

NORTH BRIDGE NORDIC PROPERTY AS



STATUS REPORT 1st QUARTER 2012

PROPERTY UPDATE

Newsec is the source of the values and yield¹⁾ levels in the tables below. The valuations were updated as of May 31, 2012. The NAV is calculated per property contained in the tables. However, the figures have not been approved by the board of directors or revised, and it is important to note that they may be simplified, or that there may be other factors that render the information inadequate.

	Lund Business Park	Lund, Sverige
	Share:	100%
	Segment:	Industrial/office/warehouse
	Constructed area m ² :	75,702
	Number of lessees:	11
	Annual rent as of May 31, 2012 (MNOK)	34.0
	Value as of May 31, 2012 (MNOK)	318.6
	Yield as of May 31, 2012	8.2 %
	NAV as of May 31, 2012 (NOK)	141.2

There are no significant events to report related to the property during the period covered.

	Innherredsveien 7	Trondheim
	Share:	100%
	Segment:	Office
	Constructed area m ² :	18.533
	Number of lessees:	18
	Annual rent as of May 31, 2012 (MNOK)	20.5
	Value as of May 31, 2012 (MNOK)	273.0
	Yield as of May 31, 2012	7.25%
	NAV as of May 31, 2012 (NOK)	84.3

As of May 1, there are 1,186 m² of vacant rentable space in the property, giving an occupancy rate of 93%. Work is ongoing in regards to renting the vacant space and the upward adjustment of rents. The new entrance area on Kirkegaten has been somewhat delayed but is essentially now completed. Beyond this, there have not been any specific incidents related to operation and maintenance during this period.

	Trollåsveien 34-36	Oppegård
	Share:	100 %
	Segment:	Office/warehouse
	Constructed area m ² :	10.253
	Number of lessees:	23
	Annual rent as of May 31, 2012 (MNOK)	8.7
	Value as of May 31, 2012 (MNOK)	87.0
	Yield as of May 31, 2012	9.0 %
	NAV as of May 31, 2012 (NOK)	27.9

As of May, there are 781 m² of vacant rentable space in the property, giving an occupancy rate of 92%. The renegotiation of leases, possibly with new tenants is ongoing.

1) The yield of a property is calculated as rental income minus costs divided by the property's estimated market value. Rental income minus cost of ownership, for example, of 6 million NOK and a market value of the property of 100 million NOK gives a yield of 6.0 per cent (6 mill/100 million).

As for operation and maintenance, a pilot project has been initiated for the improvement of indoor air quality. The work has been accelerated as there have been three fire outbreaks in connection with the fan units in a short period of time. Because of this, two new air handling units have been ordered which will be installed during the summer. This will reduce energy consumption and improve the indoor air quality in the property. The investment is in the order of 1.3 million NOK.

Beyond this, there have not been any specific incidents related to operation and maintenance during this period.

	Klostergata	Trondheim
	Share:	70.98%
	Segment:	Office/health/trade
	Constructed area m ² :	6,900
	Number of lessees:	2

The property is up for sale and an update in that regard is expected very soon. Some key information has been withheld in consideration of the sales process. Beyond this, there have been no other specific incidents related to operation and maintenance in this period.

	Sømmegården	Sandnes
	Share:	40.8%
	Segment:	Office/education
	Constructed area m ² :	11,600
	Number of lessees:	15
	Annual rent as of May 31, 2012 (MNOK)	12.1
	Value as of May 31, 2012 (MNOK)	143.0
	Yield as of May 31, 2012	7.75%
	NAV as of May 31, 2012 (NOK)	18.7

We were not successful in renting out vacant premises in the 1st quarter of 2012. Additional resources have now been committed to rental efforts. The available area is about 700 m² office/retail and approximately 600 m² of warehouse/storage facilities.

The Food Safety Authority, which leases an area of approximately 1,700 m², has reported that they will co-locate with other parts of the FSA at another address, which will most likely happen in 2015. They will therefore not be significantly extending the lease beyond the expiration date of the contract (June 2014).

There are no other significant events to report related to the property during this period.

	Ole Bullsgt.	Sandnes
	Share:	100%
	Segment:	Office/trade
	Constructed area m ² :	5,523
	Number of lessees:	12
	Annual rent as of May 31, 2012 (MNOK)	2.9
	Value as of May 31, 2012 (MNOK)	47.2
	Yield as of May 31, 2012	8.50%
	NAV as of May 31, 2012 (NOK)	5.9

In the middle of May, cracks were discovered in the building, it is assumed in connection with the foundation work at the neighbouring property. The case is being followed up with the builder and insurance company, in addition to the technical staff taking measurements and surveys. Beyond this, there have been no significant events to report related to the property during this period.

	Avtjerna	Sollihøgda, Bærum
	Share:	100%
	Segment:	Development residential
	Constructed area m ² :	480,000
	Number of lessees:	-
	Annual rent as of May 31, 2012 (MNOK)	-
	Value as of May 31, 2012 (MNOK)	128.0
Yield as of May 31, 2012	n/a	
NAV as of May 31, 2012 (NOK)	86.5	

There are no significant events to report related to the property during the period.

