

## Interim report Second quarter and first half 2008

### Highlights

- Agreement with Brinova and Green Cargo for an extension of the property in Haninge Stockholm with 10,000 sqm, valued at SEK 90 mill
- Rental income NOK 91 mill (NOK 76 mill), year to date NOK 182 mill (NOK 161 mill)
- Operating income before fair value adjustments NOK 78 mill (NOK 69 mill), YTD NOK 152 mill (NOK 140 mill)
- Cost of debt 5.0% (5.0%)
- Earnings before income taxes NOK 16 mill (NOK 160 mill), YTD loss NOK 22 mill (NOK 227 mill)
- Acquisition of five properties totalling 110,000 sqm located in central logistics clusters in Sweden from Kungsleden AB, valued at SEK 600 mill, agreed in July



## Operating performance

Overall the quarter and year to date shows good operating performance with revenue increase from prior year of 13% year to date and increase in operating income before FVA of 8.6% year to date. The development in interest rates and market yield levels is however impacting the results negatively both for the quarter as well as year to date.

3 months ended June 30	3 months ended June 30		6 months ended June 30	6 months ended June 30
2008	2007	(in NOK millions, except otherwise indicated)	2008	2007
91.1	76.3	Total revenue	182.1	161.0
19.3 %		% Growth (YoY)	13.1 %	
13.1	6.8	Operating expenses	29.8	20.8
78.0	69.5	Operating income before FVA	152.3	140.3
12.3 %		% Growth (YoY)	8.6 %	
(77.4)	21.8	Fair value adjustment properties (FVA)	(116.9)	71.6
0.6	91.3	Operating income (EBIT)	35.4	211.9
15.8	68.6	Net financial items	(57.4)	15.1
11.0	115.6	Net earnings	(16.7)	163.8
32.5	41.6	Cash flow from operating activities	54.3	56.4
-21.7 %		% Growth (YoY)	-3.7 %	
5,206.5	4,748.9	Investment property fair value	5,206.5	4,748.9
5,975.9	5,585.8	Total assets	5,975.9	5,585.8
1,440.4	1,522.2	Shareholders' equity	1,440.4	1,522.2
3,752.8	3,209.5	Net interest-bearing debt, net of cash	3,752.8	3,209.5
26.5	27.1	Period end shares outstanding (millions)	26.5	27.1
26.6	20.9	Weighted average shares outstanding (millions)	26.6	20.2
0.42	5.54	Basic earnings per share, NOK	(0.63)	8.10
1.22	1.99	Cash flow from operations per share, NOK	2.04	2.79
54	56	Shareholders equity per share, NOK	54	56
24%	27%	Equity ratio	24%	27%

## Results

Financials for the first and second quarters include the operation of 19 properties. This compares to 17 properties in the first half of 2007, 3 of which were included in February 2007.

Second quarter revenues were NOK 91.1m, compared to NOK 91.0m in the first quarter. First half 2008 revenues were at NOK 182.1m compared to NOK 161.4m in the same period in 2007. The increase of 13.1% compared to the previous year was mainly driven by acquisitions and CPI adjustments of rents.

At the end of the second quarter the company had yearly contractual rents of NOK 364m, based on currency rates as at June 30.

Total operating expenses for the quarter were NOK 13.1m and for the first six months they were NOK 29.8m (YTD 2007 NOK 20.8m). For the first 6 months maintenance and other property expenses were 6.8% of revenue, compared to the prior year figure of 6.2%, for the same period. General and administrative expenses were NOK 17.3m year to date, significantly above the prior year's NOK 10.8m. The increase was mainly driven by one-off costs totalling NOK 5.1m related to the resignation of the former CEO, the closure of the Helsingborg office and acquisition costs.

Operating income before fair value adjustments was NOK 78.0m for the quarter and NOK 152.3m for the year to date, compared to NOK 140.3m for the first six months of 2007. The increase was mainly driven by acquisitions and CPI adjustments of rents, partly offset by one-

off costs. Excluding one-off costs, year to date operating income before fair value adjustments increased by 12.2%, compared with the previous year's year to date figure.

Fair value adjustment for the investment properties for the quarter was negative NOK 77.4m and year to date it was negative NOK 116.9m. This adjustment is based on the company's assessment of the core parameters impacting on the value of the investment properties, and is mainly driven by an increase in yield levels and interest rates.

