

NBNP 2 AS

STATUS REPORT NO. 1 / 2015

This is the sixth report from NBNP 2 AS since the company was established on 20 September 2012 following the demerger from North Bridge Nordic Property AS. The company's only activity is to own and develop a plot comprising 490.000 m2 at Avtjerna on Sollihøgda in Bærum municipality.

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

PROPERTY UPDATE

	Avtjerna	Sollihøgda, Bærum
	Stake:	100 %
	Segment:	Dev. residential site
	Plot area m2:	490.000
	Number of lessees:	-

The following information concerns the new area plan for Bærum municipality, the status for the work on the Ringerike railway and the proposal for a hearing about the regional plan for land use and transport in Oslo and Akershus. This is the framework for the premises for developing Avtjerna. It is also mentioned how the company may receive rent in a period until the housing properties are developed.

A new area plan for Bærum municipality

In connection with a new municipality plan in Bærum, the Chief Administrative Officer's proposal for an area plan for Avtjerna had the following wording: *"The development of the Avtjerna area to be moved forward in time, until after 2030 at a minimum. The need for establishing a technical infrastructure is considerable, and the progress for planning and realising the Ringerike railway has not been clarified"*.

Following the publication of the Chief Administrative Officer's proposal, Manager worked with the municipality administration, politicians, special groups of interest and the Norwegian National Rail Administration in order to speed up the development of Avtjerna. A number of suggestions have been received during the hearing of the municipality area plan, including the following:

- The Chief Administrative Officer in Oslo and Akershus, Akershus County Authority and the Directorate of Public Roads request that Avtjerna must be linked to the railway before any development can take place.
- The Directorate of Mining demand that the municipality includes a clause concerning the Avtjerna development to secure that crushed stone resources can be taken out before the area is converted to housing. The mentioned crushed stone resource is not registered on property belonging to NBNP 2 AS.
- Ringerike municipality, resident associations in Bærum, Skui and Tanum, Bærum's Council for nature and outdoors life together with Invest Bærum AS are all of the opinion that the development of Avtjerna must be given priority.

In connection with the final approval of the municipality plan's area part (a legally leading document), the Chief Administrative Officer has now suggested the following as the regulation and guidelines:

Section 4.3 Before Avtjerna can be developed, more detailed framework and clauses for how the development shall proceed must be set down in the municipality plan, the municipality part plan or regulation plan. In these plans, adequate total transport solutions for the area, including an effective public transport and railway solution, must be secured and financed before the development is approved, and be established at the start of using the residential area. The plan for taking out the crushed stone resource in the area shall be available in connection with the regulation plan, at the latest.

The date for the approval of the municipality area plan has not been determined, but is expected to take place in the middle of 2015.



The Ringerike railway

On 21 March 2014, the kick-off for the co-operation of the Ringerike railway took place, with about 60 people present. Bærum's Mayor Lisbeth Hammer Krogh expressed the following: "We acknowledge how important it is to open new residential areas with good, quick and environmentally sound transport solutions in towards the Oslo area." She also said that Bærum wishes that the railway shall have a station at Bjørum, where the municipality has a large, unregulated housing area nearby (Avtjerna).

The progress with the preliminary work for the Ringerike railway is in line with the project plan. The third and last

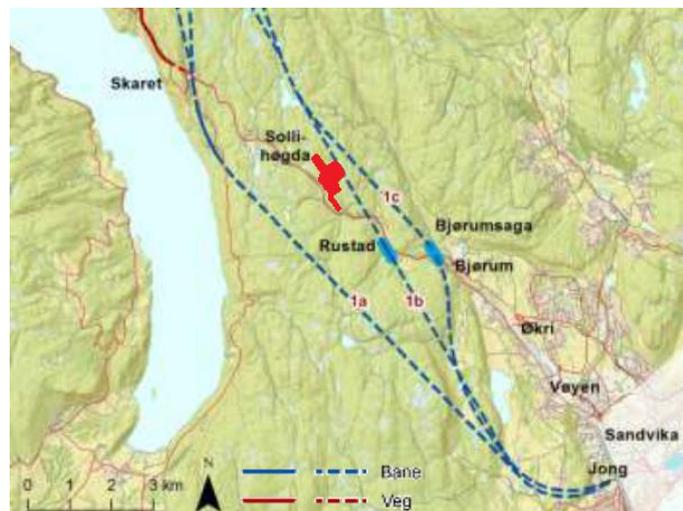


Fig. 1 Map prepared by the Norwegian National Rail Administration with three possible routes for the Ringerike railway. The blue marks show possible train stations for Avtjerna. The National Rail Administration recommends the railway route 1b with a station at Rustad. The red field shows NBNP 2's property.

sieving report from the National Rail Administration was published on 30 January 2015. There are now three alternative routes for the Ringerike railway, of which two include a train station at Avtjerna (marked with blue dots), e.g., routes 1b and 1c. Establishing the Ringerike railway according to the present plans will not include a train station during the development phase, only prepare for one. The National Rail Administration recommend route 1b for economic reasons. 1b has a train station at Rustad, somewhat more centrally localized at Avtjerna than Bjørum Sag, and is considered to be positive for NBNP 2.

