1Q 2011

FINANCIAL REPORT FOR THE FIRST QUARTER OF 2011

IMPORTANT EVENTS IN THE FIRST QUARTER OF 2011

POSITIVE PERFORMANCE AS FULLY INTEGRATED OFFICE PROPERTY COMPANY

Sound operations as fully integrated office property company

Norwegian Property ASA posted a profit before tax and fair-value adjustments of NOK 90.2 million in the first quarter of 2011, an increase of 15.8 per cent against the corresponding prior-year period. Gross rental income amounted to NOK 253.7 million, compared with NOK 262.6 million in the first quarter of 2010. After fair-value adjustments, the profit before tax for the first quarter of 2011 came in at NOK 559.0 million, an increase of NOK 4.5 million against the same period in 2010. Adjusted for the result from discontinued operations and tax, Norwegian Property posted a profit of NOK 494.2 million in the period under review, compared with NOK 40.6 million in the three months to 31 March 2010.

Continued reduction in loan to value

At the end of the first quarter of the year the consolidated net loan to value ratio was 64.6 per cent, down from 72.9 per cent at the end of the corresponding prior-year period. Adjusted for the effect of the vendor loan note issued to the purchasers of Norgani, the net loan to value ratio at the end of the reporting period was 60.7 per cent.

Fokus Bank new tenant at Aker Brygge

Norwegian Property has entered into an agreement with Fokus Bank to lease around 6,400 square meters of office premises at Aker Brygge. The company has thus secured tenants for more than 25 per cent of the premises at Aker Brygge due to be vacated by DnB NOR in 2013. The lease has a term of ten years from the expected takeover date of January 2014. The rent has been negotiated on commercial terms and reflects the area's attractiveness and the standard of the office premises following extensive refurbishment work.

Positive value adjustments

The signing of new leases and rising market rents combined with yield compression for in particular shorter leases pushed the value of the property up by 2.4 per cent the first quarter of the year. For purposes of comparison, the value of the office portfolio rose by 0.2 per cent in the corresponding prior-year period. This equates to a book value of NOK 10.99 per share, up from NOK 10.01 per share at the end of the previous year (EPRA: NOK 11.62 at the end of the first quarter of 2011).

Refinancing of loan maturities secured

Since the end of the first quarter Norwegian Property has accepted offer and terms for new credit facilities totalling NOK 9,960 million. The company therefore now has in place a long-term financing solution which provides room to manoeuvre and investment capacity. Following the refinancing Norwegian Property has no loan maturities until 2013 and the average time to maturity of the company's liabilities has been extended from 2.0 years to 5.3 years.

KEY FIGURES

Profit and loss for continued operations		1Q 2011	1Q 2010	2010
Gross income	NOK million	**253.7**	262.6	1 025.1
Operating profit before adm. expenses	NOK million	**231.1**	243.1	929.3
Profit before net financial cost and value adjustments	NOK million	**214.3**	229.2	870.4
Profit before income tax and value adjustments	NOK million	**90.2**	77.9	327.7
Profit before income tax	NOK million	**559.0**	4.5	437.8
Profit after income tax	NOK million	**494.2**	4.5	351.2

Balance sheet		1Q 2011	1Q 2010	2010
Market value of investment portfolio	NOK million	**15 425.5**	23 832.9	15 062.4
Equity	NOK million	**5 480.8**	5 496.2	4 988.6
Interest bearing debt	NOK million	**10 212.1**	18 038.4	10 294.6
Equity ratio	Per cent	**33.9**	21.9	31.4
Pre tax return on equity (annualised)	Per cent	**42.7**	4.8	8.8

Cash flow		1Q 2011	1Q 2010	2010
Cash flow from operating activities	NOK million	**117.2**	28.5	364.1
Cash position	NOK million	**241.9**	655.9	248.4

