

NORTH BRIDGE NORDIC PROPERTY AS

STATUS REPORT 4TH QUARTER 2008

PRELIMINARY VEK CALCULATION PER DECEMBER 31ST 2008

FORELØPIG VEK-BEREGNING PR. 31. DESEMBER 2008

The preliminary VEK calculation for North bridge Nordic Property AS (NBNP/the Company) per December 31st 2008 shows a value of NOK 1,380.- per share. This represents a 17.1 % reduction both for the second half of 2008 and for the full year, as the VEK did not change during the first half year of 2008. Since the incorporation of the Company the VEK has increased by 29.0 %.

The reduction in the VEK of 17.1 % in 2008 is considered satisfactory under the prevailing circumstances, and can be explained as follows:

- Several important projects in the portfolio can document a value increase
- One of the development projects has contributed significantly.
- Development projects with a negative contribution are less significant in the overall VEK calculation
- A loan to value ratio at 50 % moderates the impact of the falling property values on the VEK.
- With only 41 % of the loan portfolio secured with long term (more than 3 years) swap agreements, the present values of the swap agreements has shown a moderate reduction.

Date	31.12.2008	30.06.2008	31.12.2007	30.06.2007	31.12.2006	01.08.2006
VEK per share (NOK)	1 380	1 664	1 665	1 556	1 267	1 069
Change in VEK per share since the last period	-17,1 %	0,0 %	7,0 %	22,8 %	18,5 %	n.a.
Change in VEK per share since start-up	29,0 %	55,7 %	55,7 %	45,5 %	18,5 %	n.a.
VEK (NOK mill.)	452	546	546	422	279	212
Net equity issued (NOK mill.)	389	389	389	301	236	212
Number of shares	327 950	327 950	327 950	271 448	220 408	198 323

The major change in the VEK since June 30th 2008 is a result of a reduction in the value of the properties at approximately 9 % or MNOK 81, prior to minority currency adjustments. This mainly follows an increase in the yield which is commented more in depth below. A strong Swedish Krone gives a positive contribution with MNOK 7, while a negative development on swap agreements gives a deduction of MNOK 21. Other adjustments include deferred tax with MNOK 15 (positive) and development costs of MNOK 11 (negative).

We specifically pinpoint the following basis and assumptions for the preliminary VEK calculation:

- The calculation is based on independent appraisals of the Company's properties, respectively by Newsec in Norway and Svefa in Sweden.
- The VEK is calculated based on the appraisal value of the properties, reduced by debt, adjusted for net working capital in the group, deferred tax, and market value of financial instruments. VEK is therefore an estimate of the shareholders' stake in the underlying values of the Company.
- Net working capital and deferred tax represents the elements in the VEK calculation not yet finalized. We do not expect any major differences with the final calculation.

Event subsequent to December 31st 2008 with a material impact for the Company's VEK includes a major weakening of the Swedish Crown which per February 17th 2009 gives a reduction in the VEK of MNOK 15 or NOK 45 per share. We have also experienced a continued reduction in Norwegian interest rates, which results in an undervalue in the Company's Norwegian swap agreements in the same period, by MNOK 2.1. Neither of these events are reflected in the calculation of the VEK as per December 31st 2008.

ANALYSIS OF VALUES AND YIELD

Analysis of values and yield, cash flow properties* (NOK mill.) NBNP group at 31.12.2008						
	Currency	Value*	Net yield market rent**	Net yield first year rent***	Area BTA	Value per sqm
Ole Bulls gt.	NOK	41 000 000	8.5 %	7.57 %	5 523	7 424
Innherredsveien 7	NOK	230 000 000	8.5 %	6.34 %	18 553	12 397
Trollåsveien 34-36	NOK	68 000 000	11.0 %	8.23 %	10 263	6 626
Lyckebacken 5	SEK	263 000 000	9.7 %	8.91 %	74 153	3 547
Lyckebacken 3	SEK	19 000 000	7.6 %	8.00 %	2 842	6 685
Mejselgatan	SEK	37 000 000	7.4 %	7.80 %	3 630	10 193

* Value according to external valuations. Development properties and development possibilities is not included, in such a way that the table only shows the properties as pure cash flow properties.

Assessing the capitalised value for each individual property is an important part of the valuation process. The reason for this is that the "net capitalised value" is given a high score when weighting the alternative valuation methods.

