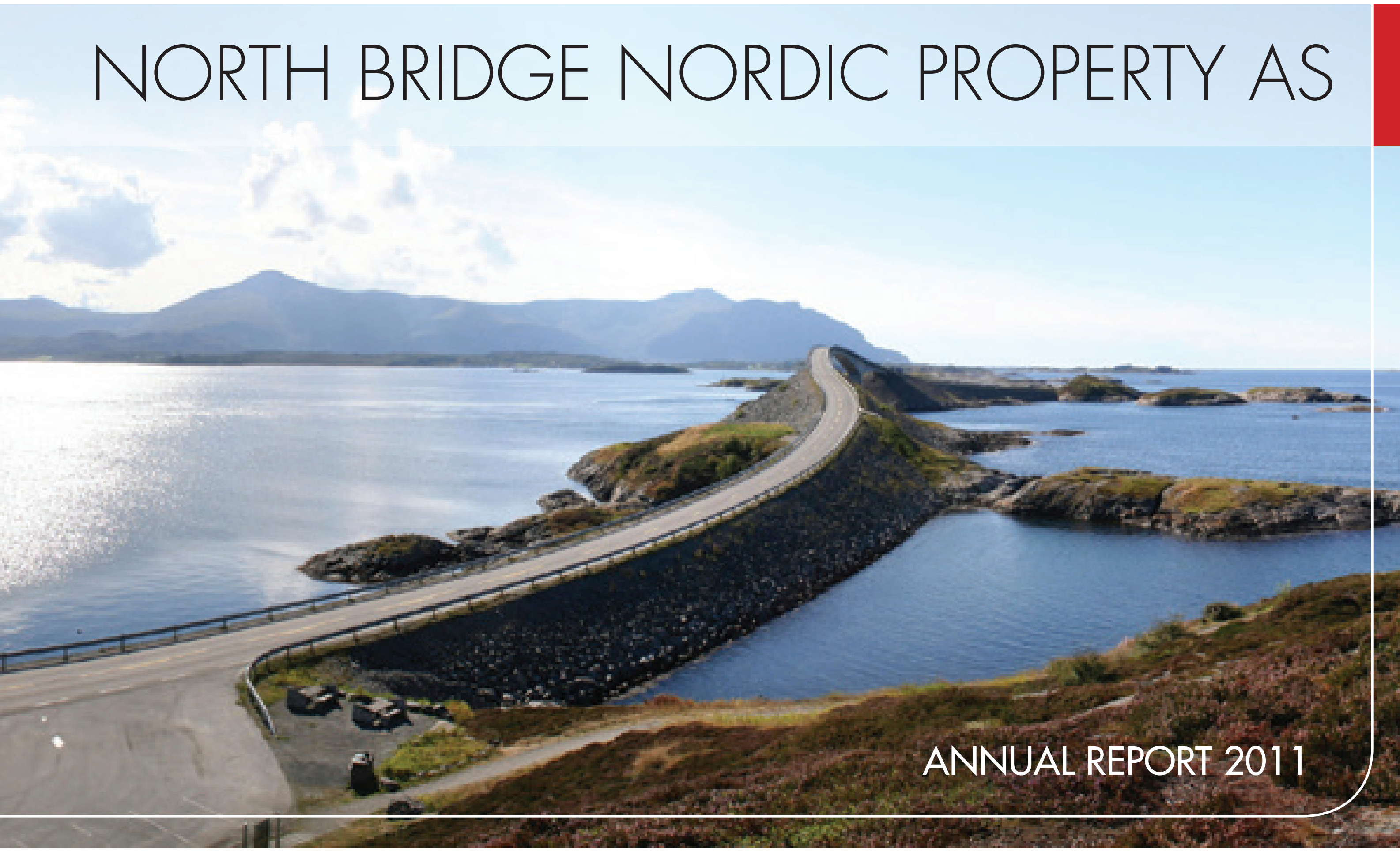
NORTH BRIDGE NORDIC PROPERTY AS



ANNUAL REPORT 2011

northbridge nordic property

www.northbridge.no

DIRECTORS' REPORT

The nature of the business

North Bridge Nordic Property AS (the Company) was established on 20 June 2006, and 2011 was the Company's fifth full year of operation. The business is operated from Skøyen in Oslo. North Bridge Nordic Property Group (the Group) consists of the Company, 7 subsidiaries, 1 sub-subsidiary and 1 associated company.

The Group owns as of 31 December 2011 a diversified portfolio of 8 properties, of which 2 are «held for sale» and 1 is a share in an associated company. The properties are located in Norway and Sweden. The gross value of the Group's five consolidated properties was MNOK 838.1 at the end of the year of which 60.2% constituted Norwegian and 39.8% Swedish properties. In addition, the Company's share in the associated company amounts to MNOK 25.0, and the «held for sale» properties in Norway and Sweden are valued at MNOK 269.3 and MNOK 37.1, respectively.

The purpose of the North Bridge Nordic Property AS is to create value for shareholders by investing alone or with other partners in real estate, land, and other related matters. At least 90% of the investments are to be made in Norway, Sweden and Denmark.

With an investment mandate between the «passive real estate investor» and the more «speculative developer», we have attempted to establish an attractive portfolio that combines good cash-flow generating properties with development projects that have a high yield potential. In the Board's opinion, the portfolio is within the investment mandate.

The Company is managed by North Bridge Management AS through a separate Management Agreement. The Board has primarily a control task and has focused on ensuring that the manager follows the guidelines set out in the agreements, and that the manager in general runs the business in a responsible manner.

Investment decisions are made on the basis of the Company's investment strategy adopted by the Board. The Company's investment committee makes investment decisions in accordance with the provisions of the articles of association.

No research or development efforts were organised in 2011.

Changes in the portfolio

There were no significant changes in the portfolio in 2011 except that the sale of the property W & N in Västre Hamnen, classified as properties held for sale in 2010, was carried out as described in the 2010 annual report.

NORWAY

Innherredsveien (100%)

The property (Innherredsveien 7 in Trondheim) had an occupancy rate of 95% at the end of the year. Some initiatives to upgrade the property were implemented in order to position the property into a higher segment over time.

Klostergata (70.98%)
The property (Klostergata 46-48 in Trondheim) is fully leased with long-term contracts for Rusbehandling Midt-Norge, and the grocery business Coop Prix. The property is being prepared for sale and is classified as «property held for sale» in the accounts.

Ole Bullsgate (100%)
The property (Vågsgaten 7 and 9, Julie Egesgate 8-14 in Sandnes) consists of older building stock partially leased on short-term leases with relatively low rents. The current buildings are planned to be demolished for the development of a new building when the commercial conditions allow for this. The property is regulated for developing about 21,000 square meters of commercial and office space.

Trollåsveien (100%)
The property (Trollåsveien 34-36 in Oppegård) had an occupancy rate of 92% at year-end. There were 23 tenants in the property at that time, and we expect some turnover of tenants in 2012.

Sollihøgda Property (100%)
As a result of the fact that the further residential development at Fornebu seems to be more definite and the construction of the motorway route of E16 passing the property (Avtjerna in Bærum) has been decided, it is assumed that the timeline for developing the property can be more clarified. This will be a significant issue in 2012.

Sømmegården (40.6%) (Associated company)
The property (Langgata 1c in Sandnes) had an occupancy rate of 84% at year- end. It is expected that the vacancies will be reduced through 2012.

SWEDEN

Lund Business Park, (100%)
An agreement has been made to prolong leases with the two largest tenants of the property (Lyckebacken 3 and 5 in Lund). The city of Lund is perceived to develop in a positive direction. The focus for 2012 is to utilise the existing building stock further and to highlight the opportunities in the undeveloped part of the property.

Mejselgatan (100%)
The property (Eskil Torp 14:97 in Vellinge) is fully let. The property is being offered for sale and is classified as «property held for sale» in the accounts.

Financial statements

The financial statements for both the Company and the Group have been prepared in accordance with the provisions of the simplified IFRS. The main principle of the IFRS is to determine a market value for most of the Company's assets as of 31 December, including all cash-flow generating properties, and that the fair value adjustments that arise be recognised as an expense or income in the profit and loss account.

DIRECTORS' REPORT

All Group properties are subject to a valuation semi-annually by the Company, with the support of external assessors.

Performance, profit and status

Lease income for the Group for the period was MNOK 82.4 compared to MNOK 65.2 in 2010. Common expenses charged to tenants have been netted. The Group's operating expenses amounted to MNOK 37.3 compared to MNOK 32.1 in 2010. Operating profit before fair value adjustments and profit-share of the associate company's result was MNOK 47.5 against MNOK 33.3 in 2010.

The Group's properties had a negative change in value of MNOK 2.9 in 2011, compared to a positive change of MNOK 90.0 in 2010. In addition, the net positive result from the associated company including a change in value amounted to MNOK 1.7, compared to MNOK 6.8 in 2010. As a consequence, the Group achieved an operating profit, after changes in value and profit-share from the associated company, of MNOK 46.3 compared to MNOK 130.1 in 2010.

The Group's net financial items showed a negative result of MNOK 35.8, of which financial income amounted to MNOK 2.4 and finance costs MNOK 38.2. In 2010, the net financial result was a negative MNOK 9.0, of which financial income constituted MNOK 14.4 and financial costs MNOK 23.1.

The profit for the year for the Group is MNOK 10.5 before tax and MNOK 11.9 after tax, compared to MNOK 121.0 before tax and MNOK 122.2 after tax in 2010.

