Interim report
Third quarter 2008

Northern
Logistic Property ASA

Interim report
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Highlights

- Rental income NOK 91 mill (NOK 83 mill), year to date NOK 273 mill (NOK 245 mill)
- Operating income before fair value adjustments NOK 78 mill (NOK 73 mill), YTD NOK 231 mill (NOK 213 mill)
- Write down of properties NOK 207 mill, year to date write down NOK 324 mill
- Cost of debt 5.0% (5.1%)
- Loss before income taxes NOK 240 mill, YTD loss before income taxes NOK 262 mill
- Recurring earnings increased approximately 7% from Q3 2007, YTD increase of approximately 31%

Operating performance

The operating performance for NLP has been satisfactory so far this year with a revenue increase of 12% year to date and an increase in operating income before FVA of 8% year to date. However, the operating income has been negatively impacted by a fair value adjustment resulting from higher interest rates and increasing yields.

3 months ended Sept. 30	3 months ended Sept. 30		9 months ended Sept. 30	9 months ended Sept. 30
2008	**2007**	**(in NOK millions, except otherwise indicated)**	**2008**	**2007**
91,2	83,5	Total revenue	273,4	244,5
12,8	10,5	Operating expenses	42,6	31,2
78,4	73,0	Operating income before FVA	230,7	213,3
(207,2)	21,0	Fair value adjustment properties (FVA)	(324,1)	92,7
(128,7)	94,0	Operating income (EBIT)	(93,3)	305,9
(110,9)	(55,1)	Net financial items	(168,3)	(40,0)
(172,8)	28,4	Net earnings	(189,4)	192,2
12,8	18,2	Cash flow from operating activities	67,1	74,6
5 056,8	4 807,9	Investment property fair value	5 056,8	4 807,9
5 728,4	5 650,7	Total assets	5 728,4	5 650,7
1 257,0	1 512,4	Shareholders' equity	1 257,0	1 512,4
3 782,7	3 255,9	Net interest-bearing debt, net of cash	3 782,7	3 255,9
26,6	27,1	Period end shares outstanding (millions)	26,6	27,1
26,5	27,1	Weighted average shares outstanding (millions)	26,6	22,5
(6,51)	1,05	Basic earnings per share, NOK	(7,12)	8,54
0,48	0,67	Cash flow from operations per share, NOK	2,52	3,31
47	56	Shareholders equity per share, NOK	47	56
22 %	27 %	Equity ratio	22 %	27 %

Results

The results for the first three quarters of 2008 include the operation of 19 properties. This compares to 18 properties at the end of the third quarter of 2007, three of which were included in February 2007 and one in July 2007.

Third quarter revenues were NOK 91.2m, compared to NOK 91.1m in the second quarter. Year to date 2008 revenues were at NOK 273.4m compared to NOK 244.5m in the same period in 2007. The increase of 11.8% compared to the previous year was mainly driven by acquisitions and CPI adjustments of rents.

At the end of the third quarter the company had yearly contractual rents of NOK 366m, based on currency rates as of September 30.

Total operating expenses for the quarter were NOK 12.8m and for the first nine months they were NOK 42.6m (YTD 2007 NOK 31.2m). For the first nine months maintenance and other property expenses were 7.1% of revenue, compared to 7.2% for the same period in 2007. General and administrative expenses were NOK 23.0m year to date, significantly above the prior year's NOK 13.5m. The increase was mainly driven by one-off costs totalling NOK 7.9m related to the resignation of the former CEO, hiring of the new CEO, the closure of the Helsingborg office and acquisition costs. In the third quarter, the general and administrative expenses were NOK 5.7m, of which NOK 2.8m were one-offs.

Operating income before fair value adjustments was NOK 78.4m for the quarter and NOK 230.7m for the year to date, compared to NOK 213.3m for the first nine 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 11.9%, compared with the previous year's year to date figure.

Write down of investment properties for the quarter was NOK 207.2m and year to date write down of NOK 324.1m. 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. An external valuation is also performed at the end of each quarter.

Based on the company's assessment and valuation the value of the company's investment properties at September 30 was NOK 5.057m.

Operating loss (EBIT) after fair value adjustment was NOK 128.7m for the quarter and NOK 93.3m year to date (Q3 2007 income of NOK 94.0m and year to date 2007 income of NOK 305.9m).

Net financial loss for the third quarter was NOK 110.9m and year to date 168.3m (Q3 2007 a loss of 55.1m and year to date 2007 a loss of NOK 40.0m). Included in net financial items for the quarter was a fair value adjustment loss on interest rate swaps of NOK 60.9m, driven by a decrease in interest rate levels. Other items were a loss of NOK 50.0m for the quarter.

