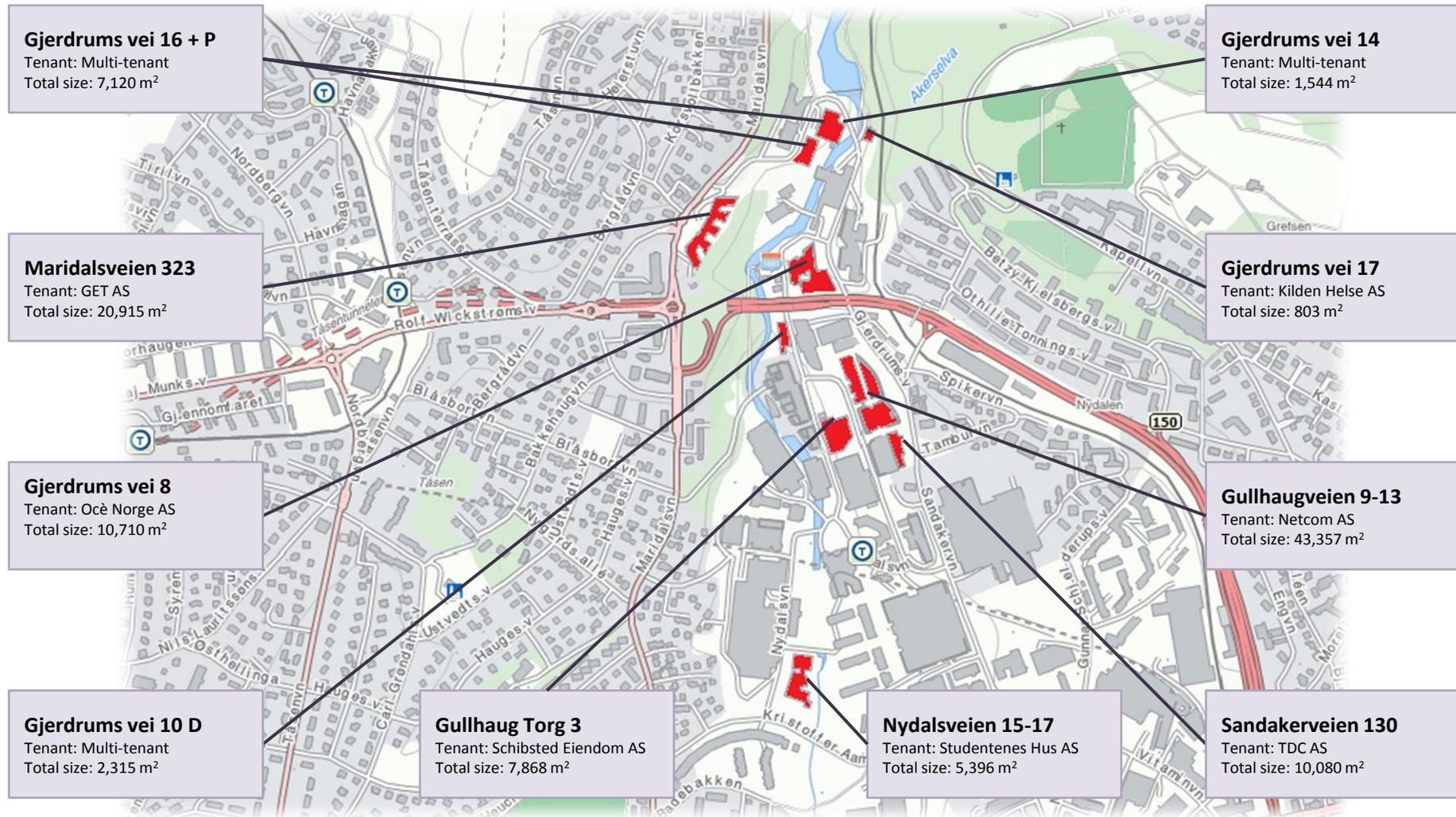
CBD



Skøyen



Nydalen



Stavanger

Finnestadveien 44

- Office: 22,032 m²
- Total: 22,032 m²



Maskinveien 32

- Office: 4,561 m²
- Total: 5,086 m²



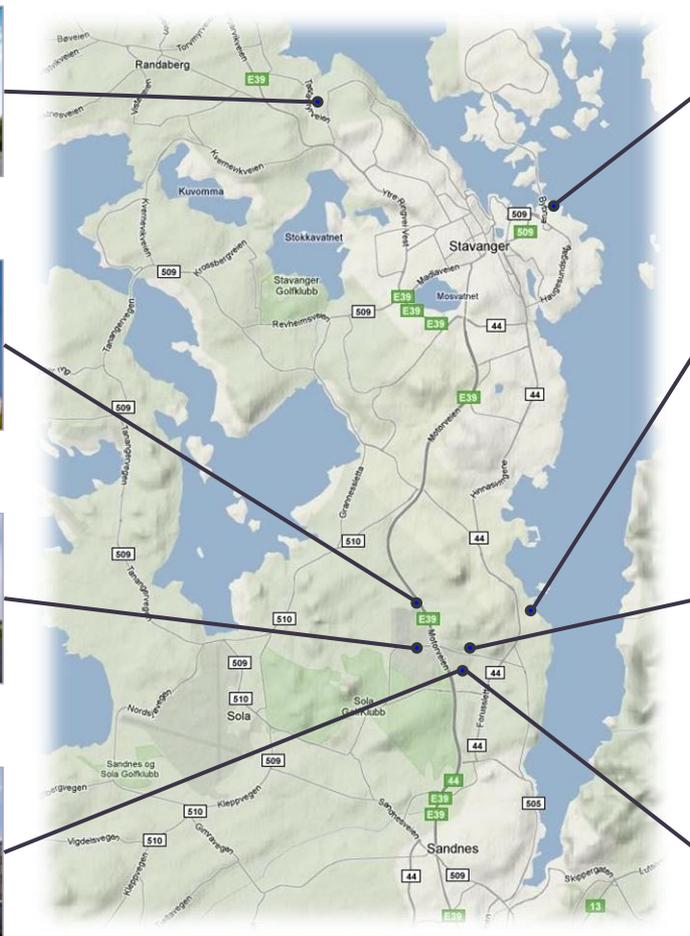
Svanholmen 2

- Office: 2,982 m²
- Retail: 6,580 m²



Grenseveien 21

- Office: 27,721 m²
- Total: 27,721 m²

Badehusgaten 33-39

- Office: 16,673 m²
- Total: 21,528 m²



Strandsvingen 10

- Office: 2,059 m²
- Total: 2,059 m²



Forusbeien 35

- Office: 17,674 m²
- Total: 21,424 m²

