

## Status report for North Bridge Nordic Property

3rd quarter 2011

### Property update

#### Sømmegården (40.63%)

A 5 + 5 year lease agreement has been signed with the Norwegian National Rail Administration, effective as from 01.12.2011, on an area of 356 m<sup>2</sup>. At end-November the property has an overall vacancy of 1,041 m<sup>2</sup>, or 8%, distributed on 650 m<sup>2</sup> of office/commercial space and 391 m<sup>2</sup> of warehouse space.



*Sømmegården, Sandnes, Norway.*

### Other properties

For the other properties there were only minor changes, or none at all, in the period.

### Market

- Long market rates declined somewhat in the third quarter, resulting in somewhat reduced value (larger negative value) of the company's interest rate swaps.
- The interest margin on loans rose in the period, cancelling out any effect of the interest rate decline.
- At the start of 2011 several leading market participants predicted a transaction market volume of NOK 40-50bn in 2011. Reports now suggest a far lower volume. There are still many buyers for high quality properties with long leases and solid tenants. Other property segments appear to be facing reduced liquidity (i.e. fewer transactions, and a longer selling period needed).
- The best properties maintained their yield level in the third quarter, but other property segments must prepare for a higher risk premium (i.e. lower values).

## **Corporate information**

### **Merger**

According to information given in the status report for the second quarter of 2011, a merger will be carried out between North Bridge Nordic Property AS (NBNP) and NP Eiendomsinvest AS (NPE), with NBNP as the continuing company. The shareholders of NP Eiendomsinvest will accordingly receive shares in NBNP in exchange for their shares in NPE. NBNP will have around 350 shareholders after the merger. Further information is given in a separate letter enclosed with this status report.

### **Repayment of capital**

Also enclosed is notice of an extraordinary general meeting of NBNP on 15.12.2011, in which repayment is proposed of parts of the previously paid-in capital. Disbursement is planned in end of December 2011 provided the proposal is adopted by the general meeting. Further payouts to the shareholders will be recommended once NBNP has sold properties or by other means established funds available for distribution.

### **Asset management**

In October Rickard Nilsson was engaged as Asset Manager in North Bridge Management AS and will focus on developing NBNP's Swedish properties. Rickard has experience as head of a property company in southern Sweden and has substantial knowledge of the property market in this region.

Sincerely yours

North Bridge Nordic Property AS/  
North Bridge Management AS

(Sign.)

Jørn H. Hynne  
CEO

Oslo, 8 December 2011