



NORWEGIAN PROPERTY

Results 1st Quarter 2007

4 May 2007

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Highlights – 1st Quarter

- **Solid financial results in 1th quarter**
 - Rental income of NOK 248.6 million
 - Profit before tax NOK 345.4 million
 - Pre tax return on equity of 24.0% (annualised return on average book equity)
- **Continued positive commercial property markets in Oslo, Stavanger and Bergen**
 - Oslo office market outperforms rest of Europe
 - Demand high and vacancy decreasing, rents increasing rapidly in attractive areas
- **M&A activities**
 - Completed Nydalen transaction
 - Equity issue to prepare for futher growth
- **Reduced margins on interest bearing debt from 76 to 60 basis points**
- **Dividend of NOK 2.50 proposed to the General Assembly in May**

Results – 1st Quarter 2007

NOK million	Q1 2007	Q4 2006	Full year 2006
Gross rental income 1)	248.6	202.5	414.8
Maintenance and property related cost	-14.1	-11.0	-20.2
Group expenses	-16.0	-20.9	-42.8
Operating result before value adjustment	218.5	170.6	351.7
Value adjustment investment property	227.4	393.2	393.2
Operating result	446.0	563.8	745.0
Net financial items excluding derivatives 2)	-158.6	-147.7	-282.2
Change in market value derivatives	58.0	106.3	76.7
Profit before tax	345.4	522.4	539.5
Income tax	-96.7	-143.8	-148.6
Profit after tax	248.7	378.6	390.9
Earnings per share (NOK)	2.52	4.43	5.14

1) Gross rental income does not include Aker Hus payments and rental guarantees in Q1 with NOK 22.6 million (NOK 27 million in Q4)

2) Net financial items in Q1 include Aker Hus expenses and expensing of previously accrued establishment fees totalling NOK 12.9 million (NOK 15 million in Q4)

Balance sheet – 1st Quarter 2007

NOK million	31.03.2007	31.12.2006	30.09.2006
Investment properties	16 359.9	13 919.6	13 151.0
Development properties (Aker Hus)	1 242.9	1 150.8	0.0
Cash and cash equivalents (including equity issue)	1 345.1	1 252.5	422.1
Equity	6 115.2	5 373.2	3 518.7
Interest bearing debt	12 751.4	10 977.6	9 846.6
Deferred tax	212.3	119.6	-60.9
Net other items	-131.0	-147.5	268.7
Equity ratio	31.3 %	31.8 %	25.6 %
Net asset value per share (NOK), not adjusted for deferred tax	57.54	54.09	49.21

Return on equity	Q1	Q4	2006
Annualised pre tax return on equity	24.0 %	47.0 %	35.8 %

Property valuation – 31 March 2007

- **Total property value of portfolio including Aker Hus (fully developed) and was NOK 18.237 million.**
- **Full external valuation by DTZ Realkapital**
 - Same principles applied as of 31 December 2006
 - Individual revisions of estimated market rents, average adjustment 4%
 - Upward adjustment of discount rates based on interest rate movements
 - Average market rent per sqm in DTZ-valuation NOK 1 520 per sqm (versus actual NOK 1 460)

Property portfolio, DTZ valuation	31.03.2007	31.12.2007	% change
Total value of all properties	18 237.3	18 056.7	1.0 %
Aker Hus (fully developed), development property	1 512.8	1 512.4	0.0 %
Investment properties, total value	16 724.5	16 544.3	1.1 %
IFN-portfolio (acquired as of January 1, 2007) 1)		-2 368.9	
Adjustment for tax and other	-364.6	-255.8	
Investment properties, book value	16 359.9	13 919.6	

1) Total consideration after tax adjustment but including expenses for IFN was NOK 2 205.3 million

Property valuation – 31 March 2007

- tax and sensitivity to key parameters

■ Tax

- Tax compensation at purchase accounted as reduction of book value
- 28% deferred tax accounted for on value adjustment investment property

Accounted tax liabilities on properties	31.12.2006
Tax compensation at purchase (reduction property value)	357.5
Deferred tax liability, 28% of value adjustment	173.8
= Booked tax liability as of 31.03.2007	531.3
= Booked tax liability per share as of 31.03.2007	5.04

Property tax value

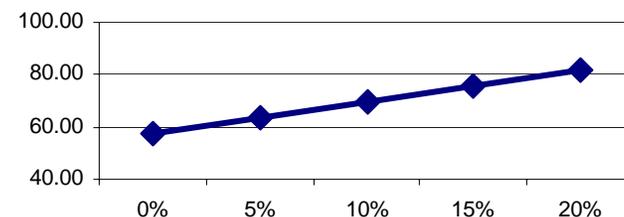
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■ Sensitivity to changes in key parameters

	Change	Impact portfolio value	Impact NAV per share *)
Inflation 2007	+1%-point to 1.82%	158.3	1.50
Inflation 2008	1%-point to 3.10%	135.2	1.28
Market rent	+10%	1 293.0	12.26
Interest rate	+0.25%-point	-361.9	-3.43