Net capitalised value of a property is calculated by multiplying net rental income by a factor (1/yield). It is important to be aware of the fact that such a valuation represents a snap shot in a volatile market, as both yield and the rent can vary substantially within a short period of time.

There are no unique answer how to set the net rental income to be used in the calculation of net capitalised value.

To illustrate the full potential of a property, a valuation should include full market rent for the complete area, corrected for the difference between actual rent and market rent for existing contracts until renewal. We have illustrated this calculated market rent in the table "Net yield market rent". If focus is on the actual contractual rents, refer to the column "Net yield first year rent". This calculation does not include the value of vacancy nor the difference to market rent on existing contracts.

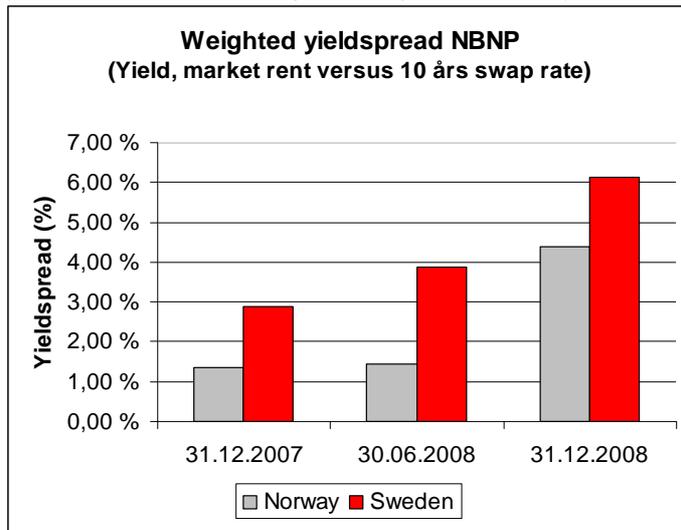
The risk reward when investing in real estate is here defined as the difference between the net return on the property and 10 years swap interest rates, also called yieldspread. The yieldspread has increased significantly during the last year. If comparing with the historic low level one year ago, the combination of a decreasing interest level and an increase of market yield, the yieldspread has shown a material increase compared to 10 years swap interest rate.

The NBNP portfolio is at present priced, as shown in the figure above, with a yieldspread of 4 – 6 % over the 10 year swap rate. The yieldspread has increased both in the Norwegian and the Swedish market, but the Swedish market has shown higher levels for the period. For NBNP the explanation is that the Swedish investments mainly are industrial properties, while the Norwegian investments mainly include office and commercial properties.

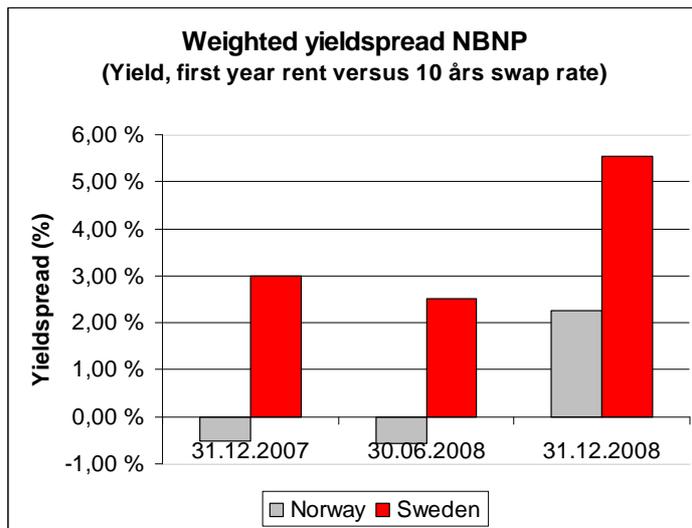
Based on "first year rent", the NBNP portfolio is priced with a yield spread of approximately 2 % in Norway and 5 % in Sweden as per December 31st 2008. This represents a major increase during 2008. In addition to reduced values of properties, NBNP also experiences a reduced value on future potential in the portfolio, combined with an increased focus from the appraisers on actual cash flow.

When investing in todays market a part of the increased yieldspread will be absorbed by the increased margin on external financing. The increased margin has consequently led to an increase of the yieldspread in the period.