The Company had NOK 0 in operation revenue in 2010. Other operating expenses in the Company, MNOK 12.1 (MNOK 9.8 in 2010) mainly comprise fees.

The Company had an operating loss of MNOK 12.0 before the profit-share from the associated company and MNOK 10.3 after, against a loss of MNOK 9.8 before and MNOK 3.0 after the profit-share in 2010.

A positive change in the value of the Company's investments in subsidiaries of MNOK 15,3 compared to MNOK 102.6 in 2010, and other financial items, resulted in a financial profit for the Company of MNOK 20.7 compared to MNOK 117.2 in 2010.

The profit for the year for the Company, before and after taxes, amounts to MNOK 10.4 compared to MNOK 114.2 in 2010.

As of 31 December 2011, the Company had an equity of MNOK 527.3 compared to MNOK 594.6 as of 31 December 2010. The corresponding figures for the Group were MNOK 552.3 and MNOK 623.9, respectively. The decrease was affected by the distribution to shareholders of MNOK 78.5 at the end of December 2011.

The Group had total positive cash-flows from operating activities of MNOK 9.4. A total of MNOK 88.5 was used for investing activities, of which MNOK 8.7 for improvements of investment properties. Distributions to shareholders of MNOK 78.5 are also included in this item. Net cash-flows from financing activities amounted to MNOK 92.2. The net change in liquidity for the Group in 2011 constituted an increase of MNOK 13.1,

In the Board's opinion, the presented income statement and balance sheet with notes, give a true and fair view of, and adequate information about, operations and the financial position at year-end. The going concern assumption is valid, and the Board confirms that the financial statements for 2011 have been prepared under this assumption.

The Company's liquid assets are invested in a bank or in money market funds with a short duration and safe securities, and are considered to have a low risk. Any additional liquidity needs will be covered through private placements or portfolio adjustments.

The Company has no employees and the Board consists of 5 men.

The Group's properties do not pollute the external environment beyond the norms established for real estate, hence no action has been initiated in this area.

Merger

At an extraordinary general meeting on 26 September 2011, it was decided to merge the company with NP Eiendomsinvest AS, which before the merger owned 51.56% of the Company. NP Eiendomsinvest AS had only insignificant assets in addition to the mentioned shares. The merger was registered and completed before the end of 2011.

Changes in subsidiaries

In the spring of 2011, the Company sold NB StartUp 1 AS, an empty company, for the equivalent of equity in the company at the time of sale.

The Company formed a new subsidiary in December 2011, Innherredsveien Eiendom Holding AS with NOK 500,000 - in equity.

Concurrent with the formation of Innherredsveien Eiendom Holding AS, all shares of Innherredsveien Eiendom AS were sold from NBNP to Innherredsveien Eiendom Holding AS.

Repayment of capital

At an extraordinary general meeting on 12 December 2011, it was decided to repay capital to shareholders of NOK 78,513,984 - or NOK 24 – per share (after the split). The payment was made in late December 2011.

Events after the financial year-end

There have been no events after the financial year-end of significant importance for the assessment of the financial statements except for the following:

In May 2012 cracks were discovered at the Ole Bullsgate property in Sandnes. The extent of the damage has not yet been determined. The cause is believed to be construction work on the neighbouring property. The Manager has initiated

DIRECTORS' REPORT

necessary steps to secure the property and the owner's interests.

Risk

Market risk

The Company is exposed to systematic risk related to changes in the macro-economic environment, but also to individual events, regardless of economic trends. Examples are events related to the properties, tenants, and political or planned decisions.

Changes in economic conditions may result in systematic changes in rent levels, occupancy rates, the value of the property and also affect the ability to realise development projects.

Decreasing rental income is a consequence of either higher unemployment or lower rent levels, and can arise, for example, if the Company's properties in particular become less attractive, if the rental market in general experiences a weaker demand and/or an increase in available leases, if the Company's tenants lose their ability to pay, or if rents fall for other reasons.

The risk for a declining property value is mainly a result of falling rental income or increasing required rates of return. Increasing rates of return can be a consequence of higher interest rate levels, less favourable economic outlooks or if the risk premium on real estate in the market increases.

In the Board's view, the Company is almost fully exposed to systematic market risk, and significantly less exposed to individual events because of the broad diversification related to location, property types, properties and tenants.

A stronger economy in Norway and Sweden in 2011 reduced the overall risk of unemployment and thus the general risk of a fall in rental income. The basic expectation for 2012 is stable, with satisfactory economic conditions for operations. To date no increased vacancy rates in the Company's property portfolio for this year have been observed.

Financial risk

Financial risks mainly comprise solvency risks and liquidity risks. Solvency risk is the risk that property values become lower than the liabilities, primarily debt obligations.

Liquidity risk is the risk that the Company cannot meet its payment obligations. This can in principle occur as a result of rising interest rates or the lack of payment of rent from tenants.

The actual debt ratio in the Group as of 31 December 2011 was approximately 55.9%.

The Board considers the liquidity of the Company to be satisfactory.

The Group has established interest rate swap agreements in connection with several of the mortgage loans, thereby reducing the financial risk.

Future trends

The Company is of the general opinion that there will be a flat or slightly positive overall development in 2012 in the commercial property market. Some properties where the Company has ownership, have the potential to achieve a more positive development. The Board expects that North Bridge Nordic Property AS will experience a continued positive development in net asset value.

In accordance with the articles of association, the Company shall make a decision on liquidation by 31 December 2012. This implies that by this date, a liquidation committee is to be elected to carry out the liquidation of the Company. In addition to preparing a programme for realising the Company's properties, the Company Board and Manager have worked out an alternative where parts of the Group's activities will be continued, with a singular opportunity for the individual investor to continue his ownership, in whole or partly, if applicable

Allocation of the year's profit

Net profit in the parent company North Bridge Nordic Property AS in 2011 was MNOK 10.4 compared to MNOK 114.2 in 2010. The Board proposes that the profit be transferred to retained earnings.

The free equity in the North Bridge Nordic Property AS as of 31 December 2011 was MNOK 119.5 compared to MNOK 142.6 as of 31 December2010.

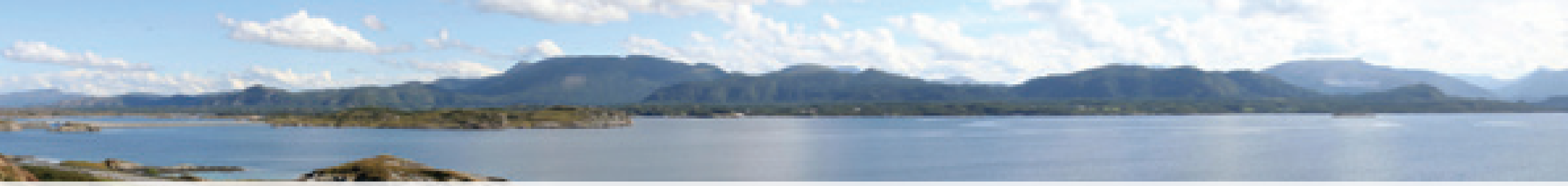
No payout of dividends in either the Company or the Group is proposed. The Board intends to continue to distribute free liquidity from future realisations to shareholders.

Oslo,June 4th, 2012
The Board of North Bridge Nordic Property AS

(sign) Kjetil Grønskag *Chairman*	(sign) Jon Guste-Pedersen *Board Member*	(sign) John Lian *Board Member*
(sign) Mats Clarhäll *Board Member*	(sign) Jon Gausen *Board Member*	(sign) Jørn H. Hynne *Executive Director*

INCOME STATEMENT 1 JANUARY – 31 DECEMBER

North Bridge Nordic Property AS					Group	
			Amounts in TNOK			
2011	**2010**	**Note**		**Note**	**2011**	**2010**
			Operating income			
-	-		Rental income	3	82 423	65 177
85	10		Other operating income		2 330	257
85	**10**		**Total operating income**		**84 753**	**65 434**
			Operating costs			
12 092	9 808	4, 5, 6	Other operating costs	4, 5, 6	37 276	32 114
12 092	**9 808**		**Total operating costs**		**37 276**	**32 114**
-12 007	**-9 799**		**Operating profit before change in value and profit-share from associated company**		**47 477**	**33 320**
			Change in value of investment property	3	-2 885	89 970
1 719	6 795	2	Profit-share, including change in value, associated company	2	1 719	6 795
-	-				-	-
-10 288	**-3 004**		**Operating profit after change in value and profit share from associated company**		**46 311**	**130 084**
			Finance income and expense			
15 324	102 573	2, 10	Change in value investment in subsidiary		-	-
5 940	16 288	7	Finance income	7	2 401	14 028
596	1 650	7	Finance costs	7	38 188	23 075
20 668	**117 211**		**Net financial items**		**-35 787**	**-9 047**
10 380	**114 207**		**Profit before tax**		**10 524**	**121 038**
0	0	8	Income tax expense	8	-1 381	-1 157
10 380	**114 207**		**Profit for the year**		**11 905**	**122 195**
			Statement of comprehensive income			
10 380	**114 207**		**Profit for the year**		**11 905**	**122 195**
			Other income and expenses			
-	-		Foreign currency conversion		15	1 500
10 380	**114 207**		**Total profit**		**11 920**	**123 695**
			Share of total profit to owners of parent company	9	8 716	111 138
			Share of total profit to non-controlling interests		3 204	12 557