At September 30 the company had seven 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 3.3 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 81%.

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 mainly due to a change in 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).

Earnings before income taxes were a loss of NOK 239.7m for the quarter and a loss of NOK 261.7m for the first nine months, compared to a profit of NOK 38.9m for the third quarter 2007 and NOK 265.9m for the first nine months 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 72.2m (income) year to date. Net earnings were a loss of NOK 189.4m. This reflects earnings per share of negative NOK 7.12.

Balance Sheet

Fair value of financial derivatives was NOK 100.9m as of September 30 (end of fourth quarter 2007 NOK 114.7m); of which interest rate swaps were NOK 99.5m (Q4 2007: NOK 115.9m). Cash and cash equivalents at the end of the third quarter stood at NOK 512.4m, down from fourth quarter 2007 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 1,257m (Q4 2007 NOK 1,536m). Equity ratio was 21.9%, compared to 25.3% at the end of the fourth quarter 2007. On September 30 the company held 522,697 of its own shares.

Net asset value (NAV) per share was NOK 47 at the end of the third quarter, compared to NOK 57 at the end of the previous year's fourth quarter. Payment of dividends amounted to shareholders amounted to NOK 3.00 per share.

Cash-flow

Net cash generated from operating activities was NOK 67.1m for the first nine months, compared to NOK 74.6m for the same period of 2007. Measured per share net cash generated from operating activities was NOK 2.52 year to date. Operational cash flow was reduced by an increase in working capital. This increase is expected to be reversed in the forth quarter.

Year to date net outflow from investing and financing activities was NOK 138.7m, 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 September 30 the property portfolio comprised 19 logistic properties with a lettable area of approx. 694,000 square meters and a fair value of NOK 5,057m.

The valuation implies an estimated net yield of 6.7% assuming maintenance and other operating costs of 8% of revenue. This compares to 6.4% at the end of the second quarter. The increase is driven by interest rates and risk premiums. The write down of NOK 207m in the third quarter, corresponding to 4% of the property value, seems to be more significant than reported by comparable companies with Swedish property portfolio, as is the case for the reported year to date development of property value. In our property valuation NLP has incorporated the uncertainty in the market with respect to valuation of properties.

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 with a lease term of 10 years and full yearly CPI adjustments. The rental agreement implies an initial net yield for NLP of 7.0%. The investment is estimated to be SEK 90 million. The finalization of the extension, previously expected to happen in December 2008, is now expected to take place in the second half of 2009. For NLP, the delay will have no cost impact.

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 was 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. The transaction was closed on October 1, 2008.

Annual estimated contractual rents at the end of the quarter are NOK 367m (exchange rates as per September 30) with an average remaining duration of current rental contracts of 7.3 years and vacancy of 2.9%. Annual estimated contractual rents including the properties acquired after the end of the quarter are NOK 407m and average remaining duration of rental contracts is 7.4 years. Vacancy is 2.5%.

Financing

At the end of September the company had total borrowings of NOK 4,280m. Scheduled repayments for these loans for the next twelve months are NOK 73m. Net debt, adjusted for cash and cash equivalents was NOK 3,768m at the end of the third quarter.

Net debt was 74.8% of total value of the investment properties at the end of the third 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 3.3 years and average fixed interest was 3.7% (excluding loan margin). The ratio of loans hedged or with fixed interest at the end of the quarter was 81%.

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 closure date was October 1, 2008. The company has entered into an interest rate swap agreement in September relating to the loan.

To fund the extension of the property in Haninge, Stockholm, 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 second half of 2009.

Subsequent to the valuation of the properties performed at the end of third quarter, available cash flow from certain holding companies will be restricted according to the loan agreements. The restrictions are mainly related to payment of interest on intercompany loans. The effect for Northern Logistic Property ASA will be limited, estimated to be around NOK 10m per annum. These restrictions will be lifted should LTV ratios improve. No adverse effect apart from the aforementioned cash restriction is expected. The cash restriction will not have any impact on the company's results.

Organization

Northern Logistic Property optimizes 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 left the company during the third quarter.

On August 5, 2008 the Board hired Per Gunnar Rymer as CEO and he commenced his employment with the company on September 15.

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 took place in the third quarter.

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.

Subsequent events

On October 1, 2008, NLP closed the 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.

On October 2, 2008 a bondholders meeting was held where it was resolved that the bond agreement's section 3.5.3 regarding the requirement of minimum working capital of SEK 20 million terminates and that the company shall establish an escrow account which through nine monthly equal payments from and including 1 February 2009 shall correspond to the loan's par value, conditioned that NOK 15m is paid in October 2008. In October the company paid NOK 15m to the escrow account.

