

**25 January 2010**

*This announcement is not for release, publication or distribution in whole or in part in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.*

*This statement, which is considered to be a public announcement issued pursuant to the provisions of article 5 paragraph 1 and article 7 paragraph 1 under (a) and article 7 paragraph 4 of the Dutch Decree on Public Takeovers (Besluit openbare biedingen Wft), is being made jointly on behalf of Holowent Limited and the Independent Directors of NR Nordic & Russia Properties Limited.*

**CASH OFFER FOR  
NR NORDIC & RUSSIA PROPERTIES LIMITED**

**BY**

**HOLOWENT LIMITED**

**SUMMARY**

- Further to its holding announcement on 29 September 2009, Holowent Limited, a company ultimately owned by Ian Livingstone and Richard Livingstone, (the "**Offeror**" or "**Holowent**") is pleased to announce the terms of a cash offer (the "**Offer**") to be made by the Offeror in respect of NR Nordic & Russia Properties Limited ("**NR Nordic**").
- Holowent is offering EUR 0.24 in cash per NR Nordic Share (the "**Offer Price**") for the entire issued and to be issued Share capital of NR Nordic other than NR Nordic Shares held by members of the Offeror Group. The Offer values the existing issued Share capital of NR Nordic at approximately EUR 114.2 million.
- The Offer Price represents:
  - a premium of approximately 26.3 per cent. over the average Closing Price of EUR 0.19 per NR Nordic Share on 28 September 2009, being the last Business Day prior to the announcement on 29 September 2009 by the Offeror that it was considering a possible offer for NR Nordic;
  - a premium of approximately 35.3 per cent. over the average Closing Price of EUR 0.18 per NR Nordic Share over the three months prior to the announcement on 29 September 2009 by the Offeror that it was considering a possible offer for NR Nordic;
  - a premium of approximately 18.3 per cent. over the average Closing Price of EUR 0.20 per NR Nordic Share over the twelve month period prior to the announcement on 29 September 2009 by the Offeror that it was considering a possible offer for NR Nordic; and
  - a discount of approximately 47.6 per cent. of the Adjusted NAV of NR Nordic (see Appendix III to this announcement).
- Ian Livingstone and Richard Livingstone are the ultimate owners of London & Regional Group, which includes LR REAM, the asset manager of NR Nordic.
- The Offeror, through its subsidiary, Swedish Holdco, is interested in 24.65 per cent. of the existing issued Share capital of NR Nordic.

- The Independent Directors of NR Nordic are not making any recommendation to Shareholders in relation to the Offer.
- The Offer is in respect of the entire issued and to be issued ordinary Share capital of NR Nordic (other than any NR Nordic Shares held by members of the Offeror Group) and is conditional upon the Offeror and/or any member of the Offeror Group having acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, NR Nordic Shares carrying, in aggregate, over 50 per cent. of the voting rights then exercisable at general meetings of NR Nordic, and subject to further conditions as listed in Appendix I.
- Lazard, financial adviser to the Offeror, is satisfied that, if the Offer is accepted in full, sufficient cash resources are available to the Offeror to satisfy the cash consideration payable to NR Nordic Shareholders under the terms of the Offer.
- The Offeror shall make available an Offer Document in accordance with the Dutch Takeover Decree, setting out, *inter alia*, the terms and conditions of the Offer. The Offer Document is required to be approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") prior to its publication. The Offeror intends to submit a request for approval of the Offer Document later today. The Offeror anticipates that it will publish the Offer Document including the Forms of Acceptance within 28 days of the date of this announcement, subject to the AFM approving the Offer Document within this timescale.

Ian Livingstone and Richard Livingstone, commenting on behalf of the Offeror, said:

"Our cash offer represents a significant premium over NR Nordic's share price prior to our announcement on 29th September 2009 that we were considering making an offer for the Company. Since then, we believe that the NR Nordic Share Price has been inflated by speculation as to the level of our offer - which today's announcement has put to rest. NR Nordic Shares are extremely illiquid and we believe that our offer represents the only sure route to liquidity for NR Nordic shareholders who wish to sell their shares at a fair price".

David Hunter, Senior Non-Executive Director of NR Nordic, commenting on behalf of the Independent Directors of the Company, said:

"The Independent Directors are not giving a firm recommendation to Shareholders on the Offer. Whilst the Offer provides Shareholders with an immediate opportunity to realise their investment in the Company for a certain cash amount, the Independent Directors believe Shareholders may wish to consider a number of factors for and against the Offer, including those set out in today's announcement, when considering whether or not to accept the Offer".

This summary should be read in conjunction with, and is subject to, the full text of the attached announcement and the Appendices to it.

Appendix I contains the conditions of the Offer.

Appendix II contains the DTZ Property Valuation.

Appendix III contains a statement of Adjusted NAV.

Appendix IV sets out certain interests and dealings of the Offeror and persons acting in concert with the Offeror in relevant securities of the Company.

Appendix V contains the bases of calculation and sources of certain information contained in this announcement.

Appendix VI contains definitions of certain expressions used in this announcement (including this summary).

The Offer will be subject to the full terms and conditions to be set out in the Offer Document and the Form of Acceptance.

Lazard & Co., Limited ("**Lazard**") is acting as financial adviser to the Offeror. Numis Securities Limited ("**Numis**") is acting as financial adviser to the Independent Directors of NR Nordic under Rule 3.1 of the City Code.

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In accordance with Rule 19.11 of the City Code, a copy of this announcement will be published on the websites of NR Nordic (<http://www.nr-properties.co.uk>) and Holowent (<http://www.holowent.com>).

***Further Information***

*Lazard, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Offeror as financial adviser within the meaning of the Rules of the Financial Services Authority and for no one else in connection with the Offer. Lazard is not advising any other person or treating any other person as its client in relation thereto and will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of Lazard, or for giving advice to any other person in relation to the Offer, the contents of this announcement, or any other matter referred to herein.*

*Numis, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for NR Nordic as financial adviser within the meaning of the Rules of the Financial Services Authority and for no one else in connection with the Offer. Numis is not advising any other person or treating any other person as its client in relation thereto and will not be responsible to anyone other than NR Nordic for providing the protections afforded to clients of Numis, or for giving advice to any other person in relation to the Offer, the contents of this announcement, or any other matter referred to herein.*

## **Overseas Jurisdictions**

*The availability of the Offer to persons who are not resident in the United Kingdom or the Netherlands may be affected by the laws of the relevant jurisdictions. Persons who are not so resident should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. This announcement has been prepared for the purpose of complying with English law, the City Code and with Dutch law and the Dutch Takeover Decree (Besluit openbare biedingen Wft) and the Dutch Financial Supervision Act (wet op het Financieel Toezicht) ("**Dutch Act**") and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and/or regulations of jurisdictions outside the United Kingdom and the Netherlands.*

*Any person (including without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement, the Offer Document, the Form of Acceptance and/or any related document to any jurisdiction outside the United Kingdom and the Netherlands, should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Offer Document.*

## **Forward-looking statements**

*This document contains statements about NR Nordic, the Offer and the Offeror that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims', 'intends', 'will', 'may', 'anticipates', 'estimates', 'projects', or words or terms of similar substance or the negative thereof identify forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of NR Nordic's and the Offeror's operations.*