Based on the company's assessment and valuation, and valuations performed by external valuers, the value of the company's investment properties at June 30 was NOK 5.206m.

Operating income (EBIT) after fair value adjustment was NOK 0.6m for the quarter and NOK 35.4m year to date (Q2 2007 NOK 91.3m and year to date 2007 NOK 211.9m).

Net financial items for the second quarter were positive NOK 15.8m and year to date negative 57.4m (Q2 2007 positive 68.6m and year to date 2007 positive NOK 15.1m). Included in net financial items for the quarter was a positive fair value adjustment on interest rate swaps of NOK 63.5m, driven by increase in interest rate levels. Other items, including a fair value adjustment on FX forward contracts, were negative NOK 47.7m for the quarter.

At June 30 the company had six interest derivative contracts and one currency derivative contract to reduce the interest and currency risk. The remaining average duration for the interest derivative contracts was 3.4 years at the end of the quarter, while the currency derivative contract is renewed on a quarterly basis. Ratio of loans hedged or with fixed interest at the end of the quarter was 75%, in line with previous quarters.

Average interest and margin paid on the loan portfolio was 5.0% at the end of the quarter, compared to 5.3% at the end of 2007. The reduction is due to a change of the interest swap portfolio to a shorter duration and a lower fixed interest rate effective January 15, 2008. Estimated net impact of this change on yearly interest costs up to the termination date for the derivatives is a reduction of NOK 18m (SEK 21m) and leads to an improved dividend capacity for the company.

Earnings before income taxes were NOK 16.4m for the quarter and a loss of NOK 22.0m for the first half, compared to a profit of NOK 159.9m for the second quarter 2007 and NOK 227.0m for the first half of the previous year. The decline was caused by the impact of fair value adjustments on the property portfolio and financial derivatives, partly offset by operational improvements.

Income taxes were NOK 5.3m (income) for the first half year. Net earnings were a loss of NOK 16.7m. This reflects earnings per share of negative NOK 0.63.

## Balance Sheet

Fair value of financial derivatives was NOK 183.8m as at June 30 (end of fourth quarter NOK 114.7m); of which interest rate swaps were NOK 183.1m (Q4: NOK 115.9m). Cash and cash equivalents at the end of the second quarter stood at NOK 507.5m, down from fourth quarter NOK 581.9m driven by the payment of dividends, repayment of debt and repurchase of shares in the period.

Total equity at the end of the quarter was NOK 1,440m (Q4 NOK 1,536m). Equity ratio was 24.1%, compared to 25.3% at the end of the fourth quarter. On June 30 the company held 551,000 of its own shares.

Net asset value (NAV) per share was NOK 54 at the end of the second quarter, compared to NOK 57 at the end of the previous year's fourth quarter.

## Cash-flow

Net cash generated from operating activities was NOK 54.3m for the first half year, compared to NOK 56.4m for the first half year of 2007. Measured per share net cash generated from operating activities was NOK 2.04 for the first half year.

Year to date net outflow from investing and financing activities was NOK 128.8m, driven mainly by the payment of dividends, capital expenditure on investment property, repayment of borrowing and purchase of own shares.

## The property portfolio

As of June 30 the property portfolio comprised 19 logistic properties with a lettable area of approx. 694,000 square meters and a fair value of NOK 5,206m.

Annual estimated contractual rents are NOK 364m (exchange rates as per June 30) with an average remaining duration of current rental contracts of 7.6 years and vacancy of 2.9%.

The valuation implies an estimated net yield of 6.4% assuming maintenance and other operating costs of 8% of revenue.

The Board has reviewed the strategy and focus areas for the company's portfolio. To improve the yield and profitability of the company the property portfolio may be extended to include combined industrial/warehouse properties as well as "big-box" retail properties. Geographically the focus will be Nordic and Baltic Sea area.

On June 30, 2008 NLP signed an agreement with Brinova Fastigheter AB for an extension of the property in Haninge, Stockholm, by approximately 10,000 sqm. After the development the property will have a total lettable space of approx. 33,000 sq. m. Green Cargo AB will rent the entire property. The investment is estimated to SEK 90 million, with expected finalization in December 2008. The rental agreement with Green Cargo has a lease term of 10 years with full yearly CPI adjustment. The rental agreement implies an initial net yield for NLP of 7.0%.