Key numbers, shares		1Q 2011	1Q 2010	2010
No. of shares issued	Number	**498 596 832**	498 596 832	498 596 832
Average number of shares in period	Number	**498 596 832**	475 933 832	489 034 909
Pre tax profit per share for continued operations [1]	NOK	**1.12**	0.01	0.90
Basic earnings per share for continued operations (EPS)[1]	NOK	**0.99**	0.01	0.72
Basic earnings per share for total operations (EPS) [1]	NOK	**0.99**	0.09	-0.94
Operating cash flow per share	NOK	**0.24**	0.06	0.74
Interest bearing debt per share	NOK	**20.48**	36.18	40.55
Book value per share	**NOK**	**10.99**	**11.02**	**10.01**
Deferred property tax per share	NOK	**0.40**	2.30	0.40
Goodwill per share	NOK	-	-1.16	-
Financial derivative instr. per share	NOK	**0.23**	0.83	0.43
Net asset value per share (EPRA)[2]	**NOK**	**11.62**	**12.99**	**10.84**

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

[2] Ordinary book value of equity (excl. minority interests) per share adjusted for deferred property tax-, goodwill- and financial derivative instruments 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 instruments 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 FIRST QUARTER

The income statement for ongoing operations for the first quarter includes Norwegian Property's office business. The Group's hotel business was acquired by new owners in the fourth quarter of 2010. Consequently, this business is reported as discontinued operations in 2010.

Norwegian Property posted total rental income of NOK 253.7 million for the first quarter of 2011, compared with NOK 262.6 million in the comparable prior-year period. Adjusted for the sale of properties, this represents a reduction of NOK 5.3 million in gross rental income against the first quarter of 2010. The decrease is attributable to slightly higher strategic vacancies in the portfolio compared with the same period in 2010.

Maintenance and property-related costs for the quarter totalled NOK 22.6 million (NOK 19.5 million)[3]. This amount includes development costs relating to the establishment of an internal operating organisation while Neas continues to perform some assignments until the outsourcing agreement is concluded in May. Administrative expenses totalled NOK 16.8 million (NOK 14.0 million). In the next few periods both these items will be slightly higher than normal due to the transfer of the property management business to the internal operating organisation and significant work relating to the development and establishment of development plans for the various properties. The profit before financial items and fair-value adjustments was NOK 214.3 million (NOK 229.2 million).

Net financial items in the first quarter amounted to NOK 124.2 million (NOK 151.3 million), which represents a reduction of NOK 27.1 million against the corresponding prior-year quarter. The reduction is attributable to net interest-bearing liabilities, in part resulting from the sale of Norgani Hotels. Positive fair-value adjustments in the property portfolio gave rise to an unrealised profit of NOK 327.7 million (NOK 25.5 million). The income element relating to financial derivatives increased in value by NOK 141.1 million in the first quarter (decrease of NOK 114.7 million).

The profit before tax on continuing operations in the first quarter was NOK 559.0 million, an increase from NOK 4.5 million in the first quarter 2010. Estimated, non-payable tax in the quarter amounted to NOK -64.8 million, compared with NOK 0.0 million in the corresponding prior-year period. The profit after tax on continuing operations for the period was NOK 494.2 million (NOK 4.5 million).

Discontinued operations had no impact on profits in the first quarter of 2011, but contributed NOK 36.1 million in the corresponding prior-year period. The net profit for the period was thus NOK 494.2 million, compared with NOK 40.6 million in the previous year.

VALUATION OF PROPERTIES

Two independent external valuers have valued all the properties in the Group's portfolio based on the same methods and principles applied in previous periods.

As of 31 March 2011, before adjustments for deferred tax the Group's portfolio of business properties was valued at NOK 15,425.5 million. A positive fair-value adjustment of NOK 327.7 million was recognised for the office portfolio in the first quarter (NOK 25.5 million).

A general increase in market rents combined with reduced return requirements, in particular for properties with shorter leases, resulted in an overall increase in the value of the company's property portfolio. The agreement with Fokus Bank of a ten-year lease for 6,400 square meters of office premises at Aker Brygge boosted the value of the company's properties at Aker Brygge. The rent was negotiated on commercial terms and reflects the attractiveness and standard of the office premises following extensive refurbishment work.