*These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of NR Nordic or the Offeror. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to NR Nordic or the Offeror or any of their members or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in this document are based on information available to the relevant parties on the date hereof. Investors should not place undue reliance on such forward-looking statements, and neither NR Nordic or the Offeror nor their respective directors undertakes any obligation in respect of, and do not intend to update or revise any forward-looking statements except as required by the City Code, the Dutch Takeover Decree or pursuant to applicable law.*

## **Dealing Disclosure Requirements**

*Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in one per cent. or more of any class of "relevant securities" of NR Nordic,*

*all “dealings” in any “relevant securities” of NR Nordic (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the London Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Offer is declared unconditional or is declared not to be unconditional and lapses. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of NR Nordic, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of NR Nordic by the Offeror, or NR Nordic or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London Business Day following the date of the relevant transaction.*

*A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).*

*“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.*

*Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.*

*Pursuant to article 5, paragraph 4 of the Dutch Takeover Decree between the date of this announcement and the moment that the Offer is made, the Offeror and NR Nordic must notify the AFM of any transactions they each conduct in relation to NR Nordic Shares to which the Offer relates, or else of any agreements they conclude in connection with those transactions, with the exception of transactions concluded as part of the regular trade on markets for financial instruments. Such notifications shall state the quality and category or class of the NR Nordic Shares, the conditions that apply, including the price or exchange ratio, and the volume of the existing direct or indirect capital participation between the parties. All such notifications must be made without delay after the transaction or agreement has been effected or concluded, however notifications may be made once per day. Exceptions apply in case notifications have been made under sections 38, 40 or 60 paragraph (i), Part 5 of the Dutch Act.*

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JURISDICTION**

25 January 2010

**CASH OFFER FOR  
NR NORDIC & RUSSIA PROPERTIES LIMITED**

**BY**

**HOLOWENT LIMITED**

**1. INTRODUCTION**

The Offeror has announced today the terms of a cash offer to be made by the Offeror to acquire the entire issued and to be issued ordinary Share capital of NR Nordic (other than any NR Nordic Shares held by members of the Offeror Group).

**2. THE OFFER**

The Offer, which is on the terms and conditions set out in Appendix I to this announcement and is subject to the further terms to be set out in the Offer Document and the Form of Acceptance, is being made in respect of the entire issued and to be issued ordinary Share capital of NR Nordic (other than any NR Nordic Shares held by members of the Offeror Group) on the following basis:

**for each NR Nordic Share**

**EUR 0.24 in cash**

The Offer values the existing issued Share capital of NR Nordic at approximately EUR 114.2 million.

The NR Nordic Shares will be acquired pursuant to the Offer by the Offeror fully paid up and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party interests and rights of whatsoever nature and together with all rights now or hereafter attaching thereto on or after 25 January 2010, including voting rights and the right to receive and retain all dividends and other distributions (if any) declared, made or paid by NR Nordic on or after such date.

**3. BACKGROUND TO AND REASONS FOR THE OFFER**

NR Nordic was created as a vehicle to allow investors to access real estate opportunities in the Nordic, Baltic and Russian regions. The Company's principal investment objective has been to generate total returns for Shareholders through annual portfolio yields and capital appreciation over the longer term. The Company's strategies to achieve these investment objectives have been to enhance rental and capital growth through active asset management, make additional selective acquisitions and to employ appropriate amounts of leverage to enhance returns.

In the first half of 2008, groups of Shareholders argued for a revised strategy for the Company and the Board was asked to evaluate a return of capital to Shareholders. Since August 2008, ordinary and special dividends totaling EUR 0.122 per NR Nordic Share have been paid to Shareholders.

As at 30 June 2009, 67 per cent. of NR Nordic's assets by value were located in Sweden and 21 per cent. in Russia. According to the property consultancy Newsec, the transaction volume on the Swedish property market during the first half of 2009 amounted to SEK 9.2 billion, which corresponds to a decline of 80 per cent. compared to the same period in 2008 and a decline of 87 per cent. compared to the same period in 2007. As a result, the Offeror believes the opportunities to convert NR Nordic's assets to cash by divesting property in an orderly manner in the near future are very limited.

If the Offer is successful, the Offeror intends to maximise Shareholder value by actively managing the Company's assets, making new investments in core markets and exploring new business combinations.

Although the Closing Price of NR Nordic's Shares on 22 January 2010 (the last Business Day prior to the date of this announcement) was EUR 0.31, the Offeror does not believe that this accurately represents the real market value of the Shares. Only 5.2 million Shares have traded at a price above EUR 0.24 since 29 September 2009 (the date on which the Offeror announced that it was considering making an offer for NR Nordic) representing only 1.1 per cent. of the Company's existing issued Share capital and a combined value of EUR 1.4 million.

Trading in NR Nordic's Shares has been very illiquid. The median daily volume of traded Shares in NR Nordic during the last twelve months amounts to approximately 20,500 Shares. Taking the Offer Price of EUR 0.24 per Share, this volume corresponds to approximately EUR 4,920 in value. As a result of this lack of liquidity, investors wishing to sell or buy Shares in NR Nordic have had difficulty executing their orders.

The Offeror believes that the illiquidity of the Shares, which has been an ongoing issue for NR Nordic, creates significant volatility in the Share price which has increased since Holowent's announcement on 29 September 2009 that it was considering making an offer for the Company.

In light of the ongoing uncertainty in property and financial markets, together with the extremely limited liquidity in NR Nordic Shares, the Offeror believes that Shareholders should welcome the opportunity to realise their investment in the Company at a price significantly in excess of NR Nordic's Share price immediately prior to Holowent's announcement on 29 September 2009 that it was considering making an offer for the Company.

#### **4. THE INDEPENDENT DIRECTORS' VIEWS ON THE TERMS OF THE OFFER**

The Independent Directors consider that the terms of the Offer may not represent full value for the Company and that, in the medium term, the Board may be able to deliver greater value to Shareholders than that represented by the Offer.

Accordingly, the Independent Directors, having been so advised by Numis, are not giving a firm recommendation to Shareholders to accept the Offer. In providing advice to the Directors, Numis has taken into account the commercial assessment of the Independent Directors.

However, the Independent Directors nonetheless recognise that the Offer may be worthy of consideration by Shareholders as it provides Shareholders with an immediate opportunity to realise their investment in the Company for a certain cash amount. Accordingly, the Independent Directors have resolved that the Offer should be put forward to NR Nordic Shareholders.

The Independent Directors consider that Shareholders may wish to consider the factors set out below when considering whether or not to accept the Offer. It should be noted that these factors do not necessarily comprise all those matters that may be relevant to an investment in the

Company and Shareholders should consider carefully whether or not they wish to accept the Offer in light of the information contained in this document as well as their own personal circumstances.

**Shareholders in any doubt as to the action they should take are strongly advised to seek their own independent financial advice.**

#### *4.1 Factors against accepting the Offer and in favour of retaining an investment in the Company*

Whilst the Offer represents a premium of 26.3 per cent. to the Closing Price of the NR Nordic Shares on 28 September 2009, the day prior to the announcement by the Offeror that it was considering making an offer for NR Nordic, the Offer represents a significant discount of approximately 47.6 per cent. to the Company's Adjusted NAV of EUR 0.458 per Share.

The Independent Directors believe that there may be further value in the Company that is not fully reflected in the Offer Price. The Adjusted NAV of the Company is EUR 0.458 per NR Nordic Share and as at 31 December 2008 the net asset value of the Company was EUR 0.61 per NR Nordic Share (**Note: this refers to the basic NAV as at 31 December 2008 (using the Company's undiluted issued share capital of 475,924,532 shares) as set out in the Company's 2008 Annual Report**). The decrease reflects, *inter alia*, the decline in the underlying property markets in which the Company's assets are located caused by the uncertainty in global property and financial markets.