On July 17, 2008 NLP entered an agreement with Kungsleden AB to acquire five logistics properties strategically located in central logistics clusters in Sweden. The agreed acquisition price is SEK 600m. The properties are of high quality and are located in Gävle, Mjölby, Ängelholm and Göteborg. All properties are fully let with an average combined remaining lease term of approximately 10 years. Lettable area is approximately 109,500 sqm. The largest tenants are Runsven AB, Lindex AB and Clas Ohlson AB, which together account for 75% of the yearly net rental income of SEK 42 million. Closing of transaction is expected to take place at latest October 1, 2008, with financial impact from fourth quarter 2008.

## Financing

At the end of June the company had total borrowings of NOK 4,260m. Scheduled repayments for the next twelve months are NOK 69m. Net debt, adjusted for cash and cash equivalents was NOK 3,753m at the end of the second quarter.

Net debt was 72.1% of total value of investment property at the end of the second quarter, as compared to 69.7% at the end of 2007.

The company has entered into interest rate swaps relating to the credit facilities. Average remaining duration at the end of the quarter was 3.4 years and average fixed interest was 3.6% (excluding loan margin). The ratio of loans hedged or with fixed interest at the end of the quarter was 75%.

Effective January 15, 2008 the company has changed three of the interest rate swaps to a shorter duration and a lower fixed interest rate. Before the change, the average remaining duration of all contracts was 8.9 years (as per December 31) and the average fixed interest was 4.2% (excluding loan margin).

To fund the extension of the property in Haninge, Sockholm, NLP has entered into an agreement for a long term loan maximized at 80% of the market value of the extension at completion, with interest corresponding to 3 months STIBOR plus a margin of 1.00% . The investment is expected to be finalized in December 2008.

On July 17, 2008, NLP signed an agreement with Kungsleden AB to acquire 5 logistics properties in Sweden for an agreed price of SEK 600m. To fund this acquisition the company entered a financing commitment totalling SEK 420m with interest corresponding to 3 months STIBOR plus a margin of 1.20%. The expected closure date is October 1, 2008.

## Organization

Northern Logistic Property will optimize its organization by restricting its complement of personnel to strategic managers focusing on the initiation and execution of investments. Services benefiting from larger scale will be outsourced to professional organizations.

On March 5, 2008 the Board of NLP and CEO Göran Bengtsson agreed that Mr. Bengtsson should resign from his position as CEO. Mr. Bengtsson has a 6 months notice period and will be available to NLP during this time.

On August 5, 2008 the Board hired Per Gunnar Rymer as CEO. Mr. Rymer is 38 years of age and will commence the employment with the company mid September. Until the new CEO is hired and active, the Chairman, Mr. Gunnar Reitan, has the position as Executive Chairman with Erik Dahl as Acting CEO on a temporary basis.

The Board has performed a review of the organization, staffing and purchase of outside services for the company. Based on this review the Board has decided to centralize the main functions in the Oslo office and to close the Helsingborg office. The closure of the Helsingborg office will be effective in the third quarter 2008.

The company has entered into an agreement with Omnia for technical property management, except where this function is performed by the tenants themselves. Financial and administrative property management is carried out by Matrisen, Omnia and First Business Services.

## Principal risks and uncertainties

There are potential risks and uncertainties which may have an impact on the company's performance over the remaining six months of the financial year and which could cause actual results to differ from expected and historical results.

NLP's total risk exposure is described in NLP's Annual report for 2007. The Board of Directors and the management have initiated procedures to handle the various risks. There has not been any significant change in the risk exposures and management of these exposures since the release of the Annual Report 2007. The risks and uncertainties for the remaining six months of the year are described in the section on Market Development and Outlook below.

## Subsequent events

On July 17, 2008, NLP signed an agreement with Kungsleden AB to acquire 5 logistics properties in Sweden. The agreed price was SEK 600m. To fund this acquisition the company entered a financing commitment totalling SEK 420m with interest corresponding to STIBOR plus a 1.20% margin. Expected closure is on October 1, 2008.