[3] Figures in brackets show figures for the corresponding prior-year period.

CASH FLOW

The net cash flow from operating activities before financial items for the first quarter amounted to NOK 117.2 million (NOK 28.5 million). The net cash flow from investing activities of NOK -37.6 million for the period under review (NOK 156.2 million) was attributable to investments in the property portfolio. The net cash flow from financing activities for the first three months of the year was NOK -86.0 million (NOK 222.9 million). During the first quarter Norwegian Property repurchased treasury bonds with a nominal value of NOK 61 million as part of the company's balance sheet realignment following the sale of Norgani Hotels. The net reduction in cash and cash equivalents for the quarter was NOK 6.5 million. In the same period in the previous year the sale of the property at Oksenøyveien and new share issue resulted in a net increase in cash and cash equivalents of NOK 407.7 million. The gross proceeds from the private placement of NOK 543.9 million were primarily used to repay the company's debt.

BALANCE SHEET

Cash and cash equivalents as of 31 March 2011 totalled NOK 241.9 million (NOK 655.9 million as of 31 March 2010). The company also had NOK 1,000 million in unutilised credit facilities. Total equity amounted to NOK 5,480.8 million (NOK 5,496.2 million), which corresponds to an equity ratio of 33.9 per cent (21.9 per cent). The book value per share was NOK 10.99 (NOK 11.02). The book value per share based on the EPRA standard was NOK 11.62 (NOK 12.99). The number of shares in issue at the end of the first quarter was 498,596,832 (498,596,832).

FINANCING

Interest bearing debt and hedging as of 31.03.2011 (before refinancing)		
Interest bearing debt	NOK million	10 212.1
Vendor financing	NOK million	600.0
Cash and cash equivalents	NOK million	241.9
Interest hedging ratio, including cash (%)	Per cent	94.8
Unused credit facilities	NOK million	1 000.0
Average time to maturity, hedging	Years	4.2
Average interest rate (incl. margin)	Per cent	5.18
Average margin	Per cent	0.74
Average residual term, borrowing	Years	1.7
Property value	NOK million	15 425.5
Interest bearing debt / value (LTV)	Per cent	66.2
Net interest bearing debt / value (net LTV)	Per cent	64.6
Net interest bearing debt excluding vendor financing / value (net LTV)	Per cent	60.7

