

NBNP 2 AS

STATUS REPORT NO. 3 / 2013

This is the third report from NBNP 2 AS since the company was established on 20 September 2012 following the demerger from North Bridge Nordic Property AS. After the demerger, the company is owned by the same shareholders as in North Bridge Nordic Property AS. The company's only activity is to own and develop a building site of 490.000 m² on Sollihøgda in Bærum municipality.

Some of the information is from previous reports and repeated in order to make the picture as comprehensive as possible.

PROPERTY UPDATE

	Avtjerna	Sollihøgda, Bærum
Share:	100 %	
Segment:	Development residential	
Plot area m ² :	480,000	
Number of lessees:	-	

Bærum municipality passed the second time zoning of the distance E16 Bjørum-Skaret, where the Avtjerna exit is referred to as the most important exit on the distance by the Directorate of Public Roads. Manager has provided input to the regulation, whereby we are positive to the road building and consider the work to be well thought through. We requested, however, that adequate space is reserved for noise barriers and that traffic noise is considered during planning (cf. planting, angle on rock outs etc.).

In the National Transport Plan 2014-2023 (passed on 18 June 2013), governmental funds for building the distance are provided for the last six years period, and such funds shall be prioritised also for starting to study, plan and build the Ringerike railway. The government has taken initiatives in media lately to the effect that both the E16 section in question and the Ringerike railway should be started as soon as possible, i.e. that the building of the road should be started in the next government period and the railway in 2018. It is considered to be broad political agreement on these infrastructure projects. As an example, the political party Venstre has specifically included the Ringerike railway in its party program, also assuming that this railway must be a part of the Intercity development. It has been indicated that the projected line for the Ringerike railway is not to be reviewed again, implying that Avtjerna may have its own railway station at Bjørum Sag. Both the Directorate of Public Roads and the Norwegian National Rail Administration have included a railway station for Avtjerna in their plans and thereby considered issues like parking, traffic load etc.

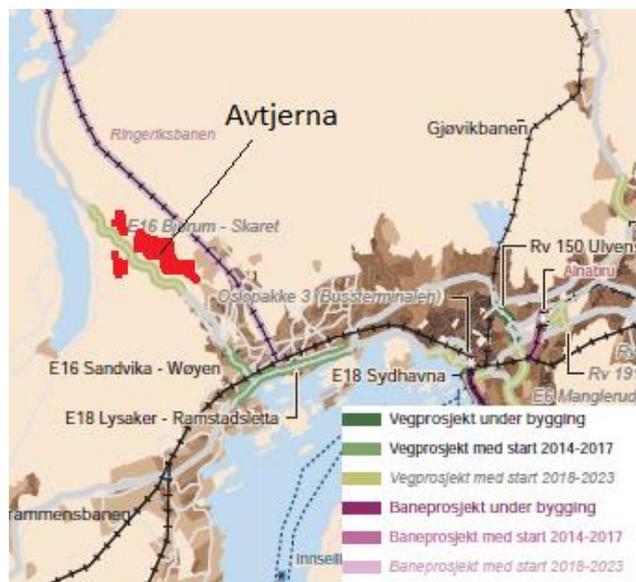


Fig. 1 Extract from map in the proposal for national transport plan

Bærum municipality is in the process of rolling forward the municipality plan (including how to utilise land in the municipality in the future). In that connection, the municipality presents its planned utilisation of land in the short and long term by agreeing on a land strategy (document). This document will be very important for Avtjerna, and thereby NBNP2, as it strongly indicates when and how the area can be developed.

To start the process towards a new area strategy, the chief administrative officer in Bærum has submitted a proposal to hearing. In Manager's view, the chief administrative officer's proposal for an area strategy is negative considering the development of Avtjerna, as the development is planned to start as late as in the period 2030-2050. Manager is of the opinion that the chief administrative officer has neither taken into account the recent positive decisions from national politicians, nor the fact that Bærum municipality must be pronounced in its wish for a railway funded by the government to the new residential area, especially as Bærum presently is facing challenges concerning commuter trains both to Fornebu and Kolsås/Rykkinn (established in the 70-ties).

In order to achieve a close knowledge of the process and the arguments, Manager has met with the planning executive in Bærum municipality. Afterwards, Manager provided suggestions to the area strategy, of which the following is a summary:

1. The development of Avtjerna will imply lower investment costs than normal for Bærum municipality, as the government pays for the road and, hopefully, railway. In addition, investment costs for building sites for local functions will be less expensive than in condensed pressure zones.
2. A quick development of Avtjerna is desired in order to utilise the investments in infrastructure already made by public and private means to prepare for a development, and the investments that have been approved and planned in that connection. Hence, Bærum municipality must act in accordance with the development previously approved.
3. In the development of Avtjerna, Bærum municipality will appear to be a distinct actor to the Norwegian National Rail Administration by supporting its plans for a railway station in connection with Avtjerna.
4. According to the memo "Collective services of Avtjerna" prepared by Asplan Viak for Bærum municipality, busses constitute a solution almost as good as the railway, particularly in a development phase.
5. Existing residential areas in Bærum can maintain the present living qualities and not be condensed by apple gardens or other concentration not originally assumed. In that manner, one can avoid to disappoint and negatively affect the citizens.
6. Avtjerna can become a very good residential opportunity for those purchasing their first homes in Bærum.