## Market Development and Outlook

Our core markets have only been impacted upon to a limited extent by the challenging international financial developments. Thus macro fundamentals have been strong in the Nordic region, but with the beginnings of a negative trend in growth rates and increasing inflation. Over time this trend will impact upon the overall demand for logistics properties. However, structural changes such as the ongoing consolidation in the industry, as well as the trend towards regional distribution centres, will sustain strong demand in prime locations. This is further supported by the increased market share of third party logistics and an expected increase in sale and lease back activity.

As a result of this we expect to see medium term rental pressures in secondary locations, accompanied by continued strong rental levels in prime locations.

The transactions market is impacted upon by developments in the financial markets, which are causing limited availability of funds and higher financial risk premiums. This situation has to some extent reduced the activity in the transactions market and our experience has been that transactions generally take longer than previously.

There has been an outward yield movement in the transaction market. It seems however that the outward pressure is stronger for secondary properties than for prime properties.

- - - x - - -

This interim report has not been reviewed by the company's auditor.

The financial calendar including next reporting dates is published at [www.nlpasa.com](http://www.nlpasa.com).

For more information please contact:

Erik Dahl, CFO and acting CEO: email [erik.dahl@nlpasa.com](mailto:erik.dahl@nlpasa.com), phone +47 45055000

[www.nlpasa.com](http://www.nlpasa.com)

## Condensed consolidated interim financial statements

### Condensed consolidated income statements

3 months ended June 30		(NOK '000, except for earnings per share)	6 months ended June 30	
2008	2007		2008	2007
<b>91,095</b>	<b>76,330</b>	<b>Total revenue</b>	<b>182,132</b>	<b>161,041</b>
5,732	5,158	Maintenance and other property expenses	12,453	9,961
7,299	1,681	General and administrative expenses	17,278	10,794
39	(0)	Dereciation & Amortization	78	-
<b>78,025</b>	<b>69,491</b>	<b>Operating income before FVA</b>	<b>152,322</b>	<b>140,286</b>
(77,430)	21,834	Fair value adjustment of properties (FVA)	(116,917)	71,629
<b>595</b>	<b>91,325</b>	<b>Operating income</b>	<b>35,405</b>	<b>211,915</b>
5,974	2,139	Interest income	12,302	2,398
(54,547)	(49,556)	Interest expenses	(109,355)	(99,095)
64,341	116,040	Other financial items	39,660	111,808
<b>16,363</b>	<b>159,948</b>	<b>Earnings before income taxes</b>	<b>(21,988)</b>	<b>227,026</b>
(5,330)	(44,328)	Income taxes	5,337	(63,202)
<b>11,033</b>	<b>115,620</b>	<b>Net earnings</b>	<b>(16,651)</b>	<b>163,824</b>
26,570	20,853	Weighted average shares outstanding ('000)	26,638	20,222
<b>0.42</b>	<b>5.54</b>	<b>Basic earnings per share, NOK</b>	<b>(0.63)</b>	<b>8.10</b>
<b>0.42</b>	<b>5.54</b>	<b>Diluted earnings per share, NOK</b>	<b>(0.63)</b>	<b>8.10</b>

Year to date weighted average rate converting SEK to NOK was 84.77 and DKK to NOK 106.59 (2007 year to date average rate SEK to NOK was 88.23).

Condensed consolidated balance sheets

(NOK '000)	at June 30	at December 31
	2008	2007
<b>Assets</b>		
<i>Non-current assets</i>		
Investment property	5,206,489	5,308,055
Other tangible assets	624	702
Derivatives	174,478	116,376
Deferred income tax assets	52,024	44,337
<b>Total non-current assets</b>	<b>5,433,615</b>	<b>5,469,470</b>
<i>Current assets</i>		
Trade and other receivables	25,425	28,103
Derivatives	9,310	-
Cash and cash equivalents	507,543	581,892
<b>Total current assets</b>	<b>542,279</b>	<b>609,995</b>
<b>Total assets</b>	<b>5,975,894</b>	<b>6,079,465</b>
<b>Shareholders' equity and liabilities</b>		
<i>Shareholders' equity</i>		
<b>Total shareholders' equity</b>	<b>1,440,387</b>	<b>1,536,428</b>
<i>Non-current liabilities</i>		
Borrowings	4,191,038	4,248,603
Derivatives	-	465
Deferred income tax liabilities	106,068	98,636
<b>Total non-current liabilities</b>	<b>4,297,105</b>	<b>4,347,704</b>
<i>Current liabilities</i>		
Trade and other current liabilities	169,089	163,119
Borrowings	69,313	30,984
Derivatives	-	1,231
<b>Total current liabilities</b>	<b>238,401</b>	<b>195,334</b>
<b>Total shareholders' equity and liabilities</b>	<b>5,975,894</b>	<b>6,079,465</b>