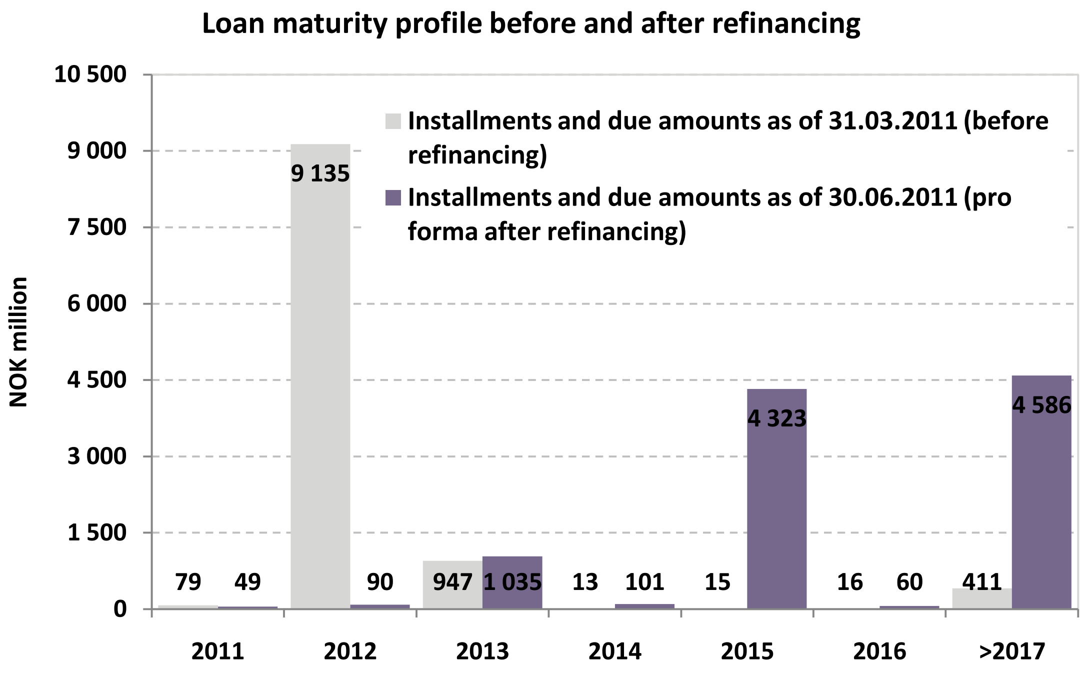
INTEREST HEDGES

Maturity profile interest hedges		< 1 year	1 > 2 years	2 > 3 years	3 > 4 years	4 > 5 years	> 5 years
Amount	NOK million	1 353	1 476	979	1 257	806	4 357
Average interest rate	Per cent	4.3	3.5	3.4	4.4	4.4	4.7
Share of total liabilities	Per cent	13.2	14.4	9.6	12.3	7.9	42.6

INTEREST-BEARING LIABILITIES

As of 31 March 2011 total interest-bearing liabilities after capitalised costs totalled NOK 10,212.1 million (NOK 18,038.4 million). With the exception of scheduled repayments on interest-bearing liabilities, none of Norwegian Property's borrowing facilities mature in 2011.

After the end of the quarter Norwegian Property accepted offer and terms for new credit facilities totalling NOK 9,960 million. The frameworks are split into two main facilities with respective terms of seven and four years. Respective facilities of NOK 4,980 million have been extended by Nordea Bank Norge ASA and Skandinaviska Enskilda Banken AB, and by DnB NOR Bank ASA and Fokus Bank. The average borrowing margin on the two facilities is 1.25 per cent. Following the refinancing Norwegian Property has no loan maturities before 2013 and the average time to maturity of the company's liabilities has been extended from 2.0 years to 5.3 years. Average interest rate per 30 June 2011 after refinancing is estimated at 5.3 per cent, a marginal increase from 5.18 per cent as of 31 March 2011. The new borrowing frameworks will secure the refinancing of loan maturities in 2011 and 2012 and capacity for future investments.



OPERATIONS

COMMERCIAL PROPERTY MARKET

Norway's onshore Gross National Product (GNP) rose by 2.2 per cent in 2010 after falling by 1.3 per cent in the previous year. Norwegian economic growth therefore appears to have returned to a normalised level and Statistics Norway (SSB) forecasts annual GNP growth of between 3.2 per cent and 3.8 per cent in the period 2011–2014. Unemployment is relatively stable, and is expected to be around 3.6 per cent in 2011, before gradually falling. (Source: SSB)

Upwardly adjusted growth forecasts for the Norwegian economy and expectations of higher employment levels are stoking demand for office premises. Vacancies in Oslo, Asker and Bærum are on a downwards trend and at the end of the first quarter of 2011 totalled 7.8 per cent, down from around 8.5 per cent at the start of the year. A relatively small number of office buildings are due to be completed in the Oslo area in 2011. However, in 2012 and 2013 the major projects at Fornebu and Bjørvika will be completed, but few projects will be implemented without agreed leases.

Expected strong population growth in Oslo is fuelling expectations of a continued strong housing market and could result in an increasing number of office premises being converted to residential units.

The difference between attractive and unattractive properties is growing, and modern, environmentally friendly and space-efficient offices situated near public infrastructure are increasingly in demand.

Activity levels in the Norwegian transaction market rose towards the end of the previous year, and there was particular interest in high-quality properties with long leases and reliable tenants. The positive performance of the rental market and reduced risk-averseness would appear to signal higher value adjustments for properties with shorter leases in 2011.

THE PROPERTY PORTFOLIO

At the end of the quarter Norwegian Property owned 47 office and commercial properties. These properties 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 in 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.