*) Pre tax Net Asset Value change per share

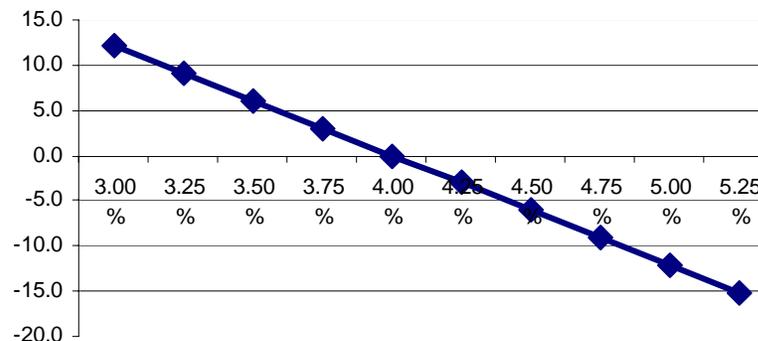
Change in NAV when market rents are increasing (*)



Financing - Key numbers

Interest bearing debt and hedging	31.03.2007	31.12.2006	30.09.2006
Total interest bearing debt	12 751	10 978	9 896
- of which hedged	10 189	9 936	8 027
Hedging ratio (%)	80 %	91 %	81 %
Qualifying for hedge accounting	5 386	5 750	5 000
Average remaining duration, hedging	5.9	6.2	6.6
Average interest	5.04 %	5.16 %	5.14 %
Average margin	0.60 %	0.76 %	0.80 %
Average remaining duration, loan	6.1	7.0	6.7

Effect on P&L from changes in short term interest



5 years swap market quotation:

September 30	4,40%
December 31	5,02%
March 31	5,17%

Based on hedging status as of March 31, and current net interest bearing debt position

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 seven years



Overview of portfolio



2007 E

Portfolio

Number of properties	55
Number of sqm	730 257
Average size per property (sqm)	13 277
Average value per sqm (NOK)	24 974
Average value per property (mnok)	332
Average rent per gross sqm	1 473

Valuation (NOK million)

Market value	18 237
Gross rent	1 067.9
Opex	60.5
Net rent	1 007.4
Gross yield (2007e)	5.9 %
Net yield (2007e)	5.5 %

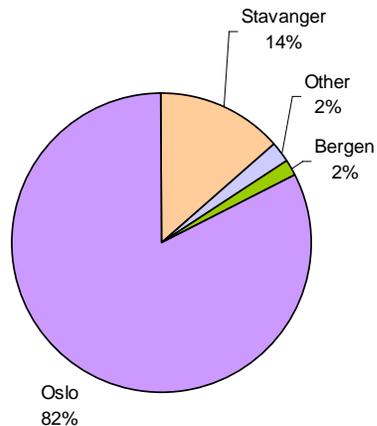
Duration (years)	7.3
CPI adjustment (2007)	94 %
Vacancy (rent)	0.9 %