In July 2013, Bærum municipality should have approved the area strategy in connection with rolling forward the area part of the local plan. The approval has been deferred to October 2013.

Manager has sent an e-mail to all participants of the municipality's executive committee, and will follow up with new e-mails before the October meeting. Manager has been in direct dialogue with the most prominent parties represented in the planning committee – Arbeiderpartiet, Venstre and Høyre. There has been a meeting with the leader of the planning committee / deputy mayor Udnes (H). In our view, our initiatives have been considered useful. The initiatives comprised the government's promises corroborating or exceeding the National Transport Plan, and arguments and reviews prepared by the Directorate of Public Roads, the Norwegian National Rail Administration and the Ministry of Transport. According to the studies, the railway line for the Ringerike railway was chosen as it will be of the most considerable public utility, partly due to commuter traffic from Avtjerna. Manager has requested Bærum municipality to act predictably and thereby appear to be

positive to the national planning authorities that have already considered and assumed a housing development of Avtjerna, and also paid large governmental funds in advance to the planning, organisation and inclusion of Avtjerna. Manager will ask Bærum municipality to start the regulation of the area within the next four years period.

The Board and Manager are in dialogue with and apply advisors that can support the company's contact with the administration and politicians in Bærum municipality in the process towards the passing of area part of the municipality plan.

There have been no other significant events concerning the property in the period.

NAV CALCULATION AS AT 30 JUNE 2013

Date	NAV/share (NOK)	Change NAV/share in the last period 1)	Change NAV/share since the start 1)
30.06.2012	63,4	N/A	N/A
31.12.2012	40,9	- 7,2 %	- 7,2 %
30.06.2013	40,8	0,0 %	- 7,3 %

1) NAV per share adjusted for distribution of NOK 18,00 to the shareholders in December 2012

Net asset value (NAV) per share in NBNP 2 AS (the Company/NBNP 2) is calculated to NOK 40,83 as at 30 June 2013, compared to NOK 40,85 as at 31 December 2012. Only an insignificant change in NAV in the first half year of 2013 relates to net costs in the period.

In the calculation, the property value from 31 December 2012 has been maintained. There are no events or development tendencies indicating significant changes in the property value for the first half year, and the board decided to delay a new valuation until 31 December 2013.

NAV is computed by deducting debt from total property values, based on the valuations, and adjustments are made for net working capital in the Group, deferred tax and the market value of financial instruments. Accordingly, NAV expresses the shareholders' ownership of the underlying values in the Company.

There will be deviations between the NAV calculation and the companies' equity in the financial statements due to different accounting principles. The financial statements are prepared in accordance with NGAAP based on historical cost, whereas the NAV calculation is based on fair values pursuant to established principles for valuations.

NBNP 2 – CONSOLIDATED ACCOUNTS AS AT 30 JUNE 2013

NOK

INCOME STATEMENT 1 January – 30 June 2013**NBNP 2 Group**

Total operating costs	816 603
Operating loss	(816 603)
Net financial items	773 911
Loss for the year	(42 692)

BALANCE SHEET as at 30 June 2013**NBNP 2 Group****ASSETS**

Investment properties	81 383 092
Total non-current assets	81 383 092
Other receivables	7 423 859
Bank deposits, cash etc.	14 854 972
Total current assets	22 278 831
Total assets	103 661 923

LIABILITIES AND EQUITY

Share capital	3 721 416
Other paid-in equity	43 530 330
Total paid-in equity	46 801 746
Total earned equity	54 203 764
Total equity	101 005 510
Trade accounts payable	353 962
Other current liabilities	2 302 452
Total current liabilities	2 656 414
Total liabilities	2 656 414
Total liabilities and equity	103 661 923

The consolidated financial statements are prepared according to NGAAP based on historical cost and include the parent company NBNP 2 AS and the subsidiary Sollihøgda Eiendom AS.

COMPANY INFORMATION

The Board comprises Per Ottar Skaaaret, Jan-Egil Trondsen, Kjetil Grønskag, Jon Gunnar Guste-Pedersen and Jørgen Salomonsen (deputy).

North Bridge and Jan-Egil Trondsen are planning to start a new jointly owned company with the objective of residential development primarily in the Follo region and Oslo area. This was not discussed and not on the agenda at the time when Trondsen was appointed board member in NBNP 2.

Sincerely yours

NBNP 2 AS /
North Bridge Management AS

(sign.)
Jørn H. Hynne
CEO

Hans Jacob Låhne
Asset manager

Oslo, 7 October 2013