Total gross contractual rental income for the office portfolio amounted to NOK 1,016 million at the end of the first quarter. As of 31 March 2011 total vacancies in the portfolio were 5.5 per cent, which represents a decrease from 5.8 per cent at the end of the fourth quarter of 2010 and is also lower than the general market vacancy rate in the Oslo area. Norwegian Property has relatively few leases that are due for renewal in the next 12 months. The average residual lease term is 5.3 years. When valuing the property portfolio, the current market rate for rents is estimated as being around 3.2 per cent higher than the contractual rent.

During the first quarter 24 new contracts with a total value of NOK 38.5 million were entered into or renegotiated, resulting in a comparable rental increase for these contracts of 19.7 per cent.

After the end of the quarter Norwegian Property entered into an agreement to purchase an office section located in Verkstedhallene at Aker Brygge for the sum of NOK 28 million. This transaction is expected to be completed in May 2011. The vendor is a private investor and the section is leased on a long-term lease to Norwegian Property ASA. Norwegian Property considers the transaction to be attractive both in financial and operational terms. In the longer term, the company plans to refurbish the entire property and in this context the purchase is considered to be a strategic investment. Norwegian Property is the majority owner of Verkstedhallene.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Norwegian Property has prepared a strategy for environmental and social responsibility in which its stated aim is to be Norway's leading property company in respect of sustainable growth, to work for a better society and to reduce energy consumption by focusing on holistic solutions and future-orientated use of architecture, aesthetics, technology and materials. The strategy entails zero tolerance for serious human injury in connection with Norwegian Property's properties and areas of responsibility. On the environmental side, the strategy will essentially result in reduced energy consumption and lower CO_2 emissions for new and existing buildings, as well as a high level of waste sorting and reduced water consumption. Furthermore, high standards have been set for waste sorting on construction sites, use of waterborne heating in all new buildings and reduced energy consumption during construction projects. In addition, targets for social involvement, reputation and employee satisfaction have been established.

SHAREHOLDER INFORMATION

At the end of the first quarter the company had 2,345 registered shareholders, which equates to 163 fewer than at the end of the previous quarter, and a reduction of 766 shareholders compared with 12 months previously. Non-Norwegian shareholdings accounted for 53.7 per cent of the share capital at the end of the quarter, compared with 51.0 per cent at the end of the previous quarter. The average number of shares traded per day in the first quarter amounted to 702,670, which is somewhat lower than the average of 905,682 shares per day in the fourth quarter of 2010. As of 31 March 2010 the company's total share capital amounted to NOK 249,298,416 allocated to 498,596,832 shares with a par value per share of NOK 0.50. The largest shareholders registered with the Norwegian Central Securities Depository (VPS) as of 31 March 2011 are presented below.

#	Name	Share (%)	No. of shares	Account type	Nationality
1	CANICA AS	5.6	27 895 467		NOR
2	STATE STREET BANK AND TRUST CO.	4.7	23 573 080	NOM	USA
3	AWILHELMSEN CAPITAL AS	4.7	23 254 334		NOR
4	FOLKETRYGDFONDET	3.9	19 324 000		NOR
5	SKANDINAVISKA ENSKILDA BANKEN	3.8	19 144 168	NOM	SWE
6	BNP PARIBAS SECS SERVICES PARIS	3.7	18 451 921	NOM	FRA
7	BANK OF NEW YORK MELLON	3.6	17 957 095	NOM	USA
8	STATE STREET BANK & TRUST CO.	2.3	11 457 965	NOM	USA
9	BANK OF NEW YORK MELLON	2.1	10 227 409	NOM	USA
10	JPMORGAN CHASE BANK	1.8	9 085 450	NOM	GBR
11	CITIBANK N.A. (LONDON BRANCH)	1.6	7 759 000	NOM	GBR
12	CITIBANK N.A., LONDON BRANCH	1.5	7 681 558	NOM	GBR
13	DNB NOR NORGE SELEKTV (III)	1.5	7 374 794		NOR
14	AWILHELMSEN CAPITAL II AS	1.4	6 934 000		NOR
15	SHB STOCKHOLM CLIENTS ACCOUNT	1.3	6 613 275	NOM	NOR
16	TRONDHEIM KOMMUNALE PENSJONSKASS	1.3	6 363 700		NOR
17	VITAL FORSIKRING ASA	1.2	6 111 087		NOR
18	FRAM HOLDING AS	1.2	6 000 000		NOR
19	JPMORGAN CHASE BANK	1.1	5 564 901	NOM	GBR
20	AWECO INVEST AS	1.1	5 486 765		NOR
	Total 20 largest shareholders	**49.4**	**246 259 969**		**10 / 20 NOR**