BALANCE SHEET AS OF 31 DECEMBER

North Bridge Nordic Property AS					Group	
			Amounts in TNOK			
2011	**2010**	**Note**		**Note**	**2011**	**2010**
			NON-CURRENT ASSETS			
			Property, plant and equipment			
-	-		Investment properties	11	838 145	1 137 935
-	**-**		**Total property, plant and equipment**		**838 145**	**1 137 935**
			Financial non-current assets			
-	-		Long-term receivables	16	0	8 437
222 941	170 539	7, 16	Long-term intercompany receivables		-	-
0	465	12	Shares in other companies	12	0	465
25 020	24 723	2	Shares in associated companies	2	25 020	24 723
185 506	375 165	2, 10	Shares in subsidiaries		-	-
433 467	**570 892**		**Total financial non-current assets**		**25 020**	**33 624**
433 467	**570 892**		**Total non-current assets**		**863 164**	**1 171 559**
			Current assets			
			Receivables			
-	-		Trade receivables	7	2 701	5 124
1 363	1 023	7	Other receivables	**7**	12 095	4 661
1 363	**1 023**		**Total receivables**		**14 796**	**9 785**
44 636	27 475	7, 14	Bank deposits and cash	7, 14	63 795	50 671
45 999	**28 498**		**Total current assets**		**78 591**	**60 456**
-	-		Assets held for sale	17	313 063	29 827
65 238	5 545	17	Shares held for sale		-	-
544 704	**604 935**		**Total assets**		**1 254 819**	**1 261 842**

BALANCE SHEET AS OF 31 DECEMBER

North Bridge Nordic Property AS				Group		
			Amounts in TNOK			
2011	**2010**	**Note**		**Note**	**2011**	**2010**
			EQUITY			
			Paid-in capital			
163 571	163 975	15	Share capital	15	163 571	163 975
30 029	30 029		Share premium fund		30 029	30 029
118 256	196 770		Other paid-in capital		118 256	196 770
311 856	**390 774**		**Total paid-in capital**		**311 856**	**390 774**
			Retained earnings			
214 166	257 944		Funds		-	-
0	-54 147		Uncovered loss		-	-
1 239	-		Other equity		216 712	202 860
-	-		Non-controlling interests		24 924	30 279
215 405	203 797		Total retained earnings		241 636	233 139
527 261	**594 572**		**Total equity**		**553 492**	**623 913**
			Liabilities			
-	**-**	8	**Deferred tax**	8	**16 701**	**17 309**
			Long-term liabilities			
-	-		Liabilities to credit institutions	7, 16	432 721	527 467
-	-		Other long-term debt		0	0
-	-		Financial contracts	7, 13	10 112	13 684
14 952	7 847	7	Long-term intercompany debt			
14 952	**7 847**		**Total long-term liabilities**		**442 833**	**541 151**
			Current liabilities			
-	-		Liabilities to credit institutions	7, 16	15 071	7 937
2 491	2 516	7	Trade payables	7	6 113	12 683
-	-	8	Tax payable	7, 8	378	0
0	0		Public duties payable	7	3 075	1 478
0	0	6, 16	Other short-term liabilities	6, 7, 16	5 632	32 827
2 491	**2 516**		**Total short-term liabilities**		**30 270**	**54 926**
-	-		Liabilities related to assets held for sale	17	211 524	24 544
17 443	**10 363**		**Total liabilities**		**701 328**	**637 930**
544 704	**604 935**		**Total equity and liabilities**		**1 254 819**	**1 261 843**

Oslo,June 4th, 2012
The Board of North Bridge Nordic Property AS

(sign)
Kjetil Grønskag
Chairman

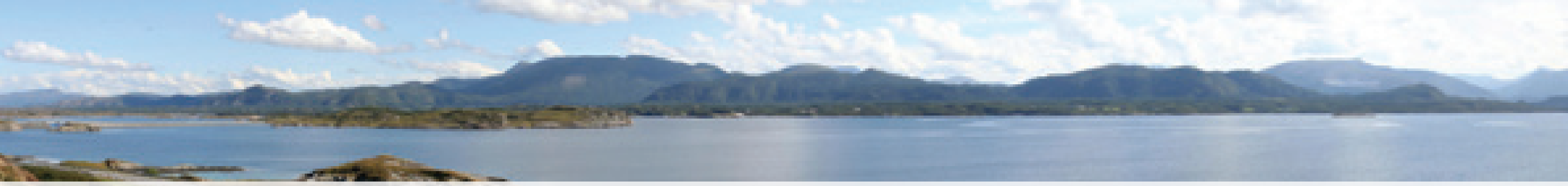
(sign)
Jon Guste-Pedersen
Board Member

(sign)
John Lian
Board Member

(sign)
Mats Clarhäll
Board Member

(sign)
Jon Gausen
Board Member

(sign)
Jørn H. Hynne
Executive Director



CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

North Bridge Nordic Property AS			Group	
		Amounts in TNOK		
2011	**2010**		**2011**	**2010**
		Cash flows from operating activities		
10 380	114 207	Profit before tax	10 524	121 038
		Change in value of investment properties	2 885	-89 970
		Change in value of financial instruments	7 041	3 507
-15 324	-102 573	Change in value of investment in subsidiary		
-1 719	-6 795	Change in value of associated company	-1 719	-6 795
		Taxes paid	-378	-871
		Write-downs of property and losses on sale of property		
		Ordinary depreciation		
		Write-down of loan Sandnes		
1 064	424	Change in accruals of operating balances	-27 575	-1 878
-4 246			18 590	
-9 844	**5 263**	**Net cash flows from operating activities**	**9 367**	**25 031**
		Cash flows from investing activities		
		Purchase of investment property		
		Improvements to investment property	-8 676	-134 205
		Purchase of property, plant and equipment		
		Proceeds from sale of property		
5 319		Proceeds from sale of shares W & N	5 319	
63 750		Proceeds from sale of shares Innherredsveien		
1 422		Proceeds from capital reduction Sømmegården	1 422	
19 380		Proceeds from capital reduction Klostergata		
	-465	Purchase of subsidiaries and capital increase		
-500	0	Payments for the formation of company		
	-465	Acquisition of shares		-465
-78 514		Payments of dividend	-78 514	
		Payments to minority interests at capital reduction	-8 012	
		Adjustment of cost at purchase of shares		
9 045	-13 155	Change in loans to subsidiaries		
		Bank transfer in connection with merger	0	
19 901	**-14 085**	**Net cash flows from investing activities**	**-88 462**	**-134 670**
		Cash flows from financing activities		
		Share issue costs		
7 105	2 811	Net change in interest-bearing debt	-87 612	85 608
		Net change in long-term receivables/options		
	0	Net change in held for sale	179 831	24 544
7 105	**2 811**	**Net cash flows from financial activities**	**92 219**	**110 152**
17 162	-6 011	Net change in cash and cash equivalents	13 125	514
27 474	33 485	Cash and cash equivalents as of 1 January	50 671	50 157
4 367		Access to cash and cash equivalents through merger		
44 636	**27 474**	**Cash and cash equivalents as of 31 December**	**63 795**	**50 671**

CHANGES IN THE GROUP'S EQUITY

Statement of changes in equity							
Amounts in TNOK							
			Owners of the parent company			Non-controlling interest	Total equity
Group	**Share capital**	**Share premium fund**	**Other paid-in equity**	**Other equity**	**Total**		
Equity as of 31 December 2010	163 975	30 029	196 770	202 860	593 635	30 279	623 913
Profit for the year Group				8 701	8 701	3 204	11 905
Other income /costs recognised in equity				15			15
Reduction in capital						-8 559	-8 559
Total profit				**211 576**	**602 336**	**24 924**	**627 274**
Merger	-404		-78 514	5 136	-74 987	0	-74 986
Equity as of 31 December 2011	**163 571**	**30 029**	**118 256**	**216 712**	**528 554**	**24 924**	**553 492**
Parent company	**Share capital**	**Share premium**	**Other reserves**	**Funds**	**Uncovered loss**	**Other equity**	**Total**
Equity as of 31 December 2010	163 975	30 029	196 770	257 944	-54 147	0	594 572
Profit for the year				17 043	-6 663		10 380
Sale of subsidiaries				-60 822	60 810	12	0
Total profit				**214 165**	**0**	**12**	**604 952**
Merger	-404		-78 514	0		1 227	-77 691
Equity as of 31 December 2011	**163 571**	**30 029**	**118 256**	**214 165**	**0**	**1 239**	**527 261**

Note 1 – General

North Bridge Nordic Property AS (hereinafter: NBNP, parent company or the Company) is domiciled in Norway. North Bridge Nordic Property Group (hereinafter: the Group) consists of the North Bridge Nordic Property AS and its subsidiaries as of 31 December 2011 and 31 December 2010.

The consolidated and parent company financial statements have been prepared in accordance with the Accounting Act section 3-9 using international accounting standards. The Group and Parent company follow the regulations of the simplified application of international accounting standards (IFRS) as adopted by the Ministry of Finance on 21 January 2008. The financial statements have been approved by the Company's Board.

The Group's financial statements have been prepared in accordance with the principles of historical cost, except for the following balances:

- Investment properties at fair value.
- Financial instruments (interest rate swap etc.) at fair value.

The Company's financial statements have been prepared in accordance with the principles of historical cost, except for the following balances:

- Shares in subsidiaries are stated at fair value.

The preparation of financial statements in accordance with the simplified IFRS requires the use of judgment for certain accounting items, and management also need to exercise judgment in applying the Group's accounting policies. This is especially true when assessing the value of properties.

The following describes the significant accounting policies used in preparing the Group and Company financial statements.