Currency exchange rate applied at June 30 converting SEK to NOK was 84.57 and DKK to NOK 107.39.

Currency exchange rate applied at December 31 converting SEK to NOK was 84.55 and DKK to NOK 106.75.

## Changes in consolidated shareholders' equity

(in NOK '000, except for number of shares)	Number of Shares	Share Capital	Additional paid in capital	Retained Earnings	Other equity	Total
<b>Balance as of January 1, 2007</b>	<b>18,000,000</b>	<b>18,000</b>	<b>823,377</b>	<b>32,622</b>	<b>25,227</b>	<b>899,226</b>
Share issuance January 21, 2007	2,075,470	2,075	107,924			110,000
Share issuance June 20, 2007	7,000,000	7,000	388,500			395,500
Share issuance costs net of tax			(17,288)			(17,288)
Net earnings				163,824		163,824
Derivatives net of tax					24,604	24,604
Translation adjustments					(53,708)	(53,708)
<b>Balance as of June 30, 2007</b>	<b>27,075,470</b>	<b>27,075</b>	<b>1,302,513</b>	<b>196,446</b>	<b>(3,877)</b>	<b>1,522,157</b>
<b>Balance as of January 1, 2008</b>	<b>26,877,908</b>	<b>27,092</b>	<b>1,301,057</b>	<b>232,527</b>	<b>(24,248)</b>	<b>1,536,428</b>
Purchase of own shares	(336,600)			(13,820)		(13,820)
Transfer from premium fund to distributable equity			(176,000)	176,000		-
Dividends distributed				(79,624)		(79,624)
Net earnings				(16,651)		(16,651)
Derivatives net of tax					13,385	13,385
Translation adjustments					669	669
<b>Balance as of June 30, 2008</b>	<b>26,541,308</b>	<b>27,092</b>	<b>1,125,057</b>	<b>298,432</b>	<b>(10,194)</b>	<b>1,440,387</b>

Condensed consolidated statements of cash flows

(NOK '000)	6 months ended June 30	
	2008	2007
<b>Cash flow from operating activities</b>		
Net cash generated from operating activities	54,328	56,411
<b>Cash flow from investing activities</b>		
Purchase of investment property	-	(409,034)
Capital expenditure on investment property	(11,650)	(9,697)
Financial items received	12,360	2,398
Net cash used in investing activities	710	(416,332)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	-	296,053
Repayment of borrowings	(26,298)	-
Proceeds from issuance of shares, net of costs	-	481,489
Dividends paid to company's shareholders	(79,624)	-
Purchase of treasury shares	(23,588)	-
Net cash generated in financing activities	(129,510)	777,542
<b>Net change in cash and cash equivalents</b>	<b>(74,472)</b>	<b>417,621</b>
Cash and cash equivalents at beginning of the period	581,892	235,556
Exchange gain / (losses) on cash and cash equivalents	123	(12,801)
<b>Cash and cash equivalents at the end of the period</b>	<b>507,543</b>	<b>640,376</b>

## Notes to the condensed consolidated interim financial statements

### 1. Reporting entity

Northern Logistic Property ("NLP" or the "Company") is a company domiciled in Norway. The condensed consolidated interim financial statements of the Company as at and for the six months ended June 30, 2008 comprised the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended December 31, 2007 are available upon request from the Company' registered office at Karl Johans gate 16B, 0154 Oslo, or at [www.nlpasa.com](http://www.nlpasa.com).

### 2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2007.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 11, 2008.

### 3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2007.

### 4. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2007.

### 5. Investment properties

During the six months ended June 30, 2008, the Group acquired no subsidiaries or properties. On June 30, 2008 NLP signed an agreement with Brinova Fastigheter AB for an extension of the property in Haninge, Stockholm. The investment is estimated to be SEK 90 million, with expected finalization December 2008.