ANNUAL GENERAL MEETING

The Annual General Meeting of Norwegian Property will take place on Thursday 5 May 2011. The Board's proposal to the general meeting is a dividend of NOK 0.10 per share for the 2010 accounting year. Dividends are payable to the company's shareholders holding shares on the day of the general meeting. This amount is somewhat lower that 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.

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 the dividend to equate to 30-50 per cent of operating profit after payable tax but before fair value adjustment.

OUTLOOK

The Norwegian economy is developing positively, with expectations of continued moderate growth and increased employment levels. Adjusted growth estimates for the Norwegian economy predict a stronger rental market for commercial properties and a growing demand for attractive premises. The prospects of an improved rental market and an increased willingness for risk exposure point to a somewhat reduced yield, including in respect of short-term leases. The distinction between more or less attractive properties is expected to continue to increase, and demand for modern, environmentally friendly and space-efficient offices close to public infrastructure is increasing.

After the end of the first quarter Norwegian Property established a long-term financing solution providing room for manoeuvre and investment capacity. New borrowing frameworks totalling NOK 10 billion will provide the company with a sound financial platform with a diversified maturity profile for the company's loans. The credit facilities that have been established will secure the refinancing of loan maturities in 2011 and 2012 as well as provide capacity for future investments and meeting general capital requirements.

Norwegian Property focuses on high-quality property near traffic hubs in the most central and attractive parts of Oslo and Stavanger. Long-term value creation is effected through the company's four value drivers; property rental, operations and management, property development, and transactions and finance. Upgrades to buildings will be considered where the potential for value creation is deemed greater than investment costs. Considerable upgrades may at times lead to some strategic vacancies within the portfolio.

With its strengthened financial platform, greater focus on customer needs and a streamlined profile as a fully integrated office property company, Norwegian Property is well positioned to benefit from any opportunities that may emerge in a market upturn.

Norwegian Property ASA
Board of Directors, 4 May 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 CONSOLIDATED ENTITIES

This interim 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. The accounting policies applied in the preparation of the interim financial statements are consistent with the principles applied in the annual financial statements for 2010. Sold properties are recognised in the financial statements until the relevant transactions have been completed. This report has not been audited.

CONSOLIDATED INCOME STATEMENT

The specification of results from discontinued operations is presented in Note 1.