Weighted yieldspread NBNP
 (Yield, market rent vs 10 year swap interest rate)



Weighted yieldspread NBNP
 (Yield, first year rent vs 10 year swap interest rate)



FUTURE OUTLOOK

VEK per NBNP share as of December 31st 2008 reflects a relatively significant risk premium compared to 10 year swap interest rate. NBNP has a well diversified property and tenant portfolio, properties in attractive locations, interesting development opportunities and sound financing. All of these factors gives a good basis for increase in the values, if the market reduces the risk reward. Such a reduction could follow a situation where alternative investments with a low risk, such as bank deposits, give a negative real return.

On the other hand we expect a higher level of unpredictability of rental level and vacancy. Elements that can reduce a negative trend is the fact that we are coming from a market with low vacancy and some expiring contracts will be renewed at higher rates. Despite a demanding market situation, we are optimistic regarding a positive development of the value of NBNP.

CAPITAL AND INVESTORS

The Company has not raised new capital during 2008. We have observed a very limited trading of the NBNP share at the OTC-list at a price level of NOK 1,000 to 1,100 per share. The Company has not acquired any own shares in the period.

The table below shows a summary of the Company's loans, interest rate swaps and interest rate CAPs. The NBNP group has secured 55.8 % of the loans through swap deals, totalling to MNOK 263 with an average duration of 4.4 years. The swap deals has the advantage of predicting the cash flow, but also contributes to a severe reduction of the VEK value as the interest rate levels has shown quick and material reductions.

In addition NBNP has an interest rate CAP amounting to MSEK 60. Approximately MNOK 208 of the group's loans has a floating interest rate. The majority of the floating interest loans are nominated in SEK, where we currently pay 1.2 % interest plus margin.

Summary of loans, rate swaps and caps		
Loans	MNOK	471
Weighted duration	years	10.7
Loans expiring within 2 years	%	23 %
of which NOK	%	53 %
of which SEK	%	47 %
Rate swaps		
Amount	MNOK	263
Average duration	years	4.4
Part of loans secured	%	56 %
of which NOK	%	68 %
Average fixed rate NOK ex. margin	%	4.8 %
Average fixed rate SEK ex. margin	%	4.1 %
Interest cap		
Strike	MSEK	60
%	%	5.5 %
Duration	years	3.8

MARKET COMMENTS

MACROECONOMY

The following market considerations are based on information from Norges Bank (National Bank of Norway) and analysis from the international property consultancy Newsec. The international financial crisis are influencing the general business in the US and Europe. The risk for the banks of running out of cash, combined with the increased funding cost, has reduced the offer of credit in the market. Existing customer relations are given priority ahead of new business, and loan conditions will increase the level of security/pledge, combined with the ability to serve future higher interest levels.

The Norwegian current interest rate (3 month NIBOR) has fallen from 7.69 % at September 30th 2008 to 3.56 % at February 20th 2009, following the Norges Bank key policy rate, reduced from 5.75 % to 2.5 % in the same period. The five year upswing in the Norwegian economy is definitely over.

The growth in GNP was significantly reduced during 2008 and terminated at 2 %. Newsec expects a negative growth in GNP in 2009 followed by a limited growth in 2010. The growth in CPI was 3.8 % in 2008, the highest in 20 years. A major contributor to this was the material increase in electric power prices, compared to prior years. In addition food prices increased in 2008. In 2009 and 2010 we expect a reduced growth, around 2 %, somewhat under the target of Norges Bank, which is 2.5 %.

THE RENTAL MARKET

After two years with significant growth in rental levels, Newsec now see signs of a more flat curve, and the beginning of falling rates. To obtain new tenants takes more time and tenants are more specific when defining their needs. In general they expect a decrease in rental prices over the two coming years.

Stavanger has the lowest vacancy for office space with about 2 %. The main demand is for combined office and warehouse premises up to a 1,000 sqm. The low vacancy has resulted in increasing rental prices over the last years. As the growth has halted, we expect rental prices to stabilise, and then fall. Newsec do not expect the same fall in rental prices in the Stavanger region as in the other cities in Norway, as the area is not so influenced by the general changes in the economy.

In the Trondheim area we expect a major increase in areas vacant for rent, which will have a negative effect on the market, but it still remains to be seen if all planned projects will be completed. In Trondheim rental prices has so far not fallen as a result of a low vacancy rate (3 %), but, we observe a more flat curve. According to DnB NOR Næringsmegling (local real estate broker) the rental prices for the prime locations (Brattøra and Nedre Elvehavn) is at NOK/sqm 1,800.- to 1,850.-. The financial downswing has so far not fully struck Trondheim, but falling prices are expected trough 2009. Prime yield in Trondheim is at approximately 7.5 %.