The Independent Directors consider that there would be further upside value in the Company and its assets should confidence in these underlying markets return and property prices start rising again and if certain of the Company's key leases and current borrowing facilities could be successfully renegotiated. Accordingly, should the Offer not be declared unconditional and lapse as a result thereof it is the Independent Directors' intention, in consultation with the Company's Shareholders, to continue to implement a strategy that would seek to maximise Shareholder value, *inter alia* by seeking to renegotiate certain of its borrowing facilities and key leases, actively managing the Company's assets and exploring opportunities for new investments and/or business combinations.

Moreover, if Shareholders accept the Offer, they will be forfeiting any benefit arising from future cash realisations of the Company's assets and any consequent capital returns to Shareholders, which may be higher than the value of the Offer. They will also be prevented from benefiting from any future recovery of the Company's Share price which may occur if the discount to net asset value at which NR Nordic Shares trade is reduced.

The Independent Directors believe that the Offeror, whose ultimate owners are the ultimate owners of the Company's asset manager, has a thorough understanding of the Company's affairs and Shareholders should take this into account in assessing the adequacy of the Offer.

#### *4.2 Factors in favour of accepting the Offer and against retaining an investment in the Company*

The Offer represents an immediate opportunity for Shareholders to realise their investment in the Company upon the Offer being declared unconditional for a certain cash amount at a premium of 26.3 per cent. to the Closing Price of the NR Nordic Shares on 28 September 2009, the Business Day prior to the announcement by the Offeror on 29 September 2009 that it was considering making an offer for NR Nordic and a premium of 35.3 per cent. to the average Closing Price of the NR Nordic Shares during three month period prior to that announcement.

The Independent Directors consider that there is a significant risk that, should the Offer not succeed, the Company's Share price may not remain at its current level, particularly given the



uncertainties that exist concerning the value and timing of the realisation of the Company's assets.

Since August 2008, the Board has been pursuing a strategy of managing the Company's assets with the aim of maximising underlying values and returning capital to Shareholders. Since August 2008, ordinary and special dividends totalling EUR 0.122 per Share have been paid to Shareholders. However, there can be no certainty that the Company's remaining assets can be realised at or in excess of current book values nor as to the timescale of any such realisations. This creates material uncertainty in both the quantum and timing of future returns of cash to Shareholders.

In addition, the Company's principal EUR 269 million Citi Facility contains provisions which would require that the Company prepay a certain amount of the outstanding loans under the Citi Facility upon the disposal of a property. The amount which must be prepaid in respect of each such disposal depends, *inter alia*, on the loan amount allocated to the particular property which is disposed of and the loan to value ratio of all the properties at the time of the disposal. As a consequence of these provisions, and taking into account the current market valuations of certain properties against the loan amounts allocated to such properties, the Directors believe that the net cash generated on the sale of each property after repayment of debt would be limited. Whilst the Independent Directors believe that successful renegotiation of certain of the Company's key leases and current borrowing facilities would enhance value, there can be no certainty as to the success of any such renegotiation.

The Independent Directors also note that trading in the NR Nordic Shares has typically been illiquid and that if Shareholders do not accept the Offer it is possible that they may be unable to sell their NR Nordic Shares at a price equivalent to that available under the Offer.

Since the announcement by the Offeror on 29 September 2009 that it was considering making an offer for NR Nordic, neither the Company nor its advisers have been approached by any person on behalf of any other potential offeror wishing to initiate discussions with a view to making an alternative offer for the Company.

The Independent Directors believe that the attractiveness of NR Nordic to other potential offerors may be limited by a number of factors including the fact that the Citi Facility provides for mandatory pre-payment on a change of control of the Company. However, this provision does not apply where control passes to certain "Approved Investors", which include Ian Livingstone and Richard Livingstone (which for these purposes would include a change of control in favour of the Offeror). Accordingly, any offeror not affiliated with an Approved Investor would either need to get the consent of the majority lenders under the Citi Facility to any change of control of the Company, or to re-finance the Citi Facility upon declaring their offer unconditional.

The Independent Directors also believe that another possible factor behind the lack of alternative offers may be the fact that the Offeror already has an interest in 24.65 per cent. of the existing issued Share capital of the Company and an interest of 34.34 per cent. in the fully diluted Share capital of the Company (assuming full conversion of the NR Nordic Convertible Notes and the exercise of all NR Nordic Share Options).

The Offer may be declared unconditional if the Offeror and/or any member of the Offeror Group shall have acquired (whether pursuant to the Offer or otherwise) NR Nordic Shares carrying over 50 per cent. of the voting rights exercisable at general meetings to be described more fully in the terms and conditions in the Offer Document. The Offeror, through its subsidiary, Swedish Holdco, currently holds NR Nordic Shares representing 24.65 per cent. of the issued share capital of the Company.

Should the Offer be declared unconditional, control of the Company will pass to the Offeror. This will give the Offeror the power to appoint and remove directors of the Company and may also allow the Offeror to procure that the Company issues further Shares on a pre-emptive or, potentially, non pre-emptive basis, which could potentially dilute the interests of other Shareholders significantly. The attention of NR Nordic Shareholders is also drawn to paragraph 10 of this announcement regarding the circumstances in which the Offeror may compulsorily acquire NR Nordic Shares and procure an application by NR Nordic to Euronext Amsterdam for the termination of the listing of NR Nordic Shares on Euronext Amsterdam following the Offer being declared unconditional. Should the Offer be declared unconditional, remaining Shareholders who have not accepted the Offer may not be able to sell their NR Nordic Shares at a price equivalent to that available under the Offer.

## 5. INFORMATION ON NR NORDIC

NR Nordic is a Jersey incorporated company and has been authorised in Jersey as a listed fund. NR Nordic Shares were admitted to trading on AIM in November 2006 and were admitted to trading on Euronext Amsterdam in December 2007. In April 2008 trading on AIM was cancelled.

The Company holds investments in real estate in the Nordic and Baltic regions and Russia. The Company has an experienced board of eight non-executive Directors and LR REAM, a member of London & Regional Group, manages the Company's assets on its behalf.

On admission to AIM the Company's portfolio consisted of 84 properties valued at EUR 1.9 billion with 1.8 million square meters of floor area. Over the 20 months to June 2008, 24 properties were acquired with a total aggregate gross purchase price of EUR 305 million. In August 2008, the Board announced that it would not be making any further acquisitions without first seeking Shareholder approval. The Board also agreed to “put specific proposals to shareholders which, if approved, would provide them with the option to have capital returned, whilst allowing those shareholders who wish to do so to retain an interest in the Company for the purposes of new investment, if sufficient shareholders so wish.”

Since the Company was admitted to AIM, 70 properties have been sold with a total aggregate gross selling price of approximately EUR 1.5 billion. The proceeds from sales have been used by the Company to fund the repayment of over EUR 1.2 billion of debt and dividends totalling EUR 0.25 per share, EUR 0.135 of which were special dividends.

At 31 December 2009 the Company owned 38 properties valued at EUR 554.6 million (as set out in the DTZ Property Valuation set out in Appendix II to this announcement) with 985,000 square metres of floor area and an annualised gross rental income of EUR 74.4 million).