* Including Aker Hus fully developed, as of 31 March 2007

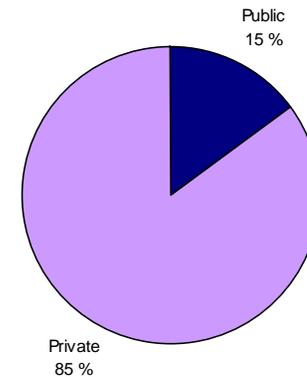
Norwegian Property

– Portfolio characteristics

Geographic focus* – actual



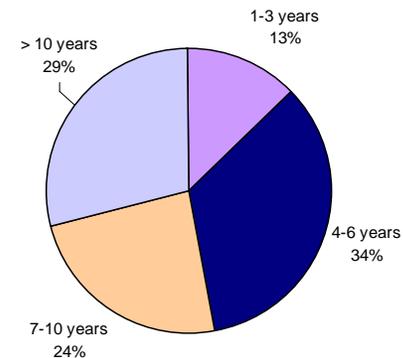
Tenant mix** – actual



Property mix** – actual



Lease duration mix (Y)*** – actual



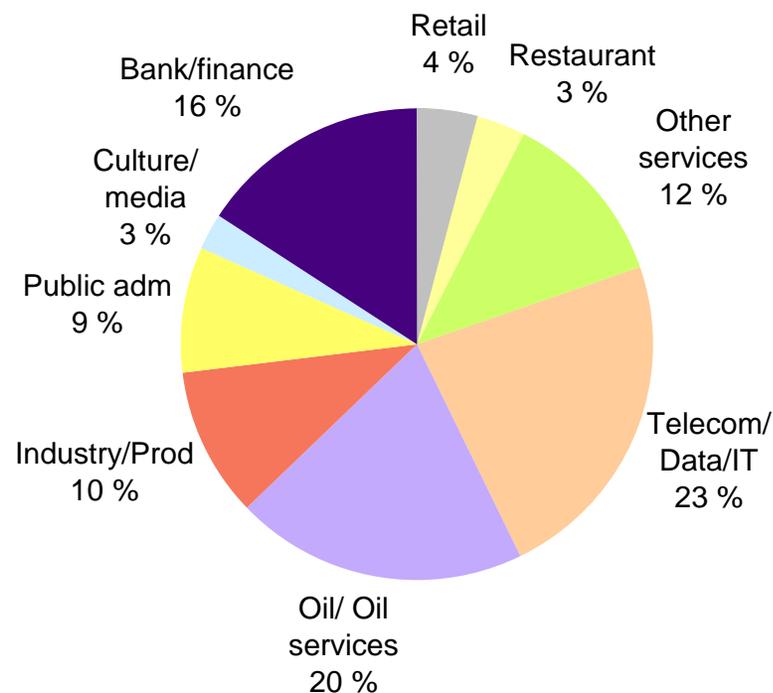
*By Value **By rent ***Contractual rent

Solid tenants

25 largest tenants

Tenant	Contract rent 2007 E	Duration years
1 Aker ASA/Aker Kværner ASA	77.9	7.3 %
2 EDB Business Partner ASA	75.6	7.1 %
3 Nordea	43.8	4.1 %
4 SAS	40.3	3.8 %
5 If Skadeforsikring	38.5	3.6 %
6 Statoil	34.9	3.3 %
7 Total E&P	29.0	2.7 %
8 Telenor	26.2	2.5 %
9 Get (UPC)	26.2	2.5 %
10 Leif Högh & Co AS	25.3	2.4 %
11 Aker Kværner Offshore Partner	22.7	2.1 %
12 Netcom AS (Tele 2)	22.6	2.1 %
13 Astrup Fearnley	22.4	2.1 %
14 Skanska Norge AS	21.1	2.0 %
15 Rikshospitalet	20.3	1.9 %
16 Fokus Bank	19.8	1.9 %
17 Hafslund ASA	18.1	1.7 %
18 GlaxoSmithKlein	17.8	1.7 %
19 Ementor Norge AS	17.7	1.7 %
20 Nera ASA	17.3	1.6 %
21 Oslo Sporveier	17.0	1.6 %
22 Simonsen Arkitektfirma DA	16.9	1.6 %
23 Arbeidsdirektoratet	15.4	1.4 %
24 TDC Song AS	15.0	1.4 %
25 TietoEnator	12.5	1.2 %
TOTAL 25 LARGEST TENANTS	694.5	65.0 %
Other tenants	373.3	35.0 %
TOTAL ALL TENANTS	1 067.9	100.0 %