Consolidation
The consolidated financial statements comprise the financial statements for the North Bridge Nordic Property AS and its subsidiaries at 31 December 2011 and 31 December 2010. Subsidiaries are companies for which NBNP has controlling influence over the entity's financial and operating strategy. Influence is normally achieved through ownership of more than half of the voting rights or the fact that the Group is in a position to exercise control over the company. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation when control is lost.

The Group's financial statements have been prepared as if the Group were one single economic unit. Transactions and balances between the Group's companies have been eliminated. Transactions with non-controlling interests have been treated as transactions with third parties. Non-controlling interests' share of equity is shown as a separate item in equity. Non-controlling interests include their share of the carrying value of the subsidiary, including the share of identified excess value at the time of the acquisition of a subsidiary. The income statement shows the non-controlling interest's share of profit after tax.

Acquired subsidiaries are recognised in the Group's financial statements based on the parent Company's acquisition cost. The acquisition cost has been allocated to identifiable assets and liabilities of the subsidiary, recognised at fair value at the acquisition date in the Group's financial statements. Investments in subsidiaries are eliminated from the Group's share of the companies' equity at the time of acquisition.

Shares in associated companies are accounted for using the equity method, and the Group's share of profit in the associated company is disclosed on a separate line in the income statement.

All group companies are accounted for using uniform accounting policies for identical transactions and other events in similar circumstances.

Consolidation and classification principles of the parent company
Subsidiaries are valued using the fair value option in accordance with IAS 39. Change in value of the investment is recognised in the income statement. The fair value option is decided at the inception of the investment. The investment is followed-up by management on the basis of the fair value. The valuation of shares in the subsidiaries is based on net asset value of each subsidiary. The subsidiaries are single-purpose companies, and the value-adjusted equity is determined as a result of management's valuations, corroborated by an external valuation of investment properties which constitute the most significant assets of the subsidiary.

Mergers and acquisitions
For companies that are acquired in the fiscal year or the preceding year, the consolidation is carried out using the purchase method. The added value paid in excess of the Company's equity at the time of acquisition is recognised in the balance sheet as part of the underlying assets.

Purchases of single-purpose real estate companies where the only significant asset is property, are classified as acquisitions of assets and not of businesses. The added value of the assets equals the difference between the fair value at the acquisition date and the book value. This is recorded as excess value of the assets. If the excess value paid is less than the difference between the fair value and the book value of the assets, this is regarded as badwill and recognised as income in the income statement.

Segment information
The Group has properties in Norway and Sweden, and property of various character designated as cash flow properties and development properties. This forms the basis for the geographic and market segment reporting. The primary segment is defined by cash flow properties and development properties, and the secondary segment is defined by the geographical location, cf. note 3.

Revenue
Revenue includes rental income and sales of services. Revenue is shown net excluding VAT, discounts, if applicable, and after the elimination of any sales within the Group. Rental income is recognised in line with the rental period. Sales of services are recognised when the service is performed.

Claims resulting from a lease being terminated before the originally agreed expiry date, are recorded in the income statement by the amount in excess of the required reserve to cover operating costs of the leased object for the remainder of the originally agreed lease period when the vacating date has been agreed.

Interest income and other income are recognised in the period they concern.

Provisions
The Group recognises contingent liabilities (provisions) when a legal or self-imposed obligation exists as a result of past events, it is more probable than not that the obligation will be settled, and the size of the obligation can be reliably estimated. If a considerable time span is involved, the liability is recognised at the present value of future cash flows.

Investment property
Investment property is property held either to achieve rental income and/or increase in value, not for the use of the Group companies themselves. Investment properties consist of buildings and land owned by the Group companies. Investment properties are carried at fair value at the acquisition date. All Group properties are semi-annually subject to a valuation made by management, with the support of an external assessor.

Later improvements are added to the carrying value of the property, if it is likely that the Group will achieve future economic benefits as a result of the improvement, and that the improvement can be accurately measured.

Changes in fair value are recognised and disclosed in the income statement as «changes in value of investment properties.»

Please refer also to the paragraph «mergers and acquisitions».

Direct maintenance of investment property costs is expensed as operating costs as incurred.

If a property is used by companies in the Group, the property is reclassified to a non-current asset, and the fair value at the time of reclassification is recognised as the new cost for the property.

When the Group makes the final decision for the future use of land, other than owing it in order to achieve an increase in value, the land is reclassified and accounted for in accordance with IAS 2, IAS 16 or IAS 17

Property, plant and equipment
Property, plant and equipment comprise such real estate not classified as investment property, including assets under construction accounted for at acquisition cost. Buildings and equipment are reduced by accumulated depreciation. Land is not subject to depreciation.

Finance costs attributable to assets under construction are included in the capitalised value of the asset.

Other property, plant and equipment are recognised and depreciated over the estimated useful life. Direct maintenance costs are expensed as incurred, while improvements are added to the acquisition cost and depreciated together with the asset.

Other shares
Other shares are stated at cost, considered to correspond to the market price at time of purchase.

Impairment
At each reporting date, management considers whether there is any indication of impairments of assets. If such indication exists, the recoverable amount is calculated. If the recoverable amount is lower than the carrying amount, it is written down to its recoverable amount. The recoverable amount is the higher of the net selling price and value in use. Value in use is the present value of future cash flows that the asset is expected to generate. Any impairment is recognised in the category that matches the function of the impaired asset.

Receivables
Trade receivables are measured at fair value on initial recognition. A provision for loss is established when there are objective indicators of the fact that the Group will not be paid in accordance with the original terms.

Loans
Borrowing costs are normally expensed as they occur. Interest is capitalised if it is directly related to the acquisition of property, the construction of new buildings, or otherwise eligible for capitalisation.

Loans are carried at fair value when payment is made, less transaction costs.

In subsequent periods, loans are carried at amortised cost using the effective interest rate. The difference between the loan (net of transaction costs) and the redemption value is recognised over the life of the loan. The first year's instalment of long-term debt is classified as short-term debt in accordance with IAS 23.

Deferred tax
The tax expense in the income statement includes both the period's tax payable and change in deferred tax. Deferred tax is calculated at 28% on the basis of temporary differences between book and tax values and tax losses carried forward at the end of the fiscal year. Tax increasing and tax reducing temporary differences that reverse or may reverse in the same period are netted.

Deferred tax is calculated on temporary differences from investments in subsidiaries, except where the Group has control over the time of the reversal of the temporary differences, and it is likely that they will not be reversed in the foreseeable future.

Group contributions recognised as income
The Company has chosen to use the opportunity the simplified IFRS gives to recognise as income group contributions from a subsidiary to the parent company in accordance with generally accepted accounting principles (GAAP), i.e., the contribution is recognised as income in the year it is subject to taxation. Proposed group contributions are disclosed as short-term debt in the balance sheet.

Financial instruments / Derivatives
The Group uses financial instruments to tailor the interest rate roll-over profile to the current interest rate expectations and objectives for interest rate risk. Financial instruments are recognised initially at fair value (which normally corresponds to cost), and in subsequent periods at fair value. Gain or loss in readjusting to fair value is recognised in the income statement.

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to terminate the swap at the balance sheet date. This amount will depend on interest rates and the remaining term of the agreement.

Equity
Costs related to equity transactions are recognised directly in equity.

Cash flows
The cash flows statement is prepared in accordance with the indirect method. Cash and cash equivalents are defined as bank deposits and cash.

Currency
The consolidated financial statements are presented in NOK, which is the parent company's functional currency. The functional currency of the Swedish subsidiaries is SEK. On the balance sheet date, assets and liabilities of a subsidiary in Sweden are converted at the exchange rate of the balance sheet date. Income statement items are converted at average exchange rates. Exchange differences for income statement items are converted at average exchange rates, and balance sheet items that are converted at the closing rate are recognised in equity. Accumulated historical exchange differences are recognised on disposal.

Date	Exchange rate 100 SEK
December 31, 2011:	87.01 NOK
December 31, 2010:	87.07 NOK
2011 average	86.31 NOK

Estimates and judgmental assessments
Estimates and judgmental assessments are continuously evaluated based on historical experience and other factors. Estimates and assumptions that involve a high probability of causing material adjustments to the carrying value over the next financial year are primarily related to investment properties and financial instruments.

Management prepares estimates and makes assumptions related to the future. The resulting accounting estimates will, by definition, seldom be fully consistent with the final outcome. Estimates and assumptions that represent a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next fiscal year, are discussed below.

The fair value of investment property
Investment property is assessed on the basis of semi-annually updated valuations.

A separate valuation of each property is carried out by management, supported by valuations prepared by independent assessors, where all properties are valued using the current macro-economic assumptions (interest rates, inflation expectations, etc.) and adjustments for significant changes in the rental portfolio.

The required return is determined for each property based on a long-term risk-free rate plus a risk adjustment. A risk adjustment is normally made on the basis of geography, location, property standards, the tenants' financial condition and the duration of the leases.

In addition, a technical review is performed of all properties on a regular basis. In line with this, the Group's property has been assessed semi-annually and most recently at 31 December 2011.

The value of a cash flow property is calculated primarily by discounting the property's net rental income, based on the current market rent and adjusted for excess/shortfall values in the portfolio of signed leases, and any permanent vacancies, if applicable.

The value of a development property is calculated primarily by discounting future net rental income to determine the gross value of the project, reduced by the project's total cost to a net value, which is adjusted in relation to the remaining time for completion and assessed risk.

Fair value of shares in subsidiaries
The Group prepares an assessment of the individual property and obtains independent valuations as described above. The fair value of shares in subsidiaries in the parent company is calculated on this basis.