### *Summary of the Top 10 Tenants as at 31 December 2009*

Tenant	Floor Area (Sq m)	Gross annualised rental income (€m) <sup>1</sup>	Gross rental income (% of total)	Average lease length (yrs) <sup>2</sup>
1 ABB	326,732	26.9	36.2%	5.0
2 OOO Sokotel	27,387	5.7	7.6%	13.0
3 Finnveden AB	174,892	5.0	6.7%	9.9
4 Frigoscandia A/S	45,203	3.4	4.6%	15.0
5 OOO Stroymaster	10,954	2.7	3.6%	7.9
6 Berns Group AB	8,147	2.1	2.8%	4.0

	Westinghouse Electric				
7	Sweden AB	14,672	1.6	2.1%	5.1
8	Bult Finnveden AB	45,026	1.5	2.1%	8.4
9	Fortifikationsverket	18,717	1.4	1.9%	1.3
10	Enics Sweden AB	12,538	1.1	1.5%	4.6
<b>Total top-10</b>		<b>684,268</b>	<b>51.4</b>	<b>69.0%</b>	<b>7.1</b>
<b>Total portfolio</b>		<b>985,000</b>	<b>74.4</b>	<b>100.0%</b>	<b>6.0</b>

(1) Including supplements. Based on rent roll as at 31 December 2009

(2) Adjusted for break options in the relevant lease(s)

### ***Financial information and property valuation***

For the financial year ended 31 December 2008, NR Nordic reported total gross rental revenues of EUR 77.5 million. As at 31 December 2008, NR Nordic had a net asset value of EUR 289.7 million, with a net asset value per Share of EUR 0.61 (**Note: this refers to the basic NAV as at 31 December 2008 (using the Company's undiluted issued share capital of 475,924,532 Shares) as set out in the Company's 2008 Annual Report**).

For the interim financial period for the nine months to 30 September 2009, NR Nordic reported total revenues of EUR 56.3 million (unaudited). As at 30 September 2009, NR Nordic had an unaudited net asset value of EUR 238 million, with net asset value per Share of EUR 0.50 (unaudited). (**Note: This refers to the unaudited basic NAV as at 30 September 2009 (using the Company's undiluted issued share capital of 475,924,532 Shares) as set out in the Q3 Financial Update announced by the Company on 19 November 2009**). The unaudited balance sheet of NR Nordic as at 30 September 2009 included cash of EUR 70.6 million.

NR Nordic's properties have been valued by an independent valuer as being worth EUR 554.6 million as at 31 December 2009. This independent valuation, required under Rule 29 of the City Code, is contained in the DTZ Property Valuation set out in Appendix II to this announcement. All properties are held through Swedish holding companies, including those in Russia. Any disposal of a property is expected to be structured by way of a sale of shares in the Swedish holding company. It is anticipated by the Company, which has been so advised by its tax advisers, that no liability to corporate tax will arise on disposals structured in this way.

### ***Current trading and prospects***

Since 30 June 2009, NR Nordic has continued to perform in line with the Board's expectations.

Under the terms of the master lease with ABB, the Company's largest tenant, ABB, has the right in December 2011 to downsize its commitments under the lease by 26.25 per cent. of the original base rent. The Company is currently in discussion with ABB to establish its objectives and intentions in relation to this right, with a view to finding a solution which minimizes the impact on the Company's income going forward. The outcome of these discussions could have a material effect on the financial position of the Company.

## ***Market Overview***

### ***Sweden***

All sectors have seen significant softening in yields since the first half of 2008. The previous investment market was strongly supported by a small number of non-Swedish banks, all of whom have either withdrawn from the market or substantially reduced their activity in the region. The Swedish economy has been affected by weak global economic growth, which has reduced the level of exports, which in value terms account for over 50 per cent. of GDP. At the same time, unemployment has risen. Both these factors have put pressure on rental demand and values.

In the first half of 2009, investment volume fell 69 per cent., and the number of transactions fell by 80 per cent. as compared with the corresponding period in 2008. The Stockholm prime office vacancy rate was 11.1 per cent. in June 2009 compared to 9.4 per cent. at the beginning of 2009.

Whilst there has been some improvement in demand for property in the second half of 2009, this is dominated by domestic institutional buyers of prime assets. The Directors believe that there has been little investment activity in, or institutional investor appetite for, properties outside Stockholm. The few regional transactions that have taken place are predominantly residential property deals involving local players. There have been a few forced sales but not as many as expected. The Directors believe that uncertainty in refinancing of existing loans, particularly as non-Swedish banks look to reduce their business in the region, is likely to have an impact on the future investment market. In addition, there are very few cross border transactions.

### ***Russia***

Russia's economy continues to struggle, putting pressure on retail sales and thus on rents. The impact was made worse by the devaluation of the Rouble against the US Dollar, since the majority of retail leases are US Dollar pegged. As a result of these factors, the Russian property market continues to be challenging. Commercial rents have fallen on average by 30 to 50 per cent. during 2009, but are now predicted to stabilize. Turnover in 2009 is expected to have been around half that of 2008. Prime office and shopping centre yields are in the range of 13 per cent. to 15 per cent.; an increase of 4 to 5 percentage points in the last year.

Market conditions have stabilized in the second half of 2009, but the Directors expect that any recovery will take some time and will require greater liquidity in the capital markets to reduce the cost of borrowing.

## **6. INFORMATION ON THE OFFEROR**

The Offeror is a newly-incorporated company which has been formed for the purposes of making the Offer. The Offeror is a wholly-owned subsidiary of Spirastrella which is wholly owned by Ian Livingstone and Richard Livingstone in equal shares. Neither the Offeror nor Spirastrella has traded since incorporation nor have they entered into any obligations other than in connection with the Offer and the financing of the Offer. The sole director of the Offeror is CCY Management Limited.

Ian Livingstone and Richard Livingstone are the joint owners of the London & Regional Group, which was established by them in 1987 and continues to be their principal investment vehicle. London & Regional's investments are valued in excess of EUR 5 billion and activities are undertaken in more than ten countries including the UK, Sweden, Germany, Russia, Ukraine, South Africa and Panama.

The UK portfolio includes prime and secondary office and retail investments, prime central London hotels, residential developments, several substantial sale and leaseback portfolios and a leisure business. Non-UK investments typically comprise trophy hotels, leisure resorts, office buildings, retail shopping centres and construction projects.

## **7. MANAGEMENT AND EMPLOYEES**

The NR Nordic Group does not have any employees. Under the terms of the Management Agreement, LR REAM has responsibility for asset management of the NR Nordic Group's property portfolio.

## **8. NR NORDIC SHARE OPTIONS AND NR NORDIC CONVERTIBLE NOTES**

The Offer is being extended to any NR Nordic Shares which are issued or unconditionally allotted and fully paid (or credited as fully paid) during the Acceptance Period, including any NR Nordic Shares issued pursuant to the exercise of NR Nordic Share Options, the exercise of NR Nordic Convertible Notes or otherwise, but for the avoidance of doubt excluding any NR Nordic Shares held by members of the Offeror Group.

In view of the fact that the exercise prices of the NR Nordic Share Options and the NR Nordic Convertible Notes exceed the Offer Price, the Panel has confirmed that, should the Offer be declared unconditional, the Offeror will not be required to make a proposal to the holders of NR Nordic Share Options and to NR Nordic Convertible Notes (to the extent such options or convertible notes have not been exercised or lapsed following the Offer being declared unconditional).

## **9. FINANCING OF THE OFFER**

Lazard, financial adviser to the Offeror, is satisfied that, if the Offer is accepted in full, sufficient cash resources are available to the Offeror to satisfy the cash consideration payable to NR Nordic Shareholders under the terms of the Offer.