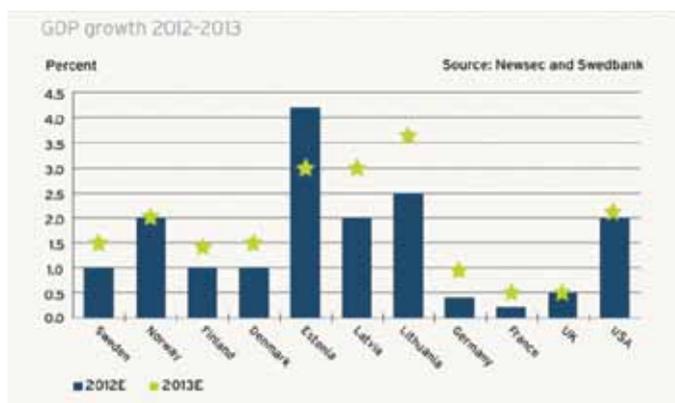
	Mejselgatan	Vellinge, Sverige
	Share:	100%
	Segment:	Warehouse/office
	Constructed area m ² :	4,110
	Number of lessees:	1
	Annual rent as of May 31, 2012 (MNOK)	2.9
	Value as of May 31, 2012 (MNOK)	35.6
	Yield as of May 31, 2012	7.50%
	NAV as of May 31, 2012 (NOK)	15.2

The property has been put up for sale through real estate agents in Sweden. There are no significant events to report related to the property during the period.

THE MARKED

In General

The Nordic economies are dependent on exports - exports account for about half of Nordic GDP, of which a large percentage goes to the EU countries, and the global slowdown will affect the region in 2012. However, economic growth in the region is expected to be high and domestic demand is expected to be an important source of economic growth.



The above figure shows the expected growth in the gross domestic product in 2012 and 2013 including for Norway and Sweden. Source: Newsec.

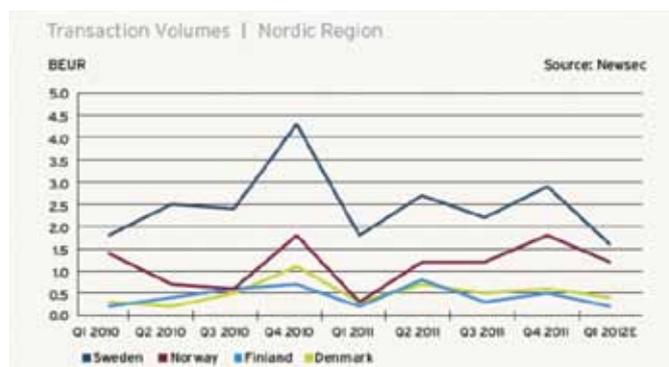
The region's strong underlying factors are expected to be reflected in a period of local growth combined with low international interest rates - a combination that could create significant potential in the property market.

Credit

The demand for increased capital requirements for European banks (deadline June 2012), in combination with a poor market for bank stocks, has meant that the banks are seeking to trim balance sheets rather than bringing in more equity. This, in combination with the liquidity challenges faced in the European banking system, has led to reduced access to credit in 2011. The Nordic property market will see tighter credit conditions, more selective banks and higher interest margins in 2012 and 2013.

Transactions

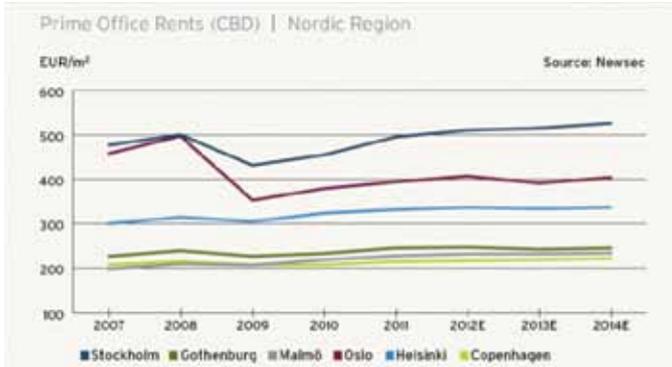
Although the volume of transactions in the Nordic countries is expected to fall slightly in 2012, it is expected that the market will still be quite liquid, especially for prime properties, due to strong economic fundamentals, a solid banking system and a high degree of market transparency.



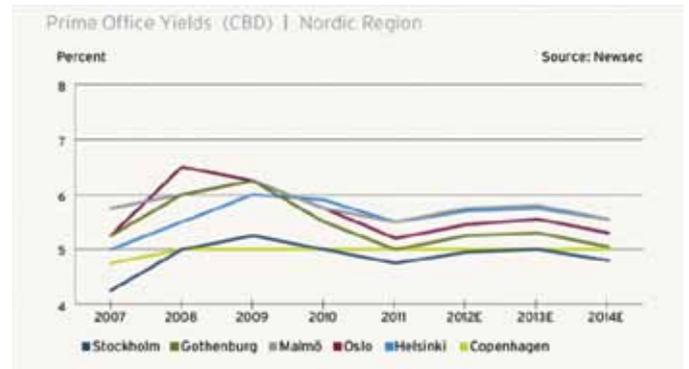
The above figure shows the quarterly transaction volumes in the Nordic countries. Source: Newsec.