Financial risk
Financial risk relates to interest expense, tenant stability and predictability, as well as the Group's liquidity and financial flexibility.

The Group's objective is to achieve borrowings constituting 65-75% of the investment cost in cash flow properties. If the cost of debt financing is lower than the return of properties, this will ensure an increased return on equity. Loans on the properties can, however, entail a risk that the Company or its subsidiaries in the event of significant impairments in the property market, will not be able to meet the necessary requirements for equity set by the lenders or the government. As a worst case consequence, this could imply that the Company and its investors lose their capital.

Financing costs - interest rate risk
The Group is exposed to market risk related to interest rate changes, given the existence of loans with floating interest rates.

To reduce the interest rate risk, the Group entered into an interest rate swap for parts of the loan portfolio.

The market value of the properties will vary with long-term interest rate expectations in the market. Such fair value changes are recognised and reported in accordance with simplified IFRS (note 11).

Tenant stability and predictability
Rental income is exposed to changes in the market and sales-based rent, as well as credit risk and currency risk.

<u>(I) Market</u>
The Group will have a mix of shorter and longer leases.

<u>(Ii) Inflation</u>
A significant part of the Group's leases will be adjusted by 80 to 100 percent of the CPI or similar index, so that the Group may adjust rents in line with developments in the CPI. The Group aims at ensuring such regulation in all future leases.

<u>(Iii) Credit risk</u>
The majority of the Group's rental income is derived from normal solvent tenants. The Company checks the credit rating and credit history of new tenants. A majority of tenants have provided bank guarantees or deposit accounts with amounts equivalent to 3 to 6 months rent. The Group's objective is to establish such a guarantee in all new lease terms.

Credit losses in 2011 have been negligible.

Liquidity risk and financial flexibility
The Group seeks to maintain sufficient liquidity/credit facilities to meet their obligations. In addition, the Group will ensure to have adequate liquidity to meet unforeseen obligations. The financial strategy aims at maintaining flexibility in the market and withstand fluctuations in rental income.

At year-end the Group had a satisfactory liquidity and financial flexibility.

Non-current assets held for sale and discontinued operations
Non-current assets and groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through continuing use. This is considered to be the case only when a sale is highly probable and the non-current asset (or group of assets and liabilities) is available for immediate sale in its present form. Management must be committed to a sale, and the sale must be expected to be completed within one year from the date of classification.

Non-current assets and groups of assets and liabilities classified as held for sale are measured at the lower of the previous carrying amount and fair value less sales costs.

Non-controlling interests (minority interests)
Non-controlling interests in the Group's financial statement represent their share of the book value of equity. At acquisitions, the non-controlling interest is measured at its proportionate share of identifiable assets.

The subsidiary's profit, and the individual components of other income and expenses, is attributable to the shareholders of the parent company and non-controlling interests. Total profit is attributable to the parent company shareholders and to non-controlling interest even if this results in a negative non-controlling interest.

Subsequent events
New information after the balance sheet date about the Company's financial position on the balance sheet date is recognised in the financial statements. If significant, information is given about subsequent events that do not affect the Company's financial position at the balance sheet date, but will affect the Company in the future.

Note 2 – Overview of investments, subsidiaries and associated company

The companies Klostergata Holding AS and Mejselgatan Holding AS were decided to be sold on 31 December 2011, and assets and liabilities in the financial statements are reclassified as «held for sale».

In 2011 the Company established a new subsidiary, Innherredsveien Eiendom Holding AS (IEH AS), and the shares in Innherredsveien AS (IE AS) were sold to IEH AS for a price that reflected the market price of the property less deferred taxes. The purchase price was settled, partly by cash, financed by borrowing from IEH AS, and partly through seller financing.

The Company also sold shares in 2011 in NB Startup 1 AS at a price that reflected the equity in the company.

In 2011 a capital reduction was carried out in the company Klostergata Holding AS (70.98%), bringing MNOK19.4 into the Company.

In 2011 a write-down of a loan to Sandnes Sentrums Development AS (SS AS) of MNOK 4.4 was carried out as a result of negative equity in SS AS. In 2012, debt will be converted in order to strengthen the equity in SS AS.

The following subsidiaries are included in the consolidated financial statements:

Subsidiaries	Country	Main activity	Stake	Share of votes	Acquired/ founded	Cost per share	Profit for the year (IFRS)	Equity in company (IFRS)
Sandnes Sentrumsutvikling AS	Norway	Property	100%	100%	09.08.06	6 110	-9 814	0
North Bridge Sweden Syd AB	Sweden	Property	100%	100%	24.08.06	5 356	6 931	79 055
Innherredsveien Eiendom Holding AS	Norway	Property	100%	100%	26.10.11	22 002	20 253	21 996
Innherredsveien Eiendom AS	Norway	Property	100%	100%	16.10.06	-	4 632	1)
Sollihøgda Eiendom AS	Norway	Property	100%	100%	02.11.06	210	-60	42 397
Trollåsveien 34-36 AS	Norway	Property	100%	100%	07.05.07	17 446	4 806	42 058
Total						**51 125**	**26 748**	**185 506**

Company held for sale	Country	Main activity	Stake	Share of votes	Acquired/ formed	Cost per share	Profit for the year (IFRS)	Equity in company (IFRS)
Mejselgatan Holding AB	Sweden	Property	100%	100%	01.12.06	92	1 341	4 277
Klostergata Holding AS	Norway	Property	70.98%	70.98%	01.11.07	2 402	11 040	60 961
Total						**2 494**	**12 381**	**65 238**

1) Equity in Innherredsveien Eiendom AS not included, as this is a sub-subsidiary.

When assessing the Company's total investments in the subsidiaries, the subordinate loans must be considered. As of 31 December 2011, these amount to a total of MNOK 224.1.

Associated companies
The Company has a 40.63% stake in Sømmegården Eiendom AS. The company is recognised as an associated company (AC).

Company name	Type of property	Shares owned	Time of purchase
Sømmegården Eiendom AS	Office and commercial	40,6255%	30 October 2009

NBNP's stake of shares in the Sømmegården Eiendom was purchased on 30 October 2009 AS for MNOK 9.4. Recorded equity in the company at the time of purchase was approximately MNOK 23.5 (100%).

In 2011, a capital reduction was carried out in Sømmegården Eiendom AS, and NBNP received MNOK 1.4 from this.

Sømmegården Eiendom AS owns a commercial property in Sandnes of approximately 12,000 m2, located in Langgata, right in the centre of Sandnes. The building has 16 tenants. A summary of the key figures from the balance sheet and income statement is shown below:

In the Group's balance sheet, investments in the associated company is disclosed separately showing NBNP's share of the equity in the company, including the revaluation of investment property and financial contracts.

Summary balance sheet AC in TNOK	31 Dec. 2011	31 Dec. 2010
Total assets in the AC, after the revaluation	159 424	164 473
Total debt in AC	97 838	103 617
Equity in AC	61 586	60 856
NBNP's share of equity	**25 020**	**24 723**

Correspondingly, net income from investments in associates, net of tax, including revaluation, is shown separately in the Group's financial statements.

Summary results of the AC TNOK	31.12.2011	31.12.2010
Total operating revenue	12 706	12 339
Net profit after revaluation	4 231	16 726
NBNP's share of the profit	**1 719**	**6 795**

Shares in other companies
The Company's investment in NP Eiendomsinvest AS was, as part of the merger with the same company, dissolved in 2011 when the value of this asset was credited to NBNP's original shareholders at the exchange ratio calculation.

Note 3 – Segment information

Business Segment
The Group's business segments are divided into cash flows and development properties

2011	Cash flow	Development	Total
Amounts in TNOK			
Rental income from real property	82 423	0	82 423
Change in value of investment properties	-2 885	0	-2 885

2010	Cash flow	Development	Total
Amounts in TNOK			
Rental income from real property	64 345	831	65 177
Change in value of investment properties	83 248	6 722	89 970

Geographical segment
The Group's activities are mainly divided into the regions Norway and Sweden. The distribution of income and assets is based on the geographical location of the assets.

2011	Norway	Sweden	Total
Amounts in TNOK			
Rental income from real property	45 288	37 135	82 423
Change in value of investment properties	-4 793	1 908	-2 885

2010	Norway	Sweden	Totalt
Amounts in TNOK			
Rental income from real property	31 702	33 474	65 177
Change in value of investment properties	59 112	30 857	89 970

Note 4 – Other operating expenses

The Group	2011	2010
Amounts in TNOK		
Operating costs property	16 233	17 592
Management and business manager fees	15 027	11 517
Loss on receivables	750	150
Other costs [1)]	5 266	2 854
Total other operating expenses	**37 276**	**32 113**

Parent company	2011	2010
Amounts in TNOK		
Management fee	9 941	9 180
Success fee	-	-
Other expenses [1)]	2 150	628
Total other operating expenses	**12 092**	**9 808**

1) Other expenses for the Group and parent company also include operating costs for NP Eiendomsinvest AS until the merger with NBNP, when the merger became effective on 1 January 2011.

Note 5 – Employee benefits and auditor expenses

As of 31 December 2011, neither the parent company nor Group had any employees. Hence, no OTP (employee insurance) scheme has been established.

No directors' fees in the parent Company or Group for 2011 were paid or accrued.

The Managing Director of NBNP AS is employed by North Bridge Management AS and receives his salary from this company. The Board's external members are also remunerated by North Bridge Management AS.
No fee in addition to those accounted for in note 6 has been paid to North Bridge Management.