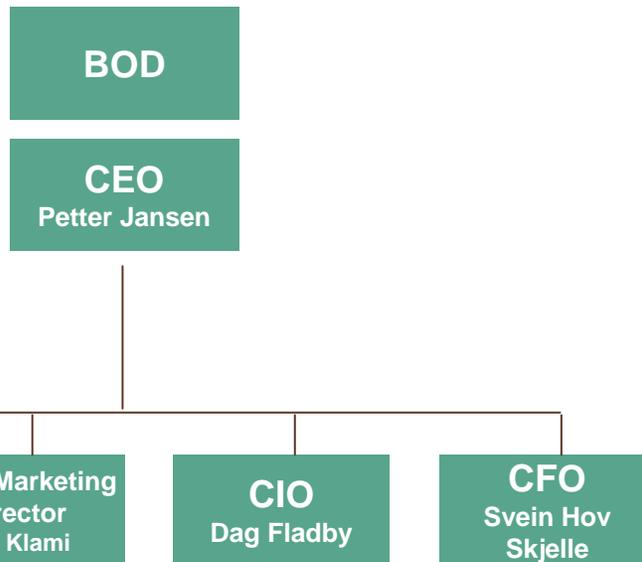
Tenants by line of business



* Run rate as of March 31

Organisation

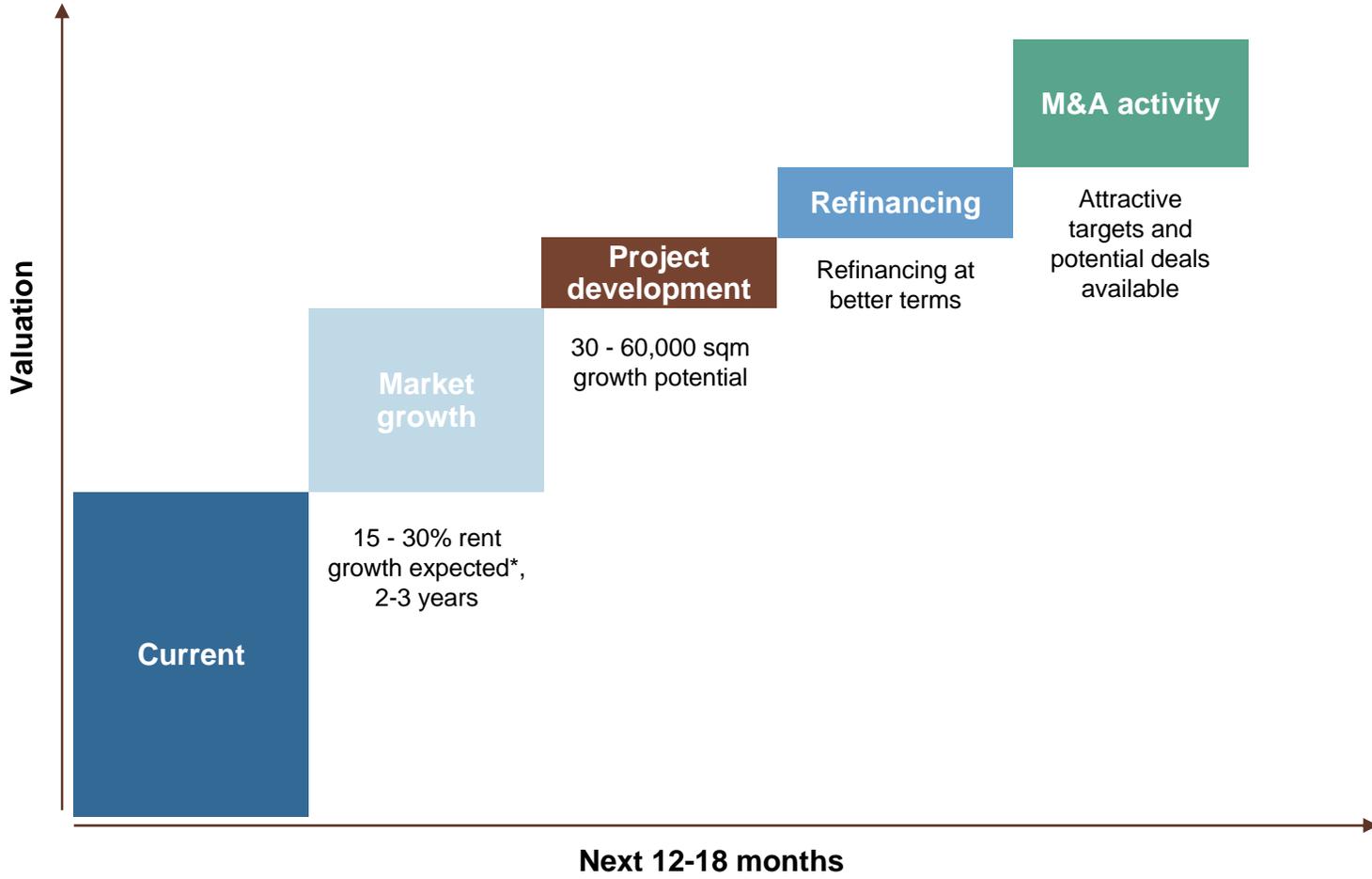
Organisation overview



Key issues organisation

- **A strong and competent board**
- **Complete organisation in 2007**
 - A total of 15-20 employees expected to be in place during 2007
 - Several functions to be filled
- **Facility management**
 - Currently outsourced to 7 different partners
 - Bid in process in order to reduce number of partners, reduce cost and improve service

Four main value drivers



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

Norwegian Commercial Property Market

- **Norwegian economy**
 - Strong GDP growth
 - Main land GDP above 4% for the fourth consecutive year ?
 - Increased workforce
 - Reduced unemployment
 - Imported workforce
- **Oslo office rental market outperformed rest of Europe in 2006 according to Jones Lang LaSalle ¹⁾**
- **Oslo prime quality (top)**
 - Q3-2006 NOK 2 700 per sqm ²⁾
 - Q1-2007 NOK 3 500 per sqm ²⁾
 - Q2-2007 NOK 4 200 per sqm ²⁾



Finansavisen
3 May 2007

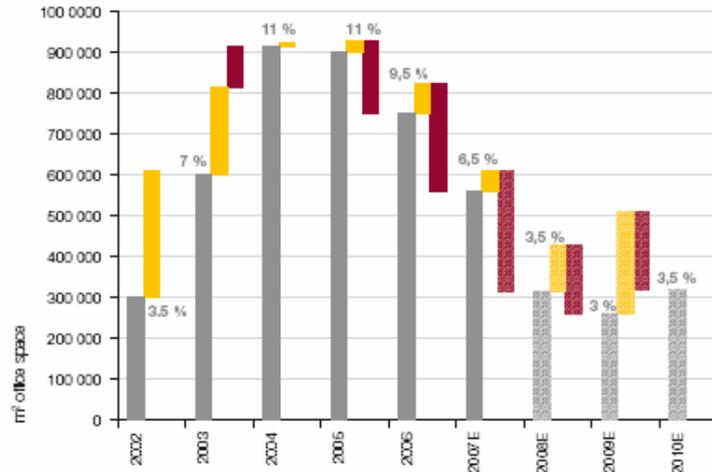
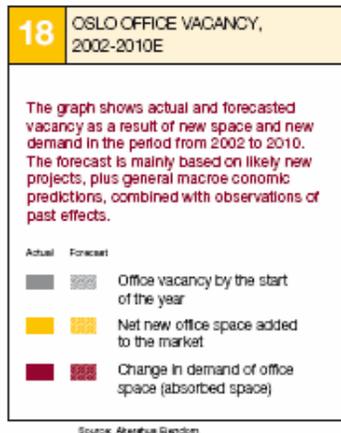
1) Jones Lang LaSalle – Nordic City Report Spring 2007