Prime office rents in Stockholm CBD rose by around 15% in the period 2010-2011 and are expected to continue to rise over the next few years, albeit at a slower pace. Oslo CBD is a volatile rental market and rents rose by just over 10% in the period 2010-2011. The strong Norwegian economy will lead to continued rent increases, if at a somewhat slower pace in 2012, followed by a fall in 2013 due to lower economic growth and the increased supply of office space.

Property Value Growth in the Nordic countries such as we have seen in recent years will stabilise in 2012, as the level of rent increases slow and yield levels shift upward. While cash flow for prime real estate will be stable in 2012-2014, the yield levels will primarily be affected by limited access to credit, expectations of lower rental growth and general economic uncertainty. Prime real estate will be more in demand than lower quality and/or poorer located property because of investors' quest for predictable cash flows.



The above figure shows the development in rent level for "prime" office areas in a selection of Nordic cities. Source: Newsec.



The above figure shows the trend in the prime yield for office properties in a selection of Scandinavian cities. Source: Newsec.

Office areas will continue to do well in the coming years, even if property values fall slightly in 2012-2013. Although the level of rent increases will slow somewhat, the service sector in major cities will continue to grow and generate a continuous demand for high quality office space.

Newsec is the source of the market section.

The picture shows the property Innherredsveien 7 in Trondheim, seen from «Solsiden».



THE LAST REGULAR YEAR OF OPERATION FOR NBNP

This year is scheduled to be NBNP's last regular year of operation. The Board and manager have been working out a plan for this which entails those shareholders who opt for realisation having the bulk of their investment liquidated and paid out in the 3 quarter in the current year. This sometimes involves the sale of individual properties and the sale of shares in NBNP. In regards to Avtjerna however, we have chosen to recommend that it be further developed before implementing the plan. Below is a briefing in that regard.

Sale of property

The sales process for Klostergata has been put on hold pending clarification related to the pre-emption. This is now considered to be resolved and we expect that the property will be sold soon. The sale is expected to be at a level that corresponds to the last known valuation and NAV as of December 2011. A sale is expected to free up just under 60 million NOK after sales costs which will be distributed to the shareholders as soon as possible after the sale, although a portion of that amount will have to be detained for some time due to normal guarantees.

The sales process for Mejselgatan has taken longer than expected. There is however specific interest in purchasing the property, but it is expected to be at a slightly lower sales price than the last valuation. A sale is expected to free up approximately 11.5 million NOK after sales costs which will be distributed to shareholders on the same basis as described for the Klostergata transaction.

Sale of shares in NBNP

A selection of NBNP's properties have been presented to institutional investors in Europe. This includes the properties Lund Business Park, Innherredsveien, Trollåsveien, Ole Bull gate

(Elvegata Atrium) and Sømmegården. These are properties that have some further development potential and where the Manager sees opportunities for significant value growth over the coming years. There is now interest in buying shares in NBNP where other properties are assumed to have been spun off (or sold) and where NBNP's lifetime has been extended by 6 years. Those of the current shareholders who wish to call in their investment and would like to be able to sell their shares based on a purchase offer from an institutional investor, and those looking to continue their investment in NBNP, have the option to do so. A formal and binding purchase offer is not available at present, but there are ongoing processes that are expected to lead to this. We expect the settlement of such a share sale to be available in September of this year. Implementation requires the support of a sufficient number of sellers of shares and the approval of the amendment at the General Assembly.

De-merger

It is not recommended that Avtjerna be completed within the NBNP's lifetime, and it is not suitable for sale to institutional investors. The Board and the Manager will therefore propose that the property be transferred to a separate ownership structure through a merger so that Avtjerna can be matured further before implementation. It would also be appropriate for the properties that are now in the sales process, Klostergata and Mejselgatan, be spun off with Avtjerna. This will not change the sales process for them, nor affect the net sales proceeds from being distributed to current shareholders as quickly as possible, but it will help to ensure that a sale to an institutional investor of the shares of «new NBNP» can be implemented easily and at an earlier date. Work is currently underway on such a merger proposal that the board will eventually submit to the General Assembly.

The picture shows Lund Business Park in Lund, Sweden.



CORPORATE INFORMATION

The Annual General Meeting

Planned date of the Annual General Meeting is at 10:00 am on 26 June.

Kind regards,

North Bridge Nordic Property AS/
North Bridge Management AS

(Sign.)
Jørn H. Hynne
CEO

Oslo, June 4th 2012

The picture shows the property Innherredsveien 7 in Trondheim, seen from Kirkegata





North Bridge Nordic Property AS

Karenslyst allé 4
P.O. Box 211 Skøyen
0213 Oslo - Norge

Contact

t: +47 22 54 03 80
f: +47 22 54 03 81
www.northbridge.no