The economic downswing has also hit Sweden and the coming 12 months is expected to be challenging. The NBNP portfolio is exposed towards industrial production, and this market has developed more negative than expected. We have and will continue to focus on large tenants and tenants within less cyclical sectors and public tenants.

THE PROPERTY PORTFOLIO

W&N i Västra Hamnen (Aktern), Malmö (50 %)

The Company owns 50 % of the shares in W&N i Västra Hamnen AB (WN). WN owns a 2,770 sqm site adjacent to Turning Torso in Malmö. The site is considered to be very attractive for both housing and commercial development. Our partner (50 %) was Wikeborg & Sander Arkitektur och Fastighetsutveckling AB. The company declared for bankruptcy in the end of September 2008. The shares are now under control by the estate, but according to an agreement, NBNP can initiate the transfer of the shares at no cost.

There is a lien on the property that may be effective unless the property is developed before the end of 2009. In practical terms this means that the municipality of Malmö can issue a "fine" of MSEK 13.4, but historically such a fine has never been issued. WN has received a preliminary delay until December 31st 2010. Following this, several developers have received similar indications, and Malmö Commune has now announced that they will make general ruling in the case. What originally was an administrative routine matter has become a political issue. If the Municipality maintains the original date of December 31st 2009 and issues the announced fine, the project has no value over and above bank loans and guaranties. As a consequence, the loss contingent potential exceeds the valuation as per December 31st 2008 by MSEK 5. NBNP is exploring the possibility for a sale, but the process is demanding until the above questions are settled.

Lyckebacken 3 and 5, Lund

The renovation of 2,600 sqm office space for Försäkringskassan has started and is proceeding according to plan. This relatively complex rehab will improve the overall impression of the Lyckebacken area as the main front at the entrance will be upgraded. We are currently working with several of the existing tenants to expand their areas. The existing tenants have medium to long term contracts and are considered as financially solid with high activity.

Mejselgatan

The property Mejselgatan has one tenant with a long term contract. The tenant seeks further area and we are exploring the possibilities for expansion on the existing land.

Sveberg (66.8 %)

There is a temporary halt in the development of Sveberg, and we are working on a possible change in the project. In February 2009 Sveberg Holding (SH) entered into a revised agreement with Eriksen Eiendom AS regarding the development of the property. The agreement includes a change in ownership where NBNP increases its share from 66.8 % to 80 % through an issue of shares totalling to MNOK 1.

As a consequence of the extraordinary situation in the finance markets, the creditors of Sveberg Utvikling has accepted a halt in all payments. A part of the cash from the issue in SH has been allocated to payment of interests. There is still a uncertainty concerning the future of this project, but we are searching for sound solutions.

Innherredsveien

There are still a vacancy of 860 sqm or less than 5 % of the lettable area, and we have at present specific interest for about 50 % of this area. We are continuously working to further reduce the vacancy.

Trollåsveien

We have not obtained new contracts during the last quarter of 2008, but in February 2009, we negotiate with three different potential tenants totalling to 800 sqm or around a third of the vacant area.

Klostergata (67 %)

We expect to have an approval on the project, 6,500 sqm prior to March 15th 2009. Veidekke Entreprenør AS is selected as turn-key contractor. The process of establishing a financing is expected to be concluded in March 2009.

Ole Bullsgate

The regulation plan is up for final approval on March the 12th 2009. We are currently working with potential tenants, but with an area of 21,500 sqm this process will take some time.

Sollihøgda

The first part of the new E 16 from Sandvika to Sollihøgda will open in spring 2009. As a part of the building process 700,000 m³ clean masses has been deposited in the "option area" at Avtjerna. Feiring Bruk AS has professionally managed this job. In connection with the building of the remaining part of the new E 16, the National Highway Authorities is seeking alternatives for further depositing. Avtjerna can be an alternative and the Company sees this as a beneficial solution and will pursue the discussion.

COMPANY INFORMATION

In addition to the quarterly status reports mailed to all shareholders at the address registered in the VPS-register, we also present important company news via internet. Being noted on the OTC list, we first publish news on www.nfmf.no and then on www.nortnbridge.no.

Best regards
North Bridge Nordic Property AS/
North Bridge Management AS

(Sign.)
Eivind Devold
CEO
Oslo, February 25th 2009