The Group's auditors have been compensated for their services as follows (1,000 USD):

The Group: Auditor's fees/services	**2011**	**2010**
Amounts in TNOK		
Statutory audit	307	491
Extended financial audits	74	
Other assurance services	5	21
Tax advice	7	6
Other non-audit services	-	9
Total	**394**	**527**
Statutory audit, other than the Group auditor	**85**	**65**

Parent company: Auditors' fees / services	**2011**	**2010**
Amounts in TNOK		
Statutory audit	125	168
Extended financial audits	66	
Tax advice	6	6
Total	**197**	**174**

Audit fees are exclusive of VAT.

Note 6 – Transactions with related parties

The Company's originally largest shareholder, NP Eiendomsinvest AS, previously owned 51.6% of the shares. In a merger completed in the autumn of 2011, the shareholders of NP Eiendomsinvest AS became direct shareholders in NBNP.

The main categories of transactions between related parties and the Company / Group are as follows:
- The acquisition of real estate, where shares in the Company constitute all or part of the consideration to the individual seller
- Service and management contracts.

In 2011 there was no sale of property between shareholders and the Company, or transactions in which shares of the Company were included in the consideration.

The Group has contracts for the operating and maintaining most properties, with external managers, on commercial terms.

For the Innherredsveien, Klostergata and Trollåsveien properties, there are contracts for services and development with North Bridge Property Management AS, which has an indirect ownership connection with the Group through joint underlying owners, and is also a tenant in Innherredsveien Eiendom AS.

Furthermore, the Company in 2011 had an agreement with Exacta Services AS (formerly: SMB Finance and Accounting AS), for accounting services for several of the companies in the Group, including the parent company. Exacta Services AS has an indirect ownership connection with the Group through joint underlying owners, as North Bridge AS purchased a minority share in the company in the autumn of 2008.

All contracts are on commercial terms.

The Company has also signed a management agreement with North Bridge Management AS (Manager), which is responsible for the overall operations of the Company. A significant part of the underlying shareholders in North Bridge Management AS is directly or indirectly shareholders in NBNP. The fee structure for the services in question is as follows:

Asset management and administration fees
For developed properties, a fee for the Manager is calculated at 0.65% per annum of the principal's total capital. For undeveloped properties, the fee for the Manager is calculated at 1.75% per annum of the market value of the property until the investment committee has approved the development for a particular purpose and obtained approval for the regulation for this purpose.

The following definitions apply to the calculation of total assets:
- Until the first valuation is available, total capital is set to equal the gross purchase price for the property including the costs (defined as the total value paid for the shares or stakes (equity) and liabilities taken over or established by the transaction).
- For properties and projects that are developed from undeveloped land where the investment committee has approved the development for a particular purpose and has obtained approval for the regulation for this purpose, total capital is defined as:
- 40% of the estimated sales value of the properties or the project up to the building starts, and;
- 80% of the estimated sales value of the properties or the project after the building starts
- For properties that are not wholly owned, total assets are calculated using the same principles pro rata.

The fee is calculated monthly and billed in arrears per quarter. The fee includes the Manager's work, but does not include:
(I) External costs related to the principal or SPV company
(Ii) Costs associated with external suppliers, or
(Iii) the VPS costs related to the registration of the share and costs related to the production and distribution of material to investors.

Costs referred to in paragraphs (i) to (iii) will be billed and paid by the employer or the respective SPV company.

Success fee
The Manager is entitled to a success fee related to achieving a minimum return on invested capital (excluding subscription and facilitation fees) to the client. The calculation is made on the basis of the valuation of the principal's properties, including the value of the contracts on purchased, but not taken over properties, and the real value of call options on property. The calculation is made whenever a valuation is prepared by an external assessor, at least quarterly or semi-annually upon the Manager's request. For the part of the return on equity in excess of a return to «1year's LIBOR + 4%», 18% goes to the Manager as a success fee.

Payments are subject to a «high water mark», which means that the cumulative return must exceed the «1 year LIBOR + 4%» on an annual basis for all previous periods, before a new success fee is paid.

Success fees are earned continuously in accordance with the provisions above. A success fee was first calculated and paid on 1 January 2008. After that, success fees, if applicable, have been paid out every six months and no later than 1 September and 1 March of the calendar year.

Rental fees
When renting premises where a real estate agent is used, the administration of the process is considered as part of Manager's duties under the agreement. The Manager is entitled to rental fees where he has initiated the leasing and/or renegotiates the lease premises. The Manager shall receive 10% of the first year's rent from the new lease. Upon renewal, and/or extension of the existing lease, the rental fee will be calculated at 5% of the first year's rent. The Manager is not entitled to rental fees in cases where the lessee uses the contractual option to extend the already leased space.

Facilitation fee
The Manager will receive a facilitation fee for assistance in connection with a client's equity issuance as agreed upon separately for each transaction, and which shall be within the parameters disclosed in the subscription invitation. Other costs than those stated in the agreement cannot be charged to the client. Any extraordinary costs incurred as a result of an emergency, however, will be covered by the client separately.

In 2011, North Bridge Management AS charged NBNP the following fees:

Fees	**2011**	**2010**
Amounts in TNOK		
Management fee	9 430	9 180
Rental fee	511	0
Transaction fee	0	0
Success fee	0	0
Total	**9 941**	**9 180**

Note 7 – Financial items and financial instruments

THE GROUP

Finance income	**2011**	**2010**
Amounts in TNOK		
Interest income	2 401	1 122
Change in fair value of interest rate swaps	0	0
Gain on exchange	0	6 386
Reversal of impairment	0	5 500
Other finance income	1	1 021
Total finance income	**2 401**	**14 028**

Finance expenses	**2011**	**2010**
Interest expense on loans	30 726	19 001
Changes in fair value of interest rate swaps	7 041	3 566
Other finance costs	421	508
Net finance expenses	**38 188**	**23 075**
Net finance items	-35 787	-9 047

The change in value on interest rate swaps recognised in the income statement is classified as finance income / expense since the change in value is not recognised as hedges.

The exchange difference in 2011 was a negligible cost (0.3 million NOK) and is included in other finance expenses.

PARENT COMPANY

Finance Income	**2011**	**2010**
Amounts in TNOK		
Interest income	1 133	735
Change in value of investment in subsidiary	15 324	102 573
Interest income – within the Group	2 712	2 028
Group contributions	1 969	620
Exchange difference	0	6 386
Reversal of impairment	0	5 500
Other finance income	126	1 020
Total finance income	**21 264**	**118 861**

Finance expenses	**2011**	**2010**
Loss on sale of shares	0	0
Other finance costs	596	1 650
Net finance expenses	**596**	**1 650**
Net finance items	**20 668**	**117 211**

THE GROUP

Financial instruments - assets	2011	2010
Amounts in TNOK		
Bank deposits	63 795	50 671
Customers	2 701	5 124
Short-term receivables	12 095	4 661
Long-term receivables	0	8 437
Total financial instruments - assets	**78 591**	**68 893**

Financial instruments - liabilities	2011	2010
Amounts in TNOK		
Suppliers	6 113	12 683
Interest rate swaps	10 112	13 684
Liabilities to credit institutions	447 792	535 404
Other current liabilities	9 085	32 827
Total financial instruments - liabilities	**473 102**	**594 598**

PARENT COMPANY

Financial instruments - assets	2011	2010
Amounts in TNOK		
Bank deposits	44 636	27 475
Short-term receivables	159	1 023
Long-term receivables	224 145	170 539
Total financial instruments - assets	**268 940**	**199 037**

Financial instruments - liabilities	2011	2010
Amounts in TNOK		
Long-term debt subsidiaries	14 952	7 847
Suppliers	2 491	2 516
Total financial instruments - liabilities	**17 443**	**10 363**

All assets other than bank deposits, interest rate swaps and cash equivalents are recorded as loans or receivables. Interest rate swaps are recognised at fair value with changes over the income statement. All liabilities are recorded as other liabilities. Book values equal or approximately equal fair value.

Note 8 – Taxes

THE GROUP		
The tax charge of the year comprises:	**2011**	**2010**
Amounts in TNOK		
Tax payable	378	0
Change in deferred tax	-2 407	839
Tax effect of Group contributions	613	174
Prior year's inadequate deferred tax provision	35	-2 169
Total income tax charge	**-1 381**	**-1 157**
Tax charge of the year for Norway		
Tax payable	0	0
Change in deferred tax	-2 866	-681
Tax effect of Group contributions	613	174
Prior year's inadequate deferred tax provision.	35	1 701
Total income tax charge	**-2 217**	**1 194**
Tax charge of the year for Sweden		
Tax payable	378	0
Change in deferred tax	459	1 520
Prior year's inadequate deferred tax provision	0	-3 870
Total income tax charge	**836**	**-2 350**
Calculation of the basis for taxation:		
Profit before tax	10 523	121 038
Permanent differences	-27 730	-104 039
Change in temporary differences	12 401	-12 814
Tax losses carried forward	-3 480	-8 736
Basis for tax calculation	**-8 285**	**-4 551**
Overview of temporary differences:		
Receivables	-1 069	86
Financial instruments, including those "held for sale"	-20 633	-13 684
Non-current assets	63 339	68 149
Other	2 336	101 813
Loss carried forward	-87 571	-81 968
Subtotal	-43 597	74 396
Write-down of tax-reducing temporary differences	96 646	-12 582
Basis for deferred tax	53 050	61 814
Calculated net deferred tax	14 854	17 308
Unrecognised deferred tax assets	17	0
Deferred tax assets held for sale	1 830	0
Net deferred tax recognised in balance sheet	**16 701**	**17 308**
Explanation of why the tax charge does not constitute 28% of profit before tax :		
Profit before tax	10 523	121 038
28% tax on profit before tax	2 947	33 891
28% tax on permanent differences	-7 015	-29 131
28% of the deficit / MF without the tax benefit	2 653	-3 747
Prior year's inadequate deferred tax provision	35	-2 169
Calculated income tax charge	**-1 380**	**-1 157**
Effective tax rate *	-13%	-1%