Amounts in NOK million	1Q 2011	1Q 2010	2010
Gross income	**253.7**	**262.6**	**1 025.1**
Maintenance and other operating expenses	**-20.1**	-17.4	-90.3
Other property-related expenses	**-2.4**	-2.1	-5.5
Property-related expenses	**-22.6**	**-19.5**	**-95.8**
Operating profit before administrative expenses	**231.1**	**243.1**	**929.3**
Administrative expenses	**-16.8**	-14.0	-58.9
Profit before net financial cost and value adjustments	**214.3**	**229.2**	**870.4**
Financial income	**10.6**	3.3	24.0
Financial cost	**-134.8**	-154.6	-566.7
Profit before income tax and value adjustments	**90.2**	**77.9**	**327.7**
Change in market value of investment property	**327.7**	25.5	170.6
Change in market value of financial derivative instruments	**141.1**	-114.7	-69.9
Unrealised gains and losses	**468.8**	**-89.2**	**100.7**
Gain/(loss) related to property sales	**-**	15.8	9.4
Realised gains and losses	**-**	**15.8**	**9.4**
Profit before income tax for continued operations	**559.0**	**4.5**	**437.8**
Deferred income tax for continued operations	**-64.8**	-	-86.7
Profit for continued operations	**494.2**	**4.5**	**351.2**
Profit for discontinued operations	**-**	36.1	-810.8
Profit for the period	**494.2**	**40.6**	**-459.6**
Profit attributable to non-controlling interests	**-**	-	-
Profit attributable to owners of the Company	**494.2**	**40.6**	**-459.6**
Currency translation differences for discontinued operations	**-**	-2.3	126.3
Gain/loss on financial derivative instruments for continued operations	**-2.8**	1.5	-2.1
Gain/loss on financial derivative instruments for discontinued operations	**-**	17.5	-6.6
Income tax related to comprehensive income for continued operations	**0.8**	-0.4	0.6
Income tax related to comprehensive income for discontinued operations	**-**	-4.9	1.8
Reclassification of currency translation differences for discontinued operations	**-**	-	-134.8
Reclassification of financial derivative instruments for discontinued operations	**-**	-	13.7
Total other comprehensive income	**-2.0**	**11.4**	**-1.0**
Total comprehensive income	**492.2**	**52.0**	**-460.6**
Total comprehensive income attributable to owners of the Company	**492.2**	52.0	-460.6
Total comprehensive income attributable to non-controlling interests	**-**	-	-

CONSOLIDATED BALANCE SHEET

Amounts in NOK million	31.03.2011	31.03.2010	31.12.2010
ASSETS			
Financial derivative instruments	**26.2**	13.7	24.3
Goodwill	**-**	580.2	-
Deferred tax asset	**6.3**	-	70.0
Investment property[3]	**15 227.9**	23 612.4	14 862.5
Fixtures and equipment	**2.3**	7.4	2.4
Shares and interests	**-**	1.6	-
Receivables	**600.0**	8.7	600.0
Total non-current assets	**15 862.6**	**24 224.0**	**15 559.3**
Financial derivative instruments	**-**	26.6	1.8
Accounts receivable	**42.8**	79.6	51.9
Other receivables	**27.6**	94.9	15.5
Cash and cash equivalents	**241.9**	655.9	248.4
Total current assets	**312.3**	**857.0**	**317.6**
Total assets	**16 174.8**	**25 081.0**	**15 876.8**
EQUITY AND LIABILITIES			
Paid in equity	**9 737.5**	9 732.6	9 737.5
Other reserves	**5.3**	19.7	7.3
Retained earnings	**-4 262.0**	-4 256.1	-4 756.2
Total equity	**5 480.8**	**5 496.2**	**4 988.6**
Deferred tax liability	**-**	325.6	-
Financial derivative instruments	**185.9**	-	317.4
Interest bearing liabilities	**8 798.4**	17 838.5	10 203.8
Total non-current liabilities	**8 984.2**	**18 164.1**	**10 521.3**
Financial derivative instruments	**2.6**	615.8	9.3
Interest bearing liabilities	**1 413.7**	199.9	90.7
Trade payables	**22.8**	15.0	14.7
Other liabilities	**270.6**	590.0	252.2
Total current liabilities	**1 709.8**	**1 420.7**	**366.9**
Total liabilities	**10 694.0**	**19 584.8**	**10 888.2**
Total equity and liabilities	**16 174.8**	**25 081.0**	**15 876.8**

[3] After deduction of deferred taxes at time of acquisition of NOK 197.6 million as of 31 March 2011, NOK 220.5 million as per 31 March 2010 and NOK 199.9 million as of 31 December 2010

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	31.03.2011	31.12.2010
Total equity including minority interests, beginning of the period	**4 988.6**	**4 918.0**
Total comprehensive income	**492.2**	-460.6
Share issue, net of cost and after tax	**-**	531.2
Total equity including minority interests, end of period	**5 480.8**	**4 988.6**