2) H1-2006 – offices at Tjuvholmen, Q1-2007 offices in the Index building

Q2-2007 offices in Haakon VII's gate (NOK 4 500 including VAT adjustments)

Norwegian Commercial Property Market

- **Oslo - Overall vacancy expected to drop to around 3% - 3.5% in 2008 to 2010**
 - Demand
 - Increased employment and expected growth (increase space per employee)
 - Relocation patterns – population in Oslo increasing
 - Limited supply of offices
 - Few ongoing projects and limited building on speculation
 - Delay on some major projects due to slow Master Plan processes (Bjørvika)
 - Rapid increasing building cost, limited construction capacity
 - Strong rental increase in Q1, highest growth in CBD, Skøyen, Nydalen and corridor to Fornebu.



Norwegian commercial property market

- **Stavanger**
 - Vacancy in line with CBD in Oslo
 - Strong rental development
- **Bergen**
 - Reduced vacancy and increasing rents
- **Property transactions**
 - Significant number of projects in markets
 - Yields maintained at good levels beginning 2007

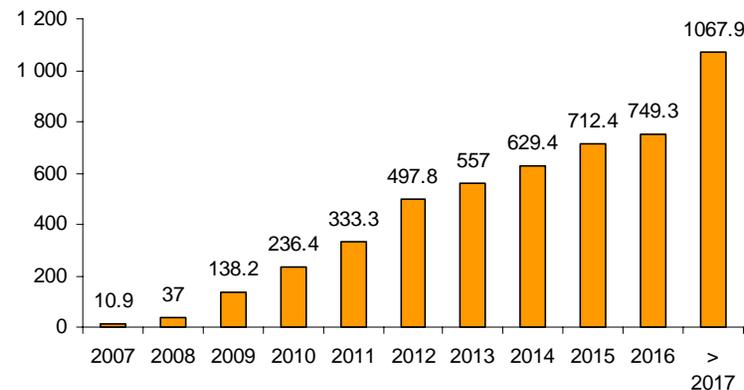
Low vacancy and limited supply will drive rental prices for another two to four years

**Sources: Eiendomsspar, Akershus Eiendom, DnB Nor Næringsmegling and Enskilda Markets*

Norwegian Property Prime contracts - and upside rent potential

- **The average length of the lease contracts is currently 7.3 years**
 - NOK 236 million up for renegotiation over next 4 years
- **The lease contracts are automatically adjusted according to the CPI annually**
 - Weighted average of 94% adjustment on total portfolio)
 - CPI adjustment for 2006/2007 was 2.67%
- **Current focus**
 - Renegotiation of contracts due in 2007, 2008 and 2009
 - Tenants with changing needs (expansion, relocation etc.)
 - Development potential

Accumulated renegotiation potential (2007 rents)