Full acceptance of the Offer in respect of the NR Nordic Shares to which the Offer relates (i.e. excluding any NR Nordic Shares held by members of the Offeror Group) would result in a maximum cash consideration of approximately EUR 86.1 million being paid by the Offeror to the relevant NR Nordic Shareholders. This cash consideration will be financed from existing cash resources of Ian Livingstone and Richard Livingstone, the ultimate owners of the Offeror.

## **10. COMPULSORY ACQUISITION AND DELISTING**

Assuming the Offeror receives sufficient acceptances of the Offer and all of the other conditions of the Offer have been satisfied or waived (if capable of being waived), the Offeror may be entitled to use the procedures set out in Article 117 of the Companies Law to acquire compulsorily, on the same terms as the Offer, any outstanding NR Nordic Shares in respect of which the Offer has not been accepted. To be entitled to initiate these procedures the Offeror must, by virtue of acceptances of the Offer, have acquired or contracted to acquire not less than 90 per cent. in number of the NR Nordic Shares to which the Offer relates. For these purposes, NR Nordic Shares to which the Offer relates will not include any Shares held by the Offeror or any of its associates (as construed in accordance with Article 123 of the Companies Law).

Shareholders who have not accepted the Offer may also be entitled under Article 119 of the Companies Law to require the Offeror to acquire their Shares on the same terms as the Offer or on such other terms as may be agreed. For any non-accepting Shareholder to be entitled to initiate

these procedures the Offeror must, at any time before the end of the period within which the Offer could be accepted, by virtue of acceptances of the Offer, have acquired or contracted to acquire some (but not all) of the NR Nordic Shares to which the Offer relates and those shares (with or without any other shares in NR Nordic which the Offeror has acquired or contracted to acquire) amount to not less than 90 per cent. in number of all of the NR Nordic Shares. For these purposes, the reference to shares in NR Nordic which the Offeror has acquired or contracted to acquire shall include a reference to any Shares which the Offeror or any of its associates (as construed in accordance with Article 123 of the Companies Law) has acquired or contracted to acquire.

The Offeror reserves the right, upon the Offer being declared unconditional and sufficient acceptances being received, to procure an application by NR Nordic to Euronext Amsterdam for the termination of the listing of NR Nordic Shares on Euronext Amsterdam. If this termination of listing occurs, it would significantly reduce the liquidity and marketability of any NR Nordic Shares in respect of which the Offer has not been accepted. As a policy rule, following a takeover offer Euronext Amsterdam does not permit the termination of a listing until at least 95 per cent. of the listed shares are held by a single entity or by a group controlled by a single entity.

## **11. GENERAL**

The Offer will be made on the terms and subject to the conditions which are set out in Appendix I to this announcement and on the further terms that will be set out in the Offer Document and the Form of Acceptance, and such further (or amended) terms and conditions as may be required to comply with the provisions of the City Code and the Dutch Merger Rules.

The Offer Document is required to be approved by the AFM prior to its publication. The Offer Document shall set out the details of the formal Offer and will be posted to NR Nordic Shareholders as soon as reasonably practicable and, subject to the AFM approving the Offer Document within this timescale, within 28 days of the date of this announcement.

This announcement should be read in conjunction with the Appendices to it.

Appendix I contains the conditions of the Offer.

Appendix II contains the DTZ Property Valuation.

Appendix III contains a statement of Adjusted NAV.

Appendix IV sets out certain interests and dealings of the Offeror and persons acting in concert with the Offeror in relevant securities of the Company.

Appendix V contains the bases of calculation and sources of certain information contained in this announcement.

Appendix VI contains definitions of certain expressions used in this announcement.

### ***Further Information***

*This announcement does not constitute, or form part of, an offer or solicitation of any offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise. The Offer will be made solely by the Offer Document and the Form of Acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any acceptance or*

*other response to the Offer should be on the basis of the information in the Offer Document and the Form of Acceptance.*

*Lazard, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Offeror as financial adviser within the meaning on the Rules of the Financial Services Authority and for no one else in connection with the Offer. Lazard is not advising any other person or treating any other person as its client in relation thereto and will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of Lazard, or for giving advice to any other person in relation to the Offer, the contents of this announcement, or any other matter referred to herein.*

*Numis, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for NR Nordic as financial adviser within the meaning of the Rules of the Financial Services Authority and for no one else in connection with the Offer. Numis is not advising any other person or treating any other person as its client in relation thereto and will not be responsible to anyone other than NR Nordic for providing the protections afforded to clients of Numis, or for giving advice to any other person in relation to the Offer, the contents of this announcement, or any other matter referred to herein.*

### **Overseas Jurisdictions**

*The availability of the Offer to persons who are not resident in the United Kingdom or the Netherlands may be affected by the laws of the relevant jurisdictions. Persons who are not so resident should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. This announcement has been prepared for the purpose of complying with English law, the City Code and with Dutch law and the Dutch Takeover Decree (Besluit openbare biedingen Wft) and the Dutch Financial Supervision Act (wet op het Financieel Toezicht) ("**Dutch Act**") and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and/or regulations of jurisdictions outside the United Kingdom and the Netherlands.*

*Any person (including without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement, the Offer Document, the Form of Acceptance and/or any related document to any jurisdiction outside the United Kingdom and the Netherlands, should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Offer Document.*

### **Forward-looking statements**

*This document contains statements about NR Nordic, the Offer and the Offeror that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words 'targets', 'plans', 'believes', 'expects', 'aims', 'intends', 'will', 'may', 'anticipates', 'estimates', 'projects', or words or terms of similar substance or the negative thereof identify forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of NR Nordic's and the Offeror's operations.*

*These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of NR Nordic or the Offeror. These forward-looking statements involve*

*known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to NR Nordic or the Offeror or any of their members or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in this document are based on information available to the relevant parties on the date hereof. Investors should not place undue reliance on such forward-looking statements, and neither NR Nordic or the Offeror nor their respective directors undertakes any obligation in respect of, and do not intend to update or revise any forward-looking statements except as required by the City Code, the Dutch Takeover Decree or pursuant to applicable law.*



## APPENDIX I

### CONDITIONS OF THE OFFER

The obligation of the Offeror to declare the Offer unconditional (*gestand te doen*) shall be subject to the fulfilment or waiver, as the case may be, of the following conditions:

1. by not later than 14.00 hours CET (13.00 hours London time) on the Acceptance Closing Date the Offeror and/or any member of the Offeror Group having acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, NR Nordic Shares carrying, in aggregate, over 50 per cent. of the voting rights then exercisable at general meetings of NR Nordic (including for this purpose, to the extent (if any) required by the Panel or the AFM, any voting rights attaching to any NR Nordic Shares which are unconditionally allotted or issued on or before the Unconditional Date, whether pursuant to the exercise of conversion or subscription rights or otherwise).