* Income tax expense in relation to profit before tax

PARENT COMPANY

Amounts in TNOK	2011	2010
The tax charge of the year comprises:		
Tax payable	0	0
Change in deferred tax	0	0
Total income tax charge	**0**	**0**
Calculation of the basis for taxation:		
Profit before tax	10 380	114 207
Permanent differences	-18 024	-109 987
Change in temporary differences	0	0
Tax losses carried forward	0	-4 220
Basis for taxation	**-7 644**	**0**
Overview of temporary differences:		
Shares	0	8 037
Loss carried forward	-74 079	-67 055
Basis for deferred tax liabilities / (assets)	-74 079	-59 018
Estimated 28% deferred tax liabilities / (assets)	-20 742	-16 525
of which recognised in the balance sheet	0	0
Explanation of why the tax charge is not 28% of profit before tax:		
Profit before tax	10 380	114 207
28% tax on profit before tax	2 907	31 978
28% tax on permanent differences	-5 047	-30 796
28% of the deficit / MF without net effect on tax	2 140	-1 182
Other differences	0	0
Estimated income tax charge	**0**	**0**
Effective tax rate*	0%	0%

* Income tax expense in relation to profit before tax

As of 31 December 2011, the Company had accumulated a tax loss to carry forward of MNOK 74.1. When the financial statements were prepared, there was not sufficient free equity or taxable profits in subsidiaries to provide for group contributions to offset the loss to carry forward in the parent company.

A provision for 3% tax on gain from the sale of shares was removed in 2011, as this tax regulation was changed.

The Group's structure implies that the taxable income directly attributable to the Company can be limited. It is therefore uncertain whether losses carried forward can be utilised in their entirety trough ongoing operations. With the future development of the properties, the potential in the real estate portfolio can be better utilised. This will provide improved margins on current operations, and taxable income can be offset against losses carried forward.

Deferred tax assets can be balance sheet recorded for the portion of the carried forward tax loss that can be offset against future taxable income.

A possible future sale of properties in the subsidiary will provide taxable income that can be offset against the carried forward loss in the form of a group contribution.

Note 9 – Earnings per share

Ordinary earnings per share is calculated as the ratio of net profit attributable to the ordinary shareholders of MNOK 8.7 (MNOK 111.1 in 2010) and the weighted average number of ordinary shares during the financial year of 3,271,416 (cf. below) (327 950 in 2010).

Calculation of earnings per share	2011	2010
Net profit after tax in TNOK (majority share)	8 716	111 138
Number of shares outstanding at 31 December	3 271 416	327 950
Average number of outstanding shares [1)]		327 950
Earnings per outstanding share in NOK	**2,66**	**339**
Earnings per diluted share in NOK[1)]		**339**

1) In the second half of 2011, the Company merged with NP Eiendomsinvest, which before the merger owned approximately 51.56% of the Company. In connection with the merger, there was a so-called stock split with the consequence that each existing share in NBNP yielded10 new shares. The number of shares is changed, but this does not entail any «dilution». Therefore, it has limited relevance to calculate the average number of shares or diluted earnings per share.

Note 10 – Investment in subsidiaries

	2011	2010
Amounts in TNOK		
Opening balance as of 1 January	123 979	125 348
Additions through acquisition / formation	500	0
Cost adjustment	18 002	0
Group contributions	6 600	0
Disposals through sale	-76 083	0
Acquired through the increase of share capital	0	0
Disposal by repaying capital	-19 380	0
Reclassification (shares for sale)	-2 494	-1 369
Cost as of 31 December	**51 125**	**123 979**
Fair value adjustment as of 1 January	251 186	153 242
Change in fair value recognised in the period	15 362	102 573
Reduction at sale	-69 333	0
Reclassification (shares for sale)	-61 056	-4 176
Other	-1 777	-453
Fair value adjustment as of 31 December	**134 382**	**251 186**
Book value as of 31 December	**185 506**	**375 165**

Disposals of shares by sale involve the sale of shares in Innherredsveien Eiendom AS from the Company to the newly founded subsidiary Innherredsveien Eiendom Holding and the sale of shares of NB Startup 1 AS (cf. note 2)

The investment in shares in subsidiaries is designated as financial assets and accounted for using the fair value option pursuant to IAS 39 at the time of inception. Changes in value of the investment are recognised in the income statement.

Mortgaged shares
There are no mortgaged shares.

Note 11– Investment Property

	2011	2010
Amounts in TNOK		
Opening balance as of 1 January	910 659	800 492
Additions by acquisition	-	-
Reclassification	-	-
Reclassification (property for sale)	-216 257	-24 037
Additions by improvements (excl. property held for sale)	11 195	134 205
Cost as of 31 December	**705 597**	**910 659**
Fair value adjustment at 1 January	227 276	118 098
Change in fair value recognised in the period (excl. property held for sale)	-10 661	89 970
Reclassification (property for sale)	-83 846	-5 566
Translation / other	-221	24 775
Fair value adjustment as of 31 December	**132 548**	**227 276**
Book value at 31 December	**838 145**	**1 137 935**
	1 138 248	1 167 539

Investment property is property held either to achieve rental income and/or increase in value and not for the use of the Group companies. Investment properties are carried at fair value at the acquisition date. All Group properties are subject semi-annually to a valuation made by management, where all properties are assessed using the current macro-economic assumptions (interest rates, inflation expectations, etc.) and adjustments for significant changes in the rental portfolio. In addition, a technical review of all properties is performed on a regular basis. The Group’s property is in line with this being valued semi-annually and most recently on 31 December 2011.

The required return is determined for each property based on a long-term risk-free rate plus a risk adjustment. A risk adjustment is normally based on an assessment of geography, location, property standards, the tenants’ financial conditions and the duration of the leases.

The value of a cash flow property is calculated primarily by discounting net property rental income, based on current market rent and adjusted for any excess/shortfall of value in the portfolio of signed leases, and permanent vacancies, if applicable. The valuation as of 31 December 2011 used yield levels ranging from 5.75% to 9.0%.

The value of a development property is calculated primarily by discounting future net rental income to determine the gross value of the project, reduced by the project’s total cost. This gives a net value which is adjusted in relation to the remaining time until completion and assessed risk.

To support management‘s assessments, the Company also obtained external valuations as of 31 December 2011 from the company Newsec in Norway and Sweden. Like the Company, the external assessor has also emphasised the capitalisation value.

Changes in fair value are recognised as «changes in value of investment properties» in the income statement. Investment properties are not depreciated.

There are no material contractual obligations to purchase, construct or develop investment property.

This year’s rental income from the leasing of property was MNOK 82.4 (2010: MNOK 65.2).

Note 12 – Shares in holding company NP Eiendomsinvest AS and merger

In 2010, the Company acquired 92,800 shares in the company NP Eiendomsinvest AS, which at the time owned 51.56% of the shares of the Company.

In September 2010, it was decided to merge NP Eiendomsinvest AS and the Company with NBNP as the acquiring company. As part of the merger, the shares were deleted, but were nevertheless taken into account in the calculation of the conversion ratio.

Note 13 – Interest rate contracts

The Group's financial risk related to the development of financial expenses and cash flows as a result of changes in interest rates were reduced by having a balanced interest rate adjustment profile on the debt portfolio. The Group's debt is absorbed primarily at floating rates, and to tailor the debt portfolio to the Group's goals for the interest rate profile, interest rate swaps contracts were used, i.e., agreements to exchange interest rate conditions for a particular nominal amount over a specified number of periods.

The interest rate swap contracts imply that compensation is given for the difference between the floating and fixed rate agreed upon, and the interest paid is the actual fixed interest. In some of the loan agreements there is a requirement from the lender to establish interest rate swaps contracts.

As of 31 December 2011, the Group's interest rate swaps contracts had a negative value and are included in the item «Financial contracts» in the balance sheet.

As of 31 December 2011, the Group had entered into contracts regarding the following interest rate instruments:

Company	Currency	Contract amount[1]	Year of expiration	Fixed interest rate (ex margin)	Fair value (TNOK)[2]
Innherredsveien Eiendom AS	TNOK	50 000	2014	2.95%	-165
Sandnes Sentrumsutvikling AS	TNOK	27 500	2017	5.56%	-3 674
Trollåsveien 34-36 AS	TNOK	30 000	2013	2.36%	-77
North Bridge Sweden Syd AB	TSEK	100 000	2016	3.55%	-6 140
North Bridge Sweden Syd AB (interest rate-cap)	TSEK	60 000	2012	5.50%	-56
Total Group					**-10 112**

Companies held for sale	Currency	Contract amount[1]	Year of expiration	Fixed interest rate (ex margin)	Fair value (TNOK)[2]
Klostergata Holding AS	TNOK	99 000	2019	4.89%	-10 521
Total Group					**-10 521**

1) The contract amount is defined as the principal on the instrument.
2) Fair value is defined as a possible market value at 31 December based on reports from contract counterparties.