During the twelve months ended December 31, 2007, the Group acquired four subsidiaries. NLP Klippan 1 AB, NLP Klippan 2 AB and NLP Trelleborg AB were acquired from Brinova Fastigheter AB based on an agreed property value of SEK 445m. Lillsjövägen 52 AB was acquired from Lillsjövägen 52 AS based on an agreed property value of SEK 214m. In addition the Group acquired through its fully owned subsidiary Kornmarksvej 1 AS the property Kornmarksvej 1 in Copenhagen from DSV A/S for DKK 395m.

## 6. Loans and borrowings

During the six months ended June 30, 2008, the Group did not enter into new loans. Effective January 15, 2008 the company has changed three of the interest rate swap agreements to shorter duration and lower fixed interest rate. Before the change average remaining duration of all contracts was 8.9 years (as per December 31) and average fixed interest was 4.2% (excluding loan margin). After the change average remaining duration of all contracts was 3.7 years (as per March 31) and average fixed interest was 3.6% (excluding loan margin).

During the twelve months ended December 31, 2007 the Group secured SEK 340m of debt financing with a loan margin of 95bps above STIBOR. The Group has entered into fixed interest rate swap agreements corresponding to 75% of the loan amount, at a weighted average term of 9.8 years, at a fixed interest rate of 4.49% before loan margin. In addition the Group secured SEK 171m of debt financing with a loan margin of 75bps above STIBOR. The Group has entered into a fixed interest rate swap agreement corresponding to 73% of the loan amount, at a term of 2.9 years, at a fixed interest rate of 4.78% before loan margin. Finally the Group secured DKK 316m of debt financing with an average loan margin of 91.25bps above CIBOR. The Group has entered into a fixed interest rate swap agreement corresponding to 75% of the loan amount, at a term of 5.0 years, at a fixed interest rate of 4.4975% before loan margin.

The group has during the six months ended June 30, 2008 repaid NOK 26.3m of debt according to agreed repayment schedules. No repayments have been done during the twelve months ended December 31, 2007.

## 7. Major related party transactions

Note 26 in the annual report for 2007 provides details of related parties.

During the first half of 2008 fees in connection with management of acquisition targets under the mandate agreement with First Securities ASA have been incurred in connection with the agreement with Brinova Fastigheter AB for an extension of the property in Haninge, Stockholm, totalling NOK 0.9m.

There have been no other related party transactions during the first half of 2008 that significantly impact upon the company's financial position or result for the period.

## 8. Subsequent events

On July 17, 2008 NLP entered an agreement with Kungsleden AB to acquire five logistics properties in Sweden. The agreed acquisition price is SEK 600m. The properties are located in Gävle, Mjölby, Ängelholm and Göteborg. All properties are fully let with an average combined remaining lease term of approximately 10 years. Lettable area is approximately 109,000 sqm. Largest tenants are Runsvan AB, Lindex AB and Clas Ohlson AB, which combined totals 75% of yearly net rental income of SEK 42 millions. To fund this acquisition the company entered a financing commitment totalling SEK 420m with interest corresponding to STIBOR added 1.20% margin. Expected closure is October 1, 2008.

On August 5, 2008 the Board hired Per Gunnar Rymer as CEO. Mr. Rymer is 38 years of age and will commence the employment with the company mid September.

## Responsibility statement

We confirm to the best of our knowledge that the condensed set of interim consolidated financial statements as at June 2008 and for the six-month period January 1 to June 30, 2008 has been prepared in accordance with IAS 34 – ‘Interim Financial Reporting’, and gives a true and fair view of the Group’s assets, liabilities, financial position and the result for the period viewed in their entirety.

To the best of our knowledge the interim management report includes a fair review of:

- any significant events that have occurred during the first six-month period and their impact on the condensed set of financial statements,
- any significant related party transactions, and
- a description of the principal risks and uncertainties for the remaining six months of the year.

Oslo, August 11, 2008

---

Gunnar Reitan  
Executive Chairman

---

Christian Due  
Deputy Chairman

---

Merete Myhrstad  
Board Member

---

Bente Bømark Hanssen  
Board Member

---

Erik Dahl  
Acting CEO

## Definitions

### Total revenue

Total revenue includes rental revenues and rent supplements such as tax, electricity etc.