For the purposes of these conditions:

- (i) the expression “NR Nordic Shares to which the Offer relates” shall be construed in accordance with Articles 116 and 117 of the Companies Law; and
  - (ii) NR Nordic Shares which have been unconditionally allotted but not issued before the Offer is declared unconditional shall be deemed to carry the voting rights which they will carry on issue;
2. The AFM not having ordered, by issuing an instruction, any securities institution or investment firm to refrain from cooperating with the Offer, on the basis that the AFM has found that the Offer has been prepared, announced or made in contravention of the rules laid down by or pursuant to chapter 5.5. of the Dutch Act (including any provisions of the Dutch Takeover Decree) and no notification has been received by the Offeror or NR Nordic from the AFM in that respect.
3. no Relevant Authority having decided to take, instituted or threatened any action, proceeding, suit, investigation, reference or enquiry or enacted, made or proposed and there not continuing to be outstanding any statute, regulation, rule, decision or order that, in any such case, would or might reasonably be expected to:
  - 3.1 make the Offer or its implementation or the acquisition or proposed acquisition by the Offeror (or any other member of the wider Offeror Group) of any NR Nordic Shares void, unenforceable or illegal in or under the laws of any jurisdiction or otherwise (in each case to an extent which is material), restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose material additional or amended conditions or obligations with respect to, or otherwise materially challenge or interfere with any of the foregoing or require material amendment to the terms of the Offer;
  - 3.2 require the divestiture by any member of the wider Offeror Group or any member of the wider NR Nordic Group of all or any material part of their respective businesses, assets or properties or impose any material limitation on the ability of any of them to conduct or to own, use or operate all or any part of their respective businesses, assets or properties;
  - 3.3 impose any material limitation on, or result in any material delay in, the ability of any member of the wider Offeror Group or any member of the wider NR Nordic Group to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or loans or securities convertible into shares or other securities (or the equivalent) in any member of the wider NR Nordic Group, in each case where this is or would reasonably be expected to be material in the context of the wider NR Nordic Group taken as a whole;
  - 3.4 require any member of the wider Offeror Group or any member of the wider NR Nordic Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of the wider NR Nordic Group (other than pursuant to the Offer or Article 117 of the Companies

Law or any member of the wider Offeror Group or any other asset owned by any third party), in each case where this is or would reasonably be expected to be material in the context of the wider NR Nordic Group taken as a whole;

- 3.5 result in a material delay in the ability of any member of the wider Offeror Group, or render any member of the wider Offeror Group unable, to acquire all or some of the NR Nordic Shares or require, prevent or materially delay a divestiture by any member of the wider Offeror Group of any such Shares; or
  - 3.6 otherwise materially adversely affect the businesses, assets, financial or trading position or profits, prospects or value of the wider NR Nordic Group taken as a whole or the wider Offeror Group taken as a whole;
4. all necessary filings and applications having been made and all statutory or regulatory obligations in any jurisdiction having been complied with, and all appropriate waiting or other time periods (including any extensions of such periods) under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated, in each case as required in connection with the Offer and all Relevant Authorisations required in connection with the Offer having been obtained from all appropriate Relevant Authorities and all such Relevant Authorisations remaining in full force and effect, and there being no notice of any intention to revoke, modify, restrict, suspend or not to renew any of them in consequence of the making or implementation of the Offer;
5. save as Disclosed there being no provision of any Relevant Instrument which, in consequence of the making or implementation of the Offer, the acquisition or proposed acquisition by any member of the wider Offeror Group of any shares in, or any change in the control or management of, NR Nordic or any other member of the wider NR Nordic Group, or otherwise, provides for, or will or might reasonably be expected to result in, any of the following in each case to an extent which is material in the context of the wider NR Nordic Group, taken as a whole:
- 5.1 any monies borrowed by, or other indebtedness, actual or contingent, of, or grant available to, any member of the wider NR Nordic Group being or becoming capable of being declared repayable immediately or earlier than its stated maturity date or repayment date or the ability of any member of the wider NR Nordic Group to borrow monies or incur indebtedness being withdrawn, inhibited or adversely affected or becoming capable of being withdrawn, inhibited or adversely affected;
  - 5.2 the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the wider NR Nordic Group or any such security (whenever created, arising or having arisen) becoming enforceable or being enforced;
  - 5.3 any such Relevant Instrument or any right, interest, liability or obligation of any member of the wider NR Nordic Group under such Relevant Instrument (or any related arrangement) being terminated or adversely modified or affected, or any onerous action being taken or obligation arising under such Relevant Instrument;
  - 5.4 the value of the business, assets, financial or trading position or prospects of any member of the wider NR Nordic Group being prejudiced or adversely affected;
  - 5.5 the creation of any liability, actual or contingent, by any such member;
  - 5.6 any member of the wider NR Nordic Group or any member of the wider Offeror Group being required to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of the wider NR Nordic Group (other than pursuant to the Offer or Article 117 of the Companies Law) or any member of the wider Offeror Group or any other asset owned by any third party),

and no event having occurred which, under any provision of any Relevant Instrument, would or could reasonably be expected to result in any of the events or circumstances referred to in sub-paragraphs 4.1 to 4.6 (inclusive);

6. save as Disclosed since 31 December 2008 (being the date to which the latest published audited report and accounts of NR Nordic were made up), no member of the wider NR Nordic Group having:
  - 6.1 made any alteration to its memorandum or articles of association or other constitutional document which is or could reasonably be considered to be material and save as required to implement the Offer;
  - 6.2 recommended, declared, paid or made, or proposed the recommendation, declaration, paying or making of, any dividend, bonus or other distribution, whether in cash or otherwise (other than to NR Nordic or a wholly-owned subsidiary of NR Nordic);
  - 6.3 issued or agreed to issue, or authorised or proposed the issue of, additional shares of any class, or of securities convertible into or exchangeable for shares, or rights, warrants or options to subscribe for or acquire, any such shares or securities or any loan capital (other than issues to NR Nordic or a wholly-owned subsidiary of NR Nordic, and save for NR Nordic Shares allotted pursuant to the exercise of NR Nordic Share Options before the date of this document or upon the exercise of rights to subscribe for NR Nordic Shares pursuant to the NR Nordic Convertible Notes) or redeemed, purchased, repaid or reduced, or authorised or proposed the redemption, purchase, repayment or reduction of, or other material change to, any part of its share capital or any other securities;
  - 6.4 sold or transferred or agreed to sell or transfer any treasury shares;
  - 6.5 (other than to NR Nordic or a wholly-owned subsidiary of NR Nordic) issued, authorised or proposed the issue of any debentures or securities;
  - 6.6 save in the ordinary course of business, incurred or increased any indebtedness or liability, actual or contingent which is material in the context of the wider NR Nordic Group taken as a whole;
  - 6.7 authorised, proposed or effected or announced its intention to propose any merger, demerger, reconstruction, scheme or amalgamation, or any acquisition or disposal or transfer of, or the creation of any mortgage, charge or security interest or other encumbrance in respect of, any asset or any right, title or interest in any share or asset (other than in the ordinary course of trading or transactions between members of the wider NR Nordic Group);
  - 6.8 entered into, or varied (other than in respect of increases in remuneration required under the terms of the relevant agreement) the terms of, any service contract or agreement or other arrangement with any of the directors, senior executives or senior employees of any member of the wider NR Nordic Group;
  - 6.9 entered into, varied or terminated, or authorised the entry into, variation or termination of, any contract, commitment or arrangement (whether in respect of capital expenditure or otherwise) where the value of such contract, commitment or arrangement is material in the context of the wider NR Nordic Group taken as a whole;
  - 6.10 been unable, or threatened in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or a substantial part thereof or ceased or threatened to cease carrying on all or a substantial part of its business;
  - 6.11 taken or proposed any action or had any proceedings instituted, threatened or proposed for its winding-up (voluntarily or otherwise), dissolution, striking off or reorganisation (or for any analogous proceedings or steps in any jurisdiction) (save for any such winding-up or dissolution whilst solvent) or for the appointment of a receiver, administrator, administrative receiver, trustee or similar or analogous officer of all or any of its assets or revenues or for any similar or analogous matters in any jurisdiction;