M&A

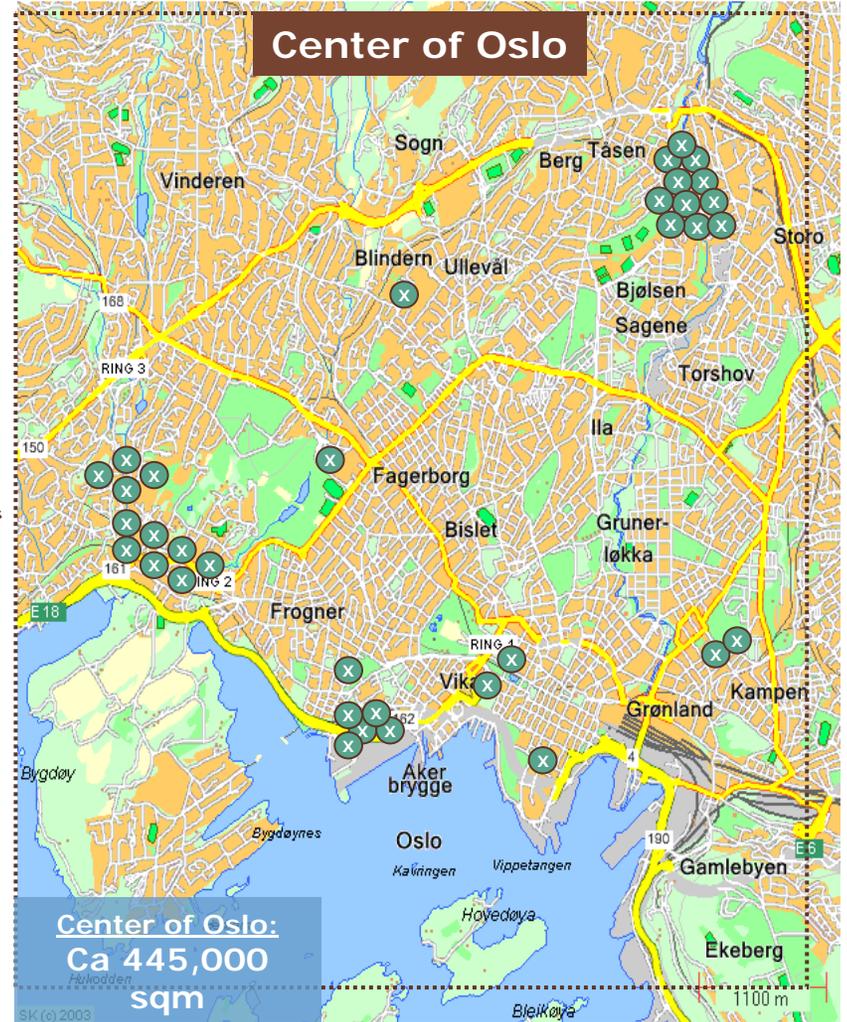
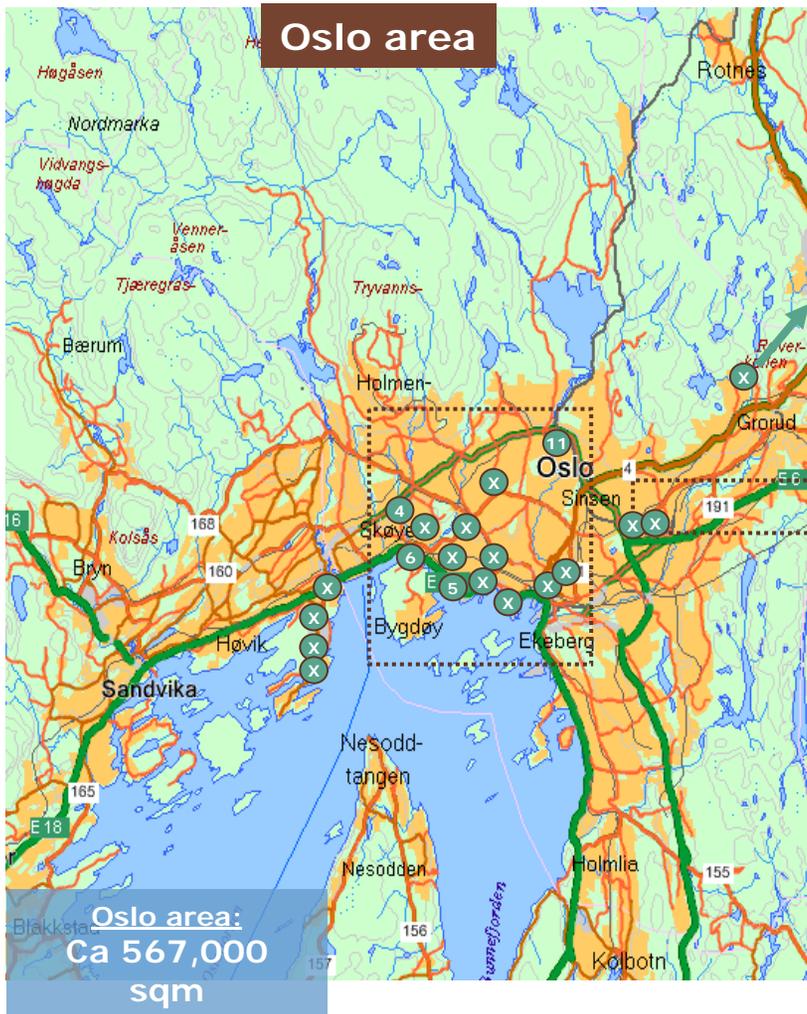
- Main focus

- Priorities
 - Preferably off market and larger portfolios
 - Evaluating portfolios totalling NOK 10 – 15 billions
 - New investments must meet investment requirements
 - Geography and quality
 - Financial requirements based on current interest rates
 - Evaluating structural transactions

- Trends in market
 - Many possible transactions in the market
 - High competition on small and medium sized deals (yield pressure)
 - Tendencies to transaction pricing differentiating between cash flow properties and properties with reversionary potential

Norwegian Property

- Centrally located properties in the Oslo area



*Including Drammensveien 144 and Industrifinans properties

Financing

- **Achievements Q1**
 - Issued NOK 1,5 billion in bonds
 - Restructured syndicated facility in preparation for further refinancing
 - Current average margin 60 bp (down from 76 bp)
 - Current amortisation 1.5% p.a. (down from 1.8%)

- **Continual ambitions to improve structure and terms**

Average interest expense, 31 March 2007	Fixed	Floating
Share of total debt	80 %	20 %
Current interest rate	4.39 %	4.00 %
Average margin	0.62 %	0.62 %
Average initial cost	0.10 %	0.10 %
TOTAL	5.11 %	4.72 %
Average interest for total portfolio	5.04 %	

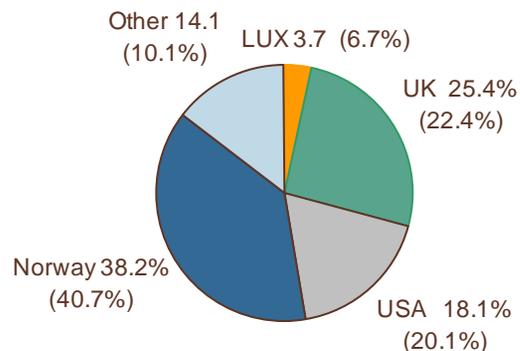
Broad shareholder base

- liquid trading on Oslo Stock Exchange

Key share details

- **No. of shares outstanding: 105.5m**
- **Last traded share price: NOK 76**
- **No. of shareholders: 884**
 - Norwegian: 706
 - Non-Norwegian: 178
- **Trading volume (YTD 2007 – Apr 24)**
 - Total no of trades: 6 115
 - Total shares traded: 156.3m