### Operating income (EBIT)

Operating income is the net result before interest, other financial items and tax.

### Basic earnings per share

Net earnings divided by the weighted average number of outstanding shares in the period.

### Cash flow from operations per share

Net cash generated from operating activities divided by the weighted average number of outstanding shares in the period.

### Equity ratio

Shareholders' equity on the closing date in relation to total assets on the closing date.

### Shareholders' equity per share

Shareholders' equity on the closing date in relation to the number of shares at the end of the period.

## Shareholders

Name	Country	No of shares	% stake
1 LIVSFORSIKRINGSSKAPET NORDEA	NOR	2 186 750	8,1%
2 T KLAVENESS EIENDOM	NOR	1 507 634	5,6%
3 SEB PRIVATE BANK S.A	NOM	1 314 265	4,9%
4 NEWCO 2052 AB	SWE	1 261 600	4,7%
5 TRONDHEIM KOMMUNE NORSKE AKSJER	NOR	1 000 300	3,7%
6 SKAGEN VEKST	NOR	850 000	3,1%
7 SKIPS AS TUDOR	NOR	669 200	2,5%
8 CANICA AS	NOR	562 900	2,1%
9 NORTHERN LOGISTIC PROPERTY ASA	NOR	551 000	2,0%
10 NORDEA BANK NORGE AS SECURITIES OPERATION	NOR	531 100	2,0%
11 VERDIPAPIRFONDET NORDEA NORGE VERDI	NOR	514 370	1,9%
12 TOLUMA INVEST AS	NOR	465 800	1,7%
13 FIRST SECURITIES ASA EGENHANDELSKONTO	NOR	408 300	1,5%
14 BOREA NOTERTE II AS	NOR	339 156	1,3%
15 BROWN BROTHERS HARRIMAN & CO S/A FIDELITY NORDIC FUND	USA	303 200	1,1%
16 FIDELITY FUNDS - NORDIC FUND	LUX	277 000	1,0%
17 BANK OF NEW YORK, BRUSSEL, CLIENT ACCOUNTS	GBR	275 250	1,0%
18 BOREA AS	NOR	264 284	1,0%
19 OPPLYSNINGSVESENETS FOND	NOR	235 910	0,9%
20 BOREA NOTERTE III AS	NOR	229 360	0,8%
<b>Total 20 largest</b>		<b>13 747 379</b>	<b>50,7%</b>
All others		13 344 929	49,3%
<b>Grand total</b>		<b>27 092 308</b>	<b>100,0%</b>

Total number of shareholders: 960  
Status as of 17.07.2008

## About Northern Logistic Property (NLP)

NLP was founded in March 2006 and was listed on the Oslo Børs (Stock Exchange) in June 2007.

Today the portfolio consists of 19 logistic properties with a market value of approx. NOK 5.2 bn. This corresponds to a total lettable space of 694 thousand square meters.

---

### Business concept

NLP's business concept is to invest, manage and develop logistics and warehouse properties, combined industrial/warehouse properties as well as "big-box" retail properties.

Geographically the focus will be Nordic and Baltic Sea area.

NLP will mainly invest in existing properties but can invest in development projects at acceptable risk levels.

---

### Goals

NLP aims to become a leading property company in Nordic and Baltic Sea Area within logistics, warehouse and combined warehouse /industrial properties. Short term target is to increase the portfolio to approx. 1 million square meters.

NLP's target is to distribute 50 per cent or more of annual net profit (excl. non-cash items) as dividend.

---

### Strategy

NLP will achieve its goals by being the distributors' or developers' preferred property owner with a long-term investment horizon and outstanding competence in financing solutions and technical standards.

The organization shall be cost-efficient through an in-house core competence of strategic management while outsourcing services benefiting from scale such as property management to cooperation partners.

NLP will focus on investments in the Nordic countries and the Baltic Sea Area.

Important investment criteria are solid tenants, leasehold terms of 8 to 10 years, properties of > 10,000 sqm, and a pre-tax internal rate of return (IRR) above 13 per cent, based on 80% project financing.

NLP strives to have a diversified tenant structure and properties with high technical standards.