- 5.12 waived or compromised any claim or authorised any such waiver or compromise, (other than in the ordinary course of business) where the amount being waived or compromised is material in the context of the wider NR Nordic Group taken as a whole;
- 6.13 entered into any trust deeds constituting pension schemes established for its directors and/or employees and/or their dependents; or
- 6.14 agreed to enter into or entered into any commitment, agreement or arrangement, or passed any resolution or made any offer (which remains open for acceptances), with respect to, or announced an intention to effect or to propose, any of the transactions, matters or events referred to in this paragraph 5;
- 7. save as Disclosed since 31 December 2008 (being the date to which the latest published audited report and accounts of NR Nordic were made up):
  - 7.1 no material adverse change having occurred in the business, assets, financial or trading position or profits of the wider NR Nordic Group taken as a whole;
  - 7.2 no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced, instituted or remaining outstanding by, against or in respect of any member of the wider NR Nordic Group or to which any member of the wider NR Nordic Group is a party (whether as a claimant, defendant or otherwise), and no investigation or enquiry by, or complaint or reference to, any Relevant Authority against or in respect of any member of the wider NR Nordic Group, having been instituted, announced or threatened or remaining outstanding by, against or in respect of any member of the wider NR Nordic Group which in any case is or would reasonably be expected to be material and adverse in the context of the wider NR Nordic Group taken as a whole;
  - 7.3 no steps having been taken which will result in, or would reasonably be expected to result in, the withdrawal, cancellation, termination or adverse modification of any licence or permit held by any member of the wider NR Nordic Group which is or would reasonably be expected to be material in the context of the wider NR Nordic Group taken as a whole; and
  - 7.4 no contingent or other liability having arisen or increased which would be likely adversely to affect the wider NR Nordic Group and which is material in the context of the wider NR Nordic Group taken as a whole; and
- 8. save as Disclosed no Relevant Authority having decided to take, instituted or threatened any action, proceeding, suit, investigation, reference or enquiry in relation to any of the following matters:
  - 8.1 any financial, business or other information publicly disclosed at any time by any member of the wider NR Nordic Group being misleading, containing a misrepresentation of fact or omitting to state a fact necessary to make the information contained therein not misleading which in any case is material and adverse to the financial or trading position of the wider NR Nordic Group taken as a whole; or
  - 8.2 any past or present member of the wider NR Nordic Group having failed to comply in all material respects with any applicable legislation or regulations of any jurisdiction or any notice of requirement of any Relevant Authority with regard to the storage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous or harmful substance or any substance likely to impair the environment or harm human or animal health or otherwise relating to environmental matters, or that there has otherwise been any such storage, disposal, material discharge, spillage, release, leak or emission (whether or not the same constituted non-compliance by any person with any such legislation or regulation, and whenever the same may have taken place) on or from any land or property of any description or other asset now or previously owned, occupied or made use of by any past or present member of the wider NR Nordic Group, any of which non-compliance would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the wider NR Nordic Group and which is material in the context of the wider NR Nordic Group taken as a whole.

In the foregoing conditions the following definitions shall apply:

- (i) “Disclosed” means:
  - (a) expressly contained in NR Nordic's published report and accounts for the financial year ended 31 December 2008, or its interim announcement of its results for the financial period ended 30 June 2009; or
  - (b) expressly disclosed in any other public announcement made by NR Nordic via a Regulatory Information Service in the period commencing on 31 December 2008 and ending on the Business Day immediately preceding the date of the Announcement; or
  - (c) otherwise known by the Offeror Group or fairly disclosed to the Offeror by or on behalf of NR Nordic prior to the date of the Announcement;
- (ii) “Relevant Authority” means any government, government department or governmental, quasi-governmental, supranational, statutory or regulatory body, agency or authority, or any court, tribunal, institution, investigative body, association, trade agency or professional or environmental body or (without prejudice to the generality of the foregoing) any other person or body, in each case in any jurisdiction;
- (iii) “Relevant Authorisation” means an authorisation, order, grant, recognition, confirmation, determination, consent, licence, clearance, permission, allowance or approval from any Relevant Authority;
- (iv) “Relevant Instrument” means any agreement, arrangement, licence, permit, lease or other instrument or obligation to which any member of the wider NR Nordic Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject;
- (v) “substantial interest” means, in relation to an undertaking, an interest, direct or indirect, in 20 per cent. or more of the voting rights exercisable in relation to the undertaking or in the capital or of any class of capital of such undertaking; and
- (vi) “wider NR Nordic Group” means together NR Nordic and all of its subsidiaries (as such term is construed in accordance with the Companies Law); and
- (vii) “wider Offeror Group” means together Spirastrella, the Offeror, Swedish Holdco, London & Regional Group, Ian Livingstone and Richard Livingstone.

Subject to the requirements of the Panel and applicable law, the Offeror reserves the right to waive all or any of the above conditions in whole or in part, except the conditions set out in paragraphs 1 and 2 above.

The Offeror shall be under no obligation to waive or treat as satisfied any of the conditions in paragraphs 3 to 8 by a date earlier than the Unconditional Date notwithstanding that the other conditions of the Offer may, at an earlier date, have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any of such conditions may not be capable of fulfilment.

If the Offeror is required by the Panel to make a mandatory offer for NR Nordic Shares under the provisions of Rule 9 of the City Code, the Offeror shall make such alterations to any of the conditions (including, without limitation, the condition set out in paragraph 1 above) or any of the terms of the Offer as are necessary to comply with the provisions of that Rule or Section.

In accordance with Rule 12.1(a) of the City Code the Offer will lapse (unless the Panel otherwise consents) if, before 14.00 hours CET (13.00 hours London time) on the First Closing Date or the date when the Offer is declared unconditional (whichever is the later), the Offer, or any aspect of it, is referred to the Competition Commission.

If the Offeror declares that the Offer is not unconditional and has lapsed as a result thereof, the Offer will cease to be capable of further acceptance and those NR Nordic Shareholders who have, as at the time of such lapse, accepted the Offer shall then cease to be bound by their acceptances of the Offer submitted at or before the time when the Offer lapses.

The contractual terms of the Offer will be governed by English law and be subject to the jurisdiction of the English courts.

## APPENDIX II

### PROPERTY VALUATION REPORT ON NR NORDIC & RUSSIA PROPERTIES

#### PART A VALUATION REPORT

The Directors  
NR Nordic & Russia Properties Limited  
No 13 Castle Street  
St Helier 5UT  
Jersey JE4

Numis Securities Limited  
10 Paternoster Square  
London  
EC4M 7LT

DTZ  
Kungsbron 2  
111 22 Stockholm, Sweden  
Tel: +46 (0)8 671 34 00  
Fax: +46 (0)8 671 34 50

Email:  
svenerik.hugosson@dtz.com  
Direct tel: +46 8 671 34 59  
Direct fax: +46 8 671 34 50

Your ref:  
Our ref: SHE/me

17 January 2010

Dear Sirs

#### 1. INTRODUCTION

In accordance with your instructions which were confirmed in our letter dated 11 January 2010, we have inspected the properties referred to in the attached schedules (the "schedules") in order to advise you of our opinion of the Market Value of the freehold and leasehold interests in each of the properties, (the "Properties"), as at 31 December 2009. The Properties comprise mainly industrial and warehouse buildings.