The background for the resolution was a possible uncertainty related to whether the bond was to be included in the calculation of the working capital for the loan's last 12 months. To avoid a possible uncertainty, the company suggested an amendment as mentioned above, which the company also considers to be a more adequate regulation towards the bond's maturity date and which also secures financial flexibility for the company.

In November NLP renegotiated three interest rate swaps to a longer duration and lower fixed interest rate and entered into a new interest rate swap agreement relating to the floating interest part of the loan with HYPO Real Estate Bank International AG. Subsequent to the change, the average duration of NLP's interest rate swaps is 3.4 years and the average interest rate is 3.7% (excluding the margin of the borrowings). The ratio of loans hedged or with fixed interest increased to 86.4%. The estimated annual reduction in interest expense for NLP until termination of the agreements is NOK 9.7m (SEK 11.2m). The change in interest is effective from Q1 2009.

Market Development and Outlook

The current financial crisis is impacting all markets, including the logistics market. Logistics is a derived service where growth relies heavily on growth in GDP and trade. 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. Also, there has been very limited speculative building in the logistics sector and this limits the downside.
We expect to see medium term rental pressures in secondary locations, accompanied by continued strong rental levels in prime locations.

The transactions market is significantly impacted by developments in the financial markets, which are causing limited availability of funds and higher financial risk premiums. This situation has reduced the activity level 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 transactions market. It seems however that the outward pressure is stronger for secondary properties than for prime properties.

NLPs rents are linked closely to CPI. As a result of increased inflation, rents will be adjusted significantly upwards from the beginning of next year. Also, interest rates have come down significantly from the end of the third quarter. For NLP, this should result in a stronger cash flow

Oslo, November 10, 2008

Board of Directors
Northern Logistic Property ASA

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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.

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Condensed consolidated income statements

3 months ended Sept. 30			9 months ended Sept. 30		12 months ended Dec. 31
2008	**2007**	**(NOK '000, except for earnings per share)**	**2008**	**2007**	**2007**
91 240	**83 459**	**Total revenue**	**273 372**	**244 500**	**331 528**
7 068	7 722	Maintenance and other property expenses	19 521	17 683	25 223
5 707	2 709	General and administrative expenses	22 986	13 503	18 402
39	42	Dereciation & Amortization	117	42	76
78 426	**72 986**	**Operating income before FVA**	**230 748**	**213 271**	**287 828**
(207 162)	21 029	Fair value adjustment of properties (FVA)	(324 079)	92 658	111 284
(128 736)	**94 015**	**Operating income**	**(93 331)**	**305 930**	**399 111**
5 638	8 463	Interest income	17 940	10 862	17 621
(55 692)	(52 607)	Interest expenses	(165 047)	(151 702)	(208 223)
(60 878)	(11 001)	Other financial items	(21 218)	100 806	83 846
(239 668)	**38 870**	**Earnings before income taxes**	**(261 656)**	**265 896**	**292 355**
66 910	(10 448)	Income taxes	72 247	(73 650)	(83 602)
(172 758)	**28 422**	**Net earnings**	**(189 409)**	**192 246**	**208 754**
26 545	27 092	Weighted average shares outstanding ('000)	26 607	22 512	23 645
(6,51)	**1,05**	**Basic earnings per share, NOK**	**(7,12)**	**8,54**	**8,83**
(6,51)	**1,05**	**Diluted earnings per share, NOK**	**(7,12)**	**8,54**	**8,83**

Year to date weighted average rate converting SEK to NOK was 84.87 and DKK to NOK 107.07 (2007 year to date average rate SEK to NOK was 87.30).

Weighted average rate converting SEK to NOK for the full year 2007 was 86.68 and DKK to NOK 107.05.