In addition, the subsidiary North Bridge Sweden South AB has an «interest rate cap» agreement, where a proportion of mortgage loans in SEK, limited to MSEK 60, is secured, so that the interest rate cannot exceed 5.5% per year before the margin, with a term of maturity until 2 July 2012.

Mejselgatan Holding AB has a fixed interest rate loan of MSEK 9 million at 4.6% interest before the margin, with a term of maturity until 4 November 2013.

Note 14 – Restricted cash and credit facilities

The Group has MNOK 0.2 in restricted cash related to the deposit of rent.

The Group has no credit facility not drawn upon.

Note 15 – Share capital, shareholders and dividends

In September 2011, it was decided to merge NP Eiendomsinvest AS, which owned 51.56% of the Company, and NBNP. The merger had a very small effect on the balance sheet of the Company.

At the same general meeting, it was decided to allocate MNOK 78.5 of previously paid capital to the shareholders of the merged company. The payment was completed in late December 2011.

Changes in share capital

Ordinary shares	**Amount**	**Nominal value (NOK)**	**Book value (TNOK)**
1 January 2006			
Capital increase 2006	220 408	1 000	220 408
Total 31 December 2006	**220 408**	**1 000**	**220 408**
Capital increase 2007	107 542	1 000	107 542
Capital nominal value - transfer to other equity	327 950	-500	-163 975
Total 31 December 2007	**327 950**	**500**	**163 975**
Capital increase 2008	-	-	
Total 31 December 2008	**327 950**	**500**	**163 975**
Capital increase 2009	-	-	
Total 31 December 2009	**327 950**	**500**	**163 975**
Capital increase 2010	-	-	
Total 31 December 2010	**327 950**	**500**	**163 975**
The split of the share's nominal value in September 2011	3 279 500	50	-
Adjustment of the share capital at the merger in September 2011	-8 084	50	-404
Total 31 December 2011	**3 271 416**	**50**	**163 571**

The calculation of earnings per share and diluted earnings per share is shown in note 9.

Authorisation to purchase own shares
The general meeting in the parent company NBNP has decided to authorise the purchase of up to 10% of its own shares and the equivalent from the holding company NP Eiendomsinvest AS. The plan runs until 1 July 2012, but it will be proposed to extend it for another year at the annual general meeting in 2012.

Voting rights are restricted
All shares have equal rights in the Company, but no shareholder or proxy at the general meeting can vote for more than 20% of the Company's share capital, including proxies from other shareholders. This limitation does not apply to votes that the CEO, Chairman and/or North Bridge Management AS cast on the authorisation from shareholders of the Company, provided that each such proxy(ies) from one shareholder cannot cast votes for more than 20% of the Company's share capital.

Overview of the major shareholders at 31 December 2011:	**Number of shares**	**Stake**
MGL Investments Ltd	595 590	18.21%
Trondheim Kommunale Pensjonskasse	139 071	4.25%
ASEO AS	90 900	2.78%
Skaaret Holding AS	89 240	2.73%
Kjetil Grønskag	63 620	1.94%
Sparebanken Midt-Norge Invest AS	51 340	1.57%
Saga Eiendom AS	51 000	1.56%
SIX SIS AG (client account)	48 000	1.47%
Ligna AS	47 550	1.45%
Steinar Drægebø	45 450	1.39%
BSN AS	41 670	1.27%
Kragerø Sparebank	41 551	1.27%
Christopher Berkeley Pease	36 330	1.11%
Andre	1 930 104	59.00%
Total number of shares	**3 271 416**	**100.00%**

All shares in the Company have an equal right to dividends.

Shares held by directors and senior employees, directly or indirectly through separate companies:

Shareholder	Number of shares
The Board	
Kjetil Grønskag	63 620
Jon Gausen	39 100
John Lian	51 000
Mats Clarhäll	4 355
Jon Guste-Pedersen[1)]	
Total	**158 075**

1) Jon Guste-Pedersen has a leading position in Kragerø Sparebank, which owns 41,551 or 1.27% of the shares in NBNP. (These shares are not included in the «total» owned by the Board.)

Note 16 – Receivables and liabilities

GROUP

Receivables due later than one year	**2011**	**2010**
Amounts in TNOK		
Long-term receivables	-	8 437
Total	**-**	**8 437**
Long-term debt		
Liabilities to credit institutions with maturity in 2012	15 071	
Liabilities to credit institutions with later maturity	432 721	535 404
Total	**447 792**	**535 404**
Debt secured by mortgages	447 792	567 721
Pledged assets		
Investment assets	735 054	1 005 240
Property for sale	306 356	29 604
Total	**1 041 411**	**1 034 844**

PARENT COMPANY

Long-term intercompany receivable	**2011**	**2010**
Amounts in TNOK		
Due between 1 and 5 years	224 145	170 738
Total	**224 145**	**170 738**

Note 17 – Propery held for sale

The company Klostergata Holding AS owns an office property of approximately 6,900 m^2. The property is under preparation for sale.
The company Mejselgatan Holding AB owns a commercial property of 4,110 m^2 in Vellinge in Sweden. The property is offered for sale.

FINANCIAL STATEMENT FOR MEJSELGATAN HOLDING AB 2011

Summary balance sheet 31.12.2011	Mejselgatan Holding AB (IFRS)	Shown in the Group financial statements	Shown in the parent company
Amounts in TNOK			
Investment property	37 085	37 085	
Current assets	2 102	2 102	
Loans to subsidiaries			8 894
Total	**39 188**	**39 188**	**8 894**
Equity	4 277	4 277	4 277
Deferred tax	468	468	
Mortgage debt	22 133	22 133	
Liabilities to Group companies	11 315		
Other short-term debt	995	995	
Total	**39 188**	**27 873**	**4 277**

Summary income statement 2011	Mejselgatan Holding AB (IFRS)	Included in Group financial statements
Rental income	2 925	2 925
Other operating expenses	-459	-459
Fair value adjustment property	310	310
Net finance items	-1 256	-1 256
Profit before tax	**1 520**	**1 520**

FINANCIAL STATEMENT KLOSTERGATA HOLDING AS 2011

Summary balance sheet 31 December2011	Klostergata Holding AS (IFRS)	Shown in the Group financial statements	Shown in the parent company
Amounts in TNOK			
Deferred tax assets	2 298	2 298	
Investment property	269 271	269 271	
Current assets	4 604	4 604	
Total	**276 174**	**276 174**	**0**
Equity (majority)	60 961	60 961	60 961
Equity (minority)	24 924	24 924	
Mortgage debt	177 000	177 000	
Interest rate swap contracts	10 521	10 521	
Other short-term debt	2 768	2 768	
Total	**276 174**	**276 174**	**60 961**

Summary income statement 2011	Klostergata Holding AS (IFRS)	Included in Group financial statements
Rental income	16 952	16 952
Other operating expenses	-380	-380
Fair value adjustment property	7 466	7 466
Net financial	-13 645	-13 645
Profit before tax	**10 393**	**10 393**

Note 18 – Subsequent Events

There have been no events after the end of the financial year of significance for the assessment of the activities except for the following:

In May 2012, cracks were discovered in the property Ole Bullsgate in Sandnes. The extent of the damage has not yet been determined. The cause is believed to be construction work on the neighbouring property. The Manager has initiated necessary steps to secure the property and property owner's interests.

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

Til generalforsamlingen i
North Bridge Nordic Property AS

REVISORS BERETNING

Uttalelse om årsregnskapet

Vi har revidert årsregnskapet for North Bridge Nordic Property AS, som består av selskapsregnskap og konsernregnskap. Selskapsregnskapet og konsernregnskapet består av oppstilling over finansiell stilling per 31. desember 2011, resultatregnskap, oppstilling over andre inntekter og kostnader, oppstilling over endringer i egenkapitalen og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Styrets og administrerende direktørs ansvar for årsregnskapet

Styret og administrerende direktør er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for slik intern kontroll som styret og administrerende direktør finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Revisors oppgaver og plikter

Vår oppgave er å gi uttrykk for en mening om dette årsregnskapet på bakgrunn av vår revisjon. Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder International Standards on Auditing. Revisjonsstandardene krever at vi etterlever etiske krav og planlegger og gjennomfører revisjonen for å oppnå betryggende sikkerhet for at årsregnskapet ikke inneholder vesentlig feilinformasjon.

En revisjon innebærer utførelse av handlinger for å innhente revisjonsbevis for beløpene og opplysningene i årsregnskapet. De valgte handlingene avhenger av revisors skjønn, herunder vurderingen av risikoene for at årsregnskapet inneholder vesentlig feilinformasjon, enten det skyldes misligheter eller feil. Ved en slik risikovurdering tar revisor hensyn til den interne kontrollen som er relevant for selskapets utarbeidelse av et årsregnskap som gir et rettvisende bilde. Formålet er å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll. En revisjon omfatter også en vurdering av om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene utarbeidet av ledelsen er rimelige, samt en vurdering av den samlede presentasjonen av årsregnskapet.

Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon om selskapsregnskapet og vår konklusjon om konsernregnskapet.

ERNST & YOUNG

Konklusjon

Etter vår mening er årsregnskapet for North Bridge Nordic Property AS avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets og konsernets finansielle stilling per 31. desember 2011 og av deres resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Uttalelse om øvrige forhold

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til disponering av resultatet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at styret og administrerende direktør har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Bergen, 14. juni 2012
ERNST & YOUNG AS

Eirik Moe
statsautorisert revisor

NOTES

NOTES

2121085 • Bolt Communication AS • boltcommunication.no

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