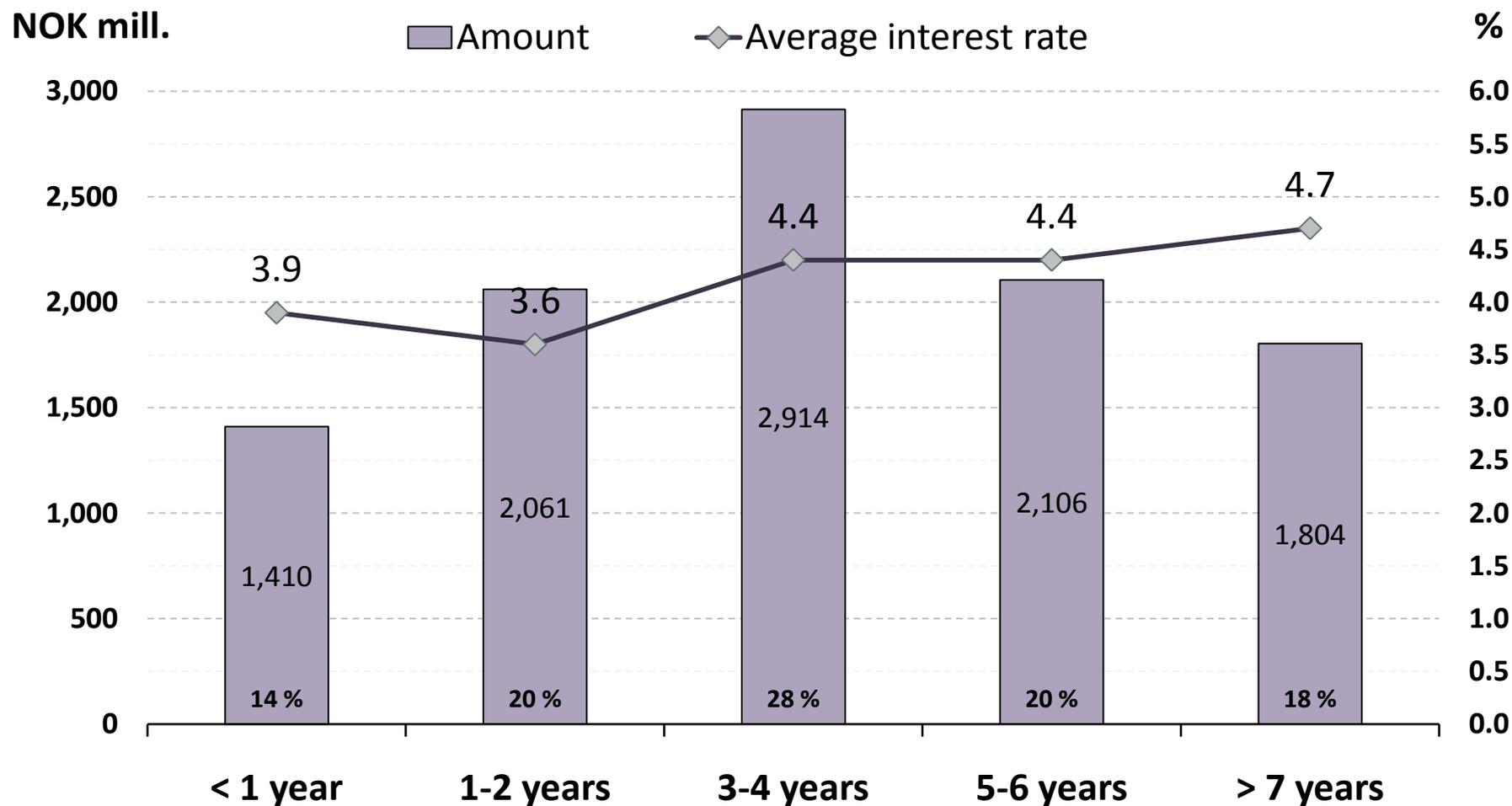


Grenseveien 19

- Office: 5,390 m²
- Total: 5,390 m²



Interest rate maturity



Largest shareholders as of 31 December 2010

	Name	Share (%)	No. 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	AWILHELMOSEN 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 SELEKTIV (III)	1.5	7 389 220		NOR
12	SHB STOCKHOLM CLIENTS ACCOUNT	1.4	7 070 075	NOM	NOR
13	AWILHELMOSEN 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

Disclaimer

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