Shareholder distribution by domicile



Source: VPS

20 largest shareholders*

Largest shareholders	Country	% stake
A WILHELMSSEN CAPITAL ANLEGGSMIDLER	NOR	11.5 %
STATE STREET BANK AN A/C CLIENT OMNIBUS D	USA	8.2 %
CREDIT SUISSE SECURI (EUROPE) LTD./FIRMS	GBR	6.0 %
FRAM REALINVEST AS	NOR	3.8 %
FRAM HOLDING AS	NOR	3.8 %
VITAL FORSIKRING ASA OMLØPSMIDLER	NOR	3.4 %
BANK OF NEW YORK, BR S/A ALPINE INTL REAL	USA	3.4 %
AWECO INVEST AS ATT: JOSTEIN DEVOLD	NOR	2.7 %
MELLON BANK AS AGENT MELLON BANK NA A/C MELLON ABN 15 OM	USA	2.6 %
BANK OF NEW YORK, BR S/A BNY GCM CLIENT A	GBR	2.6 %
FORTIS BANK LUXEMBOU S/A OPCVM	LUX	2.4 %
MORGAN STANLEY AND C CLIENT EQUITY ACCOUN	GBR	2.4 %
BNP PARIBAS SEC. SER UK RESIDENTS	GBR	1.7 %
OPPLYSNINGSVESENETS FOND	NOR	1.6 %
LANI DEVELOPMENT AS	NOR	1.4 %
CATER ALLEN INTERNATIONAL	GBR	1.4 %
MORGAN STANLEY & CO.	GBR	1.4 %
JPMORGAN CHASE BANK CLIENTS TREATY ACCOU	GBR	1.4 %
MELLON BANK AS AGENT MELLON BANK NA A/C MELLON NOMINEE 1	USA	1.3 %
BANK OF NEW YORK, BR S/A NATIXIS	GUM	1.2 %
OTHER SHAREHOLDERS		36.0 %
TOTAL		100.0 %

Summary

- Attractively positioned in a prime property market

- **Norwegian Property is a prime real estate investment play 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**
- **Management focus going forward**
 - Exploit the expected and realised rental growth
 - 30-60,000 sqm. expansion potential in existing portfolio
 - Continue refinancing at improved terms
 - Evaluate attractive M&A possibilities
 - Cost reduction initiative for Facility Management
- **Norwegian Property targets attractive returns to investors**
 - Attractive return on equity
 - Attractive dividend yield
 - Liquid share



NORWEGIAN PROPERTY

Questions ?