Condensed consolidated balance sheets

(NOK '000)	at September 30 2008	at September 30 2007	at December 31 2007
Assets			
Non-current assets			
Investment property	5 056 756	4 807 859	5 308 055
Other tangible assets	587	388	702
Derivatives	92 075	138 227	116 376
Deferred income tax assets	28 359	33 856	44 337
Total non-current assets	**5 177 776**	**4 980 331**	**5 469 470**
Current assets			
Trade and other receivables	26 005	18 587	28 103
Derivatives	12 292	11 315	-
Cash and cash equivalents	512 363	640 513	581 892
Total current assets	**550 659**	**670 415**	**609 995**
Total assets	**5 728 436**	**5 650 746**	**6 079 465**
Shareholders' equity and liabilities			
Shareholders' equity			
Total shareholders' equity	**1 257 001**	**1 512 390**	**1 536 428**
Non-current liabilities			
Borrowings	4 221 628	3 896 382	4 248 603
Derivatives	3 435	636	465
Deferred income tax liabilities	10 185	85 672	98 636
Total non-current liabilities	**4 235 248**	**3 982 691**	**4 347 704**
Current liabilities			
Trade and other current liabilities	162 766	155 665	163 119
Borrowings	73 420	-	30 984
Derivatives	-	-	1 231
Total current liabilities	**236 186**	**155 665**	**195 334**
Total shareholders' equity and liabilities	**5 728 436**	**5 650 746**	**6 079 465**

Currency exchange rate applied at September 30 converting SEK to NOK was 85.08 (83.76 in 2007) and DKK to NOK 111.69.

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
Balance as of January 1, 2008	26 877 908	27 092	1 301 057	232 527	(24 248)	1 536 428
Sale/buy-back of own shares	(308 297)			(13 070)		(13 070)
Transfer from premium fund to distributable equity			(176 000)	176 000		-
Divindeds distributed				(79 624)		(79 624)
Net earnings				(189 409)		(189 409)
Derivatives net of tax					(5 355)	(5 355)
Translation adjustments					8 031	8 031
Balance as of September 30, 2008	26 569 611	27 092	1 125 057	126 424	(21 572)	1 257 001

(in NOK '000, except for number of shares)	Number of Shares	Share Capital	Additional paid in capital	Retained Earnings	Other equity	Total
Balance as of January 1, 2007	18 000 000	18 000	823 377	32 622	25 227	899 226
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 July 3, 2007	16 838	17		919		936
Share issuance costs net of tax			(18 673)			(18 673)
Net earnings				192 246		192 246
Derivatives net of tax					19 255	19 255
Translation adjustments					(86 099)	(86 099)
Balance as of September 30, 2007	27 092 308	27 092	1 301 129	225 787	(41 617)	1 512 390

(in NOK '000, except for number of shares)	Number of Shares	Share Capital	Additional paid in capital	Retained Earnings	Other equity	Total
Balance as of January 1, 2007	18 000 000	18 000	823 377	32 622	25 227	899 226
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 July 3, 2007	16 838	17		919		936
Share issuance costs net of tax			(18 745)			(18 745)
Buy-back of own shares	(214 400)			(9 768)		(9 768)
Net earnings				208 754		208 754
Derivatives net of tax					12 931	12 931
Translation adjustments					(62 406)	(62 406)
Balance as of December 31, 2007	26 877 908	27 092	1 301 057	232 527	(24 248)	1 536 428

Condensed consolidated statements of cash flows

3 months ended Sept. 30			9 months ended Sept. 30		12 months ended Dec. 31
2008	**2007**	**(NOK '000)**	**2008**	**2007**	**2007**
		Cash flow from operating activities			
12 811	**18 170**	**Net cash generated from operating activities**	**67 139**	**74 581**	**133 260**
		Cash flow from investing activities			
(8 494)	(157 574)	Purchase of investment property	(8 494)	(566 608)	(1 027 974)
(4 029)	(5 420)	Captital expenditure on investment property	(15 679)	(15 116)	(18 948)
4 557	2 200	Interest received	16 916	4 598	13 839
(7 966)	**(155 843)**	**Net cash used in investing activities**	**(7 256)**	**(572 175)**	**(1 028 919)**
		Cash flow from financing activities			
-	147 523	Proceeds from borrowings	-	443 576	780 906
(1 902)	-	Repayment of borrowings	(28 200)	-	-
-	(1 907)	Proceeds from issuance of shares, net of costs	-	479 582	479 482
-	-	Dividends paid to company's shareholders	(79 624)	-	-
-	-	Purchase of treasury shares	(23 588)	-	-
(1 902)	**145 616**	**Net cash generated in financing activities**	**(131 412)**	**923 158**	**1 260 388**
2 943	**7 943**	**Net change in cash and cash equivalents**	**(71 528)**	**425 564**	**364 729**
507 543	640 376	Cash and cash equivalents at beginning of the period	581 892	235 556	235 556
1 877	(7 806)	Exchange gain / (losses) on cash and cash equivalents	2 000	(20 607)	(18 393)
512 363	**640 513**	**Cash and cash equivalents at the end of the period**	**512 363**	**640 513**	**581 892**

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 nine months ended September 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.