Manager is in dialogue with the National Rail Administration's project leader for the Ringerike railway, with suggestions in line with the due date for submitting such statements.

During the period, the Ringerike railway has entered the national political agenda, and last year the party Høyre represented by the leader of the transport committee at the Norwegian Parliament, Linda Hofstad Helleland, suggested that the Ringerike railway be financed by a cooperation between public and private participants (OPS).

Manager will be in contact with the administration and politicians in Bærum municipality in the period until the municipality plan's area part is approved, and the follow-up of the Ringerike railway.

Regional plan for area and transport in Oslo and Akershus, "The Plan Cooperation"

The above is a cooperation between the Oslo City Council and Akershus County Council. The objective is to handle the population growth that is expected in the area in the 20 years to come, and the opportunities and challenges connected with this growth.

A discussion document of the plan was published in November 2014, with a time limit for comments at 27 February 2015. The plan was started in 2012 and did not include Avtjerna, nor the most recent signals for the Ringerike railway. Accordingly, the plan is not evidencing the most recent events. Manager has submitted the above points in order to ensure that the development opportunities at Avtjerna are included in the regional plans.

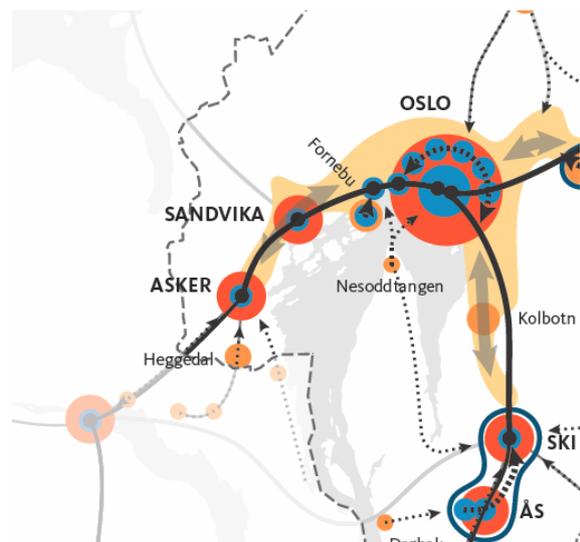


Fig. 2. Extract from the Plan Cooperation showing a sketch map over prioritised growth areas and principles for further developing the collective transport system. The Ringerike railway is not included (the grey line only indicates road, not railway).

A possible waste disposal site on the property

The Directorate of Public Roads has made public that the establishment of the first stage of a new four-lane E16, Sandvika – Wøyen, was physically started in the autumn of 2014. In that respect, Manager was contacted by several contractors and the above directorate concerning Lorangmyr, which is a part of NBNP 2's property on Avtjerna. Lorangmyr has previously been used as a waste disposal site for clay mass at the former section of the E16 development (Wøyen – Bjørum). The contractors wish to use Lorangmyr as a temporary site for managing and disposing of mass. Should such agreements be made, the company will be able to achieve a moderate income during a period of four years. On 26 March 2015, the Directorate of Public Roads submitted an application for

exemption to Bærum municipality (from the current regulation and area plan) to use Lorangmyr as a temporary stone deposit (intermediate deposit) with the accompanying processing of stone. So far, no decision has been made by Bærum municipality.

Manager has engaged an environmental consultant to create a compromised basis of how the land's condition will be at a possible upstart of a rental agreement with contractor/the Directorate of Public road. No agreement for renting Lorangmyr out to a temporary stone deposit has yet been made.

NAV CALCULATION

Date	NAV/share (NOK)	Change NAV/share in the last period 1)	Change NAV/share since the start 1)
30.06.2012	63,4	N/A	N/A
31.12.2012	40,9	- 7,2 %	- 7,2 %
30.06.2013	40,8	0,0 %	- 7,3 %
31.12.2013	40,0	-2,1%	-8,6%
30.06.2014	39,9	-0,4%	-8,8%
31.12.2014	41,9	5,2%	-5,5%

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

Net asset value (NAV) per share is calculated to NOK 41,93 as at 31 December 2014, an increase of 5,2% from NOK 39,85 as at 30 June 2014. Total NAV at 31 December 2014 constituted MNOK 137,2 compared to MNOK 130,4 as at 30 June 2014. The property value has increased by MNOK 8,2. NAV is also impacted by current operating expenses and a change in deferred tax.

As a basis for calculating NAV, two independent valuations related to the company's property Avtjerna were obtained, from Newsec and DTZ, as decided by the General Meeting on 26 June 2012. The value as at 31 December 2014 is set as an average of these two valuations.

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

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

The valuation of properties is made on the basis of calculated project values in carrying out a housing development project. In the Board's and Manager's opinion, the property will achieve a lower sales price than indicated by the valuations in today's market, and in the Board's view, particularly at a sale with a short time-line. The carrying value of the properties in the company's financial statements is lower than the assessment, but the latter is also based on the fact that the housing development project at some point in time will be realised.

COMPANY INFORMATION

The planned date for the Annual General Meeting is 8 June 2015.

Sincerely yours

NBNP 2 AS /
North Bridge Management AS

(sign.)
Jørn H. Hynne
CEO

Hans Jacob Låhne
Asset manager

Oslo, 19 May 2015