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Property overview – page 1

Property	PROPERTY FACTS						RENT FACTS			
	Space split (sqm)						Vac- ancy %	CPI	Duration 31.03.07	Runrate pr 31.03.07
	Offices	Retail / Rest- aurant	Ware- house	Indoor parking	Other	Total sqm				
OSLO/AKERSHUS										494.1
CBD										
Aker Brygge - total	30 470	21 887	3 024	2 061	491	57 933	0.0 %	95 %	3.7	149.4
Drammensveien 60	8 593	797	1 483			10 873	0.0 %	100 %	8.4	19.5
Grev Wedels plass 9	16 405	0	83	5 589	5 232	27 309	0.0 %	100 %	7.9	43.9
Ibsenkvartalet (C.J. Hambros plass 2)	31 750	1 592	3 392		857	37 591	1.5 %	100 %	7.5	64.8
Stortingsgaten 6 (100%)	4 709	726	244	560		6 239	0.0 %	100 %	5.7	20.3
Total CBD	91 927	25 002	8 226	8 210	6 580	139 945	0.4 %	98 %	5.6	297.9
Skøyen										
Drammensveien 134 - building 2-5	19 866	0	3 194	5 432		28 492	1.2 %	75 %	3.6	39.8
Drammensveien 134 - building 1 and 6	14 452	1 489	1 779	4 009		21 729	0.0 %	100 %	10.4	39.5
Drammensveien 144	9 150	0	148	1 450	107	10 855	0.0 %	100 %	11.8	18.0
Drammensveien 149	10 396	0	2 081	4 006		16 483	10.9 %	100 %	4.5	23.3
Hovfaret 11	4 377	0	569		696	5 642	0.0 %	100 %	11.9	10.6
Nedre Skøyen vei 24	3 630	0	1 215			4 845	0.0 %	100 %	11.9	8.6
Nedre Skøyen vei 26 a-e	11 444	0	696	398	5 084	17 622	0.0 %	100 %	11.9	34.0
Nedre Skøyen vei 26 f	8 767	0		4 235	497	13 499	0.0 %	100 %	11.9	22.4
Total Skøyen	82 082	1 489	9 682	19 530	6 383	119 166	1.6 %	93 %	9.0	196.2
Oslo West/Lysaker/Fornebu										
Aker Hus (Snarøyveien)	40 254	0		18 089		58 343	0.0 %	100 %	11.9	77.9
Forskningsveien 2 (100%)	19 902	0		4 106		24 008	0.0 %	100 %	12.4	38.1
Lysaker Torg 35	14 422	0	412	7 100		21 934	0.0 %	100 %	5.6	38.5
Magnus Poulssons vei 7	5 357	0		1 861		7 218	0.0 %	100 %	8.3	9.8
Middelthungsgate 17	26 847	0	3 473	3 000		33 320	0.0 %	100 %	6.8	43.8
Oksenyveien 3	10 200	0		2 700		12 900	0.0 %	100 %	5.3	16.5
Total Oslo West/Lysaker/Fornebu	116 982	0	3 885	36 856	0	157 723	0.0 %	100 %	9.3	224.6
Nydalen										
Gjerdrums vei 8	8 158	0	109	2 389		10 656	4.7 %	96 %	5.0	11.6
Gjerdrums vei 10 D	2 052	0				2 052	0.0 %	97 %	7.1	2.8
Gjerdrums vei 14	634	0	812			1 446	0.0 %	100 %	2.9	1.4
Gjerdrums vei 16	4 224	0	757	3 172		8 153	0.0 %	96 %	5.0	7.0
Gjerdrums vei 17	803	0				803	0.0 %	100 %	5.9	1.3
Gullhaug Torg 3	7 868	0				7 868	0.0 %	40 %	6.8	9.4
Gullhaugveien 9-13	23 682	0	7 047	12 628		43 357	8.2 %	99 %	4.5	41.2
Maridalsveien 323	11 646	0	2 600	5 573	1 096	20 915	5.8 %	100 %	4.2	26.2
Nydalsveien 15	3 001	750	85			3 836	0.0 %	100 %	10.4	5.9
Nydalsveien 17		1 560				1 560	0.0 %	100 %	18.2	3.4
Sandakerveien 130	6 520	0		3 560		10 080	0.0 %	100 %	4.2	14.7
Total Nydalen	68 588	2 310	11 410	27 322	1 096	110 726	4.2 %	95 %	5.4	124.8
Oslo North/East										
Kolstadgaten 1	5 479	0				5 479	0.0 %	75 %	3.4	8.6
Oslo Airport Gardermoen		0			20 976	20 976	0.0 %	100 %	12.8	23.8
Økernveien 9	8 816	1 700		2 245		12 761	0.0 %	100 %	8.2	17.0
Østre Aker vei 20	6 163	0	666	1 203		8 186	0.0 %	75 %	2.0	8.0
Østre Aker vei 22	2 339	0	1 637			3 976	2.7 %	92 %	2.8	4.1
Total Oslo North / East	22 797	1 700	2 303	3 448	20 976	51 378	0.3 %	93 %	8.1	61.5
TOTAL OSLO / AKERSHUS	382 376	30 501	35 506	95 366	35 035	578 938	1.2 %	97 %	7.4	905.0

Property overview – page 2

Property	PROPERTY FACTS					RENT FACTS				
	Space split (sqm)					Total sqm	Vac- ancy %	CPI	Duration 31.03.07	Runrate pr 31.03.07
	Offices	Retail / Rest- aurant	Ware- house	Indoor parking	Other					
STAVANGER										
CBD										
Badehusgaten 33-39	12 973	0	2 540	2 315	3 700	21 528	0.0 %	70 %	2.7	22.7
Nedre Holmegate 30-34	3 076	1 023	85	1 173		5 357	0.0 %	100 %	5.6	4.6
Forus/Airport										
Forusbeen 35	17 674	0		3 750		21 424	0.0 %	100 %	8.5	25.9
Grenseveien 19	5 390	0				5 390	0.0 %	53 %	1.2	6.4
Grenseveien 21	27 721	0				27 721	0.0 %	50 %	5.2	29.1
Maskinveien 32	4 561	0		525		5 086	0.0 %	100 %	5.9	5.1
Strandsvingen 10	2 059	0				2 059	0.0 %	80 %	7.1	2.9
Svanholmen 2	2 883	6 580				9 463	0.0 %	100 %	8.3	8.8
Sandnes										
Elvegaten 25	5 583	0				5 583	0.0 %	70 %	3.8	7.7
Mauritz Kartevolds plass 1	3 610	0				3 610	0.0 %	70 %	12.8	3.3
Stavanger - other										
Finnestadveien 44	22 032	0				22 032	0.0 %	100 %	10.8	29.0
Total Stavanger	107 562	7 603	2 625	7 763	3 700	129 253	0.0 %	81 %	6.7	145.5
BERGEN										
Kokstadveien 23	8 600	0			13 466	22 066	0.0 %	50 %	4.5	17.3
Total Bergen	8 600	0	0	0	13 466	22 066	0.0 %	50 %	4.5	17.3
GROSS TOTAL	498 538	38 104	38 131	103 129	52 201	730 257	0.9 %	94 %	7.3	1 067.9