Amounts in NOK million	Share capital	Share premium	Other paid in equity	Other reserves	Retained earnings	Total equity
Total equity 31.12.2009	**226.6**	**2 539.7**	**6 440.1**	**8.3**	**-4 296.6**	**4 918.0**
Share issue	22.6	521.3	-	-	-	543.9
Total cost related to share issues, net of tax (28%)	-	-12.7	-	-	-	-12.7
Financial derivatives accounted to equity, net of tax (28%)	-	-	-	-6.2	-	-6.2
Currency translation differences	-	-	-	126.3	-	126.3
Reclassification of currency translation differences, discontinued operations	-	-	-	-134.8	-	-134.8
Reclassification of financial derivative instruments, discontinued operations	-	-	-	13.7	-	13.7
Profit for the period	-	-	-	-	-459.6	-459.6
Total equity 31.12.2010	**249.3**	**3 048.2**	**6 440.1**	**7.3**	**-4 756.2**	**4 988.6**
Financial derivatives accounted to equity, net of tax (28%)	-	-	-	-2.0	-	-2.0
Profit for the period	-	-	-	-	494.2	494.2
Total equity 31.03.2011	**249.3**	**3 048.2**	**6 440.1**	**5.3**	**-4 262.0**	**5 480.8**

CONSOLIDATED CASH FLOW

The cash flow statement includes both continuing and discontinued operations for 2010.

Amounts in NOK million	1Q 2011	1Q 2010[4]	2010[5]
Profit before income tax	**559.0**	54.4	-721.7
Paid taxes in the period	**-**	-	-16.8
Depreciation of tangible assets	**0.2**	0.4	1.6
Gain from sale of investment property and operations	**-**	-5.6	-69.1
Gain from fair value adjustment of investment property	**-327.7**	-47.2	534.6
Gain from fair value adjustment of financial derivative instruments	**-141.1**	135.4	201.1
Impairment of goodwill	**-**	-	570.9
Change in short-term items	**26.8**	-108.9	-136.5
Net cash flow from operating activities	**117.2**	**28.5**	**364.1**
Received cash from sale of investment property and discontinued operations	**-**	169.3	1 122.6
Payments for purchase of investment property	**-37.6**	-13.1	-68.0
Net cash flow from investing activities	**-37.6**	**156.2**	**1 054.6**
Net repayment of interest bearing debt	**-86.0**	-303.3	-1 944.5
Capital increase	**-**	526.2	526.2
Net cash flow from financial activities	**-86.0**	**222.9**	**-1 418.3**
Net change in cash and cash equivalents	**-6.5**	**407.7**	**0.4**
Cash and cash equivalents at the beginning of the period	**248.4**	248.2	248.2
Currency translation differences	**-**	-	-0.3
Cash and cash equivalents at the end of the period	**241.9**	**655.9**	**248.4**

[4] The cash effect of net financial costs are included in net cash flow from operating activities from 2011, and restated accordingly in the comparative figures for 2010 (reclassified from "net cash flow from financing activities").

NOTE 1 DISCONTINUED OPERATIONS

The hotel business, Norgani Hotels, was sold in 2010. Below is a breakdown of results for discontinued operations, which are presented net on a single line in the income statement.

Amounts in NOK million	1Q 2011	1Q 2010	2010
Operating revenue	-	165.7	540.1
Operating cost	-	-35.1	-102.9
Profit before net financial cost and value adjustments	-	**130.6**	**437.2**
Net financial cost	-	-81.7	-249.1
Profit before income tax and value adjustments	-	**48.9**	**188.0**
Change in market value of investment property	-	21.7	-705.2
Change in market value of financial derivative instruments	-	-20.7	-131.2
Impairment of goodwill	-	-	-570.9
Profit before income tax	-	**49.9**	**-1 219.2**
Income tax	-	-13.8	348.8
Profit after income tax	-	**36.1**	**-870.5**
Gain from sale of discontinued operations	-	-	59.7
Income tax	-	-	-
Profit for the period	-	**36.1**	**-810.8**

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