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 November 10, 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 nine months ended September 30, 2008, NLP 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 second half of 2009. 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. Closing of the transaction took place October 1, 2008

During the twelve months ended December 31, 2007, NLP 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 NLP acquired through its fully owned subsidiary Kornmarksvej 1 AS the property Kormarksvej 1 in Copenhagen from DSV A/S for DKK 395m.

6. Loans and borrowings

During the nine months ended September 30, 2008, NLP 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 3.3 years (as per September 30) and average fixed interest was 3.7% (excluding loan margin). In September NLP entered into an interest rate swap agreement with a notional value of SEK 320m, a term of 5 years and fixed interest of 5.5%.

During the twelve months ended December 31, 2007 NLP secured SEK 340m of debt financing with a loan margin of 95bps above STIBOR. NLP 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 NLP secured SEK 171m of debt financing with a loan margin of 75bps above STIBOR. NLP 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 NLP secured DKK 316m of debt financing with an average loan margin of 91.25bps above CIBOR. NLP 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.

NLP has during the nine months ended September 30, 2008 repaid NOK 28.2m of debt according to agreed repayment schedules. No repayments have been made during the twelve months ended December 31, 2007.

See note 7 for events after the balance sheet date related to borrowings and derivatives.

7. Subsequent events

On October 1, 2008 NLP closed the agreement with Kungsleden AB to acquire five logistics properties in Sweden. The agreed acquisition price was 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. The largest tenants are Runsven AB, Lindex AB and Clas Ohlson AB, whose combined contribution amounts to 75% of yearly net rental income of SEK 42 millions. To fund this acquisition the company entered a financing commitment on October 1, 2008 totalling SEK 420m with interest corresponding to STIBOR added 1.20% margin.

On October 2, 2008 a bondholders meeting was held where it was resolved that the bond agreement's section 3.5.3 regarding the requirement of minimum working capital of SEK 20 million terminates and that the company shall establish an escrow account which through nine monthly equal payments from and including 1 February 2009 shall correspond to the loan's par value, conditioned that NOK 15m is paid in October 2008. The first payment of NOK 15m has been made to the established escrow account.

In November NLP renegotiated three interest rate swaps to a longer duration and lower fixed interest rate and entered into a new interest rate swap agreement with notional value of SEK 607m, a term of 3 years and fixed interest of 3.7175%. Subsequent to the change, the average duration of NLP's interest rate swaps is 3.4 years and the average interest rate is 3.7% (excluding the margin of the borrowings). The ratio of loans hedged or with fixed interest is 86.4%. The change in interest is effective from January 2009.

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	T KLAVENESS EIENDOM		NOR	2,680,634	9.9%
2	LIVSFORSIKRINGSSELSKAPET NORDEA		NOR	2,203,750	8.1%
3	NEWCO 2052 AB	NOM	SWE	1,261,600	4.7%
4	TRONDHEIM KOMMUNE NORSKE AKSJER		NOR	1,000,300	3.7%
5	SKAGEN VEKST		NOR	850,000	3.1%
6	VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS		NOR	744,370	2.8%
7	SKIPS AS TUDOR		NOR	669,200	2.5%
8	CANICA AS		NOR	562,900	2.1%
9	NRP SECURITIES ASA MEGLERKONTO		NOR	539,900	2.0%
10	NORTHERN LOGISTIC PROPERTY		NOR	522,697	1.9%
11	TOLUMA INVEST AS		NOR	465,800	1.7%
12	FIRST SECURITIES AS EGENHANDELSKONTO		NOR	408,300	1.5%
13	BOREA NOTERTE II AS		NOR	339,356	1.3%
14	BROWN BROTHERS HARRI S/A FIDELITY NORDIC		USA	290,400	1.1%
15	BANK OF NEW YORK, BRUSSEL, CLIENT ACCOUNTS		GBR	275,250	1.0%
16	FIDELITY FUNDS - NORDIC FUND		LUX	265,400	1.0%
17	BOREA NOTERTE I AS		NOR	264,434	1.0%
18	OPPLYSNINGSVESENETS		NOR	235,910	0.9%
19	BOREA NOTERTE III AS		NOR	229,510	0.9%
20	MP PENSJON		NOR	223,000	0.8%
	Total 20 largest			**14,032,711**	**51.8%**
	All others			13,059,597	48.2%
	Grand total			**27,092,308**	**100.0%**

Total number of shareholders: 962
Status as of 30.10.2008

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 24 logistic properties. This corresponds to a total lettable space of 803 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 the Nordic and Baltic Sea area.

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

Goals

NLP aims to become a leading property company in the Nordic and Baltic Sea Area within logistics, warehouse and combined warehouse /industrial properties. The 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 its 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.

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