This Report has been prepared in accordance with Rule 29 of the Takeover Code.

#### 2. INSPECTIONS

The properties were inspected for the purpose of year end valuation as of 31 December 2009. There were no restrictions to the extent of our inspections.

#### 3. COMPLIANCE WITH RICS VALUATION STANDARDS

We confirm that the valuations have been prepared in accordance with the appropriate sections of the current Practice Statements ("PS"), and United Kingdom Practice Statements ("UKPS") contained within the RICS Valuation Standards, 6th Edition (the "Red Book").

#### **4. STATUS OF VALUER AND CONFLICTS OF INTEREST**

We confirm that we have undertaken the valuations acting as External Valuers, qualified for the purpose of the valuation. All valuers acting within this instruction are all members of RICS.

As set out in our letter of 11 January 2010, we have previously carried out a valuation of the properties known as NR Nordic & Russia Properties on behalf of the current owner.

#### **5. PURPOSE OF THE VALUATION**

We understand that this Valuation Report and Schedules are to be included in a 2.5 announcement under the Takeover Code and offer document to be sent to NR Nordic & Russia Properties shareholders. This Valuation Report and Schedules have been produced for the NR Nordic & Russia Properties Board to assist them in determining a value for NR Nordic & Russia Properties property portfolio for the purposes of an offer (the "Purpose of this Report").

#### **6. DISCLOSURES REQUIRED UNDER THE PROVISIONS OF UKPS 5.4**

##### **6.1 Previous valuations of the properties for the purpose of the Valuation Report.**

The Properties have not previously been valued by DTZ Sweden and DTZ Russia for the same purpose as the Purpose of this Valuation Report.

##### **6.2 DTZ's relationship with client**

DTZ have previously carried out biannual valuations on behalf of NR Nordic & Russia Properties Limited.

##### **6.3 Fee income from NR Nordic & Russia Properties**

DTZ Sweden is a wholly owned subsidiary of DTZ Holdings plc (the "Group"). In the Group's financial year to 30 April 2009, the proportion of total fees payable by the Company to the total fee income of the Group was less than 5 per cent. We anticipate that this will also be the case in the current financial year.

#### **7. BASIS OF VALUATION**

Our opinion of the Market Value of each of the properties has been primarily derived using comparable recent market transactions on arm's length terms.

##### **7.1 Market Value**

The value of each of the properties has been assessed in accordance with the relevant parts of the current RICS Valuation Standards. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term "Market Value" means "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In undertaking our valuations on the basis of Market Value we have applied the conceptual framework which has been settled by the International Valuation Standards Committee and which is included in PS 3.2.



## **7.2 Taxation and costs**

We have not made any adjustments to reflect any liability to taxation that may arise on disposals, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposals.

We have made deductions to reflect purchasers' acquisition costs.

## **8. VAT**

The capital valuations and rentals included in this Valuation Report are net of value added tax at the prevailing rate.

## **9. ASSUMPTIONS AND SOURCES OF INFORMATION**

An Assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of Assumptions and have relied on certain sources of information. Where appropriate the Company and its advisers have confirmed that our Assumptions are correct so far as they are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The Assumptions we have made for the purposes of our valuations are referred to below:

### **9.1 Title**

We have not had access to the title deeds of any of the properties.

Save as disclosed by NR Nordic & Russia Properties' lawyers, we have made an Assumption that the Properties have good and marketable freehold and leasehold title in each case and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also assumed that the properties are free from mortgages, charges or other encumbrances.

### **9.2 Condition of structure and services, deleterious materials, plant and machinery and goodwill**

Due regard has been paid to the apparent state of repair and condition of each of the properties, but condition surveys have not been undertaken, nor have woodwork or other parts of the structures which are covered, unexposed or inaccessible, been inspected. Therefore, we are unable to report that the properties are structurally sound or free from any defects. We have made an Assumption that the properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects other than such as may have been mentioned in the body of our Valuation Report and any appendices.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious materials have been used in the construction or any alterations, and therefore we cannot confirm that the properties are free from risk in this regard. For the purposes of these valuations, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

We have not carried out an asbestos inspection and have not acted as an asbestos inspector in completing the valuation inspection of properties that may fall within the Control of the Asbestos at Work Regulations 2002. We have not made an enquiry of the duty holder (as defined in the Control of Asbestos of Work Regulations 2002), of the existence of an Asbestos Register or of any plan for the management of asbestos to be made. Where relevant, we have made an Assumption that there is a duty holder, as defined in the Control of Asbestos of Work Regulations 2002 and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE regulations. We advise that such enquiries be undertaken by a lawyer during normal pre-contract enquiries.

No mining, geological or other investigations have been undertaken to certify that the sites are free from any defect as to foundations. We have made an Assumption that the load bearing qualities of the sites of the properties are sufficient to support the buildings constructed (or to be constructed) thereon. We have also made an Assumption that there are no services on, or crossing the sites in a position which would inhibit development or make it unduly expensive, and that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the properties.

No tests have been carried out as to electrical, electronic, heating, plant and machinery, equipment or any other services nor have the drains been tested. However, we have made an Assumption that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

No allowance has been made in these valuations for any items of plant or machinery not forming part of the service installations of the buildings. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools.

Further, no account has been taken in our valuations of any business goodwill that may arise from the present occupation of any of the properties.

In the case of new properties, the construction of which has not been completed, or which have been built within the last ten years, we have made the Assumption that the construction will have been satisfactorily completed and that the properties have been built under the NHBC Build Mark Scheme, Zurich Municipal New Build and Rebuild Schemes or the Premier Guarantee Scheme. Further, we have made an Assumption that all buildings that have been completed recently or are due to be completed shortly, will satisfy all of the various matters discussed above.

It is a condition of DTZ Sweden AB or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

### **9.3 Environmental matters**

We have made enquiries of NR Nordic & Russia Properties Ltd in order, so far as reasonably possible, to establish the potential existence of contamination arising out of previous or present uses of the sites of the properties and any adjoining sites.

## **Flooding**

If any of the properties lies within or close to a flood plain, or has a history of flooding, we have made the Assumption that building insurance is in place regarding flooding and available to be renewed to the current or any subsequent owners of the properties, without payment of an excessive premium or excess.

### **9.4 Areas**

NR Nordic & Russia Properties Ltd has provided us with the floor areas of the properties that are relevant to our valuation. As instructed, we have relied on these areas and have not checked them on site. We have made an Assumption that the floor areas supplied to us have been calculated in accordance with the current Code of Measuring Practice prepared by the Royal Institution of Chartered Surveyors.

### **9.5 Statutory requirements and planning**

We have made an Assumption that the buildings have been constructed in full compliance with valid town planning and building regulations approvals, that where necessary they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005. Similarly, we have also made an Assumption that the properties are not subject to any outstanding statutory notices as to their construction, use or occupation.

Unless our enquiries have revealed the contrary, we have made a further Assumption that the existing uses of the properties are duly authorized or established and that no adverse planning conditions or restrictions apply.

No allowances have been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and we have made an Assumption that the properties comply with all relevant statutory requirements.

We would draw your attention to the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. We assume that, if the information given about town planning matters is to be relied upon, NR Nordic & Russia Properties lawyers would be instructed to institute such formal searches.

### **9.6 Leasing**

We have assumed that all of the properties are let according to rent roll presented by NR Nordic & Russia Properties.

### **9.7 Information**

We have made an Assumption that the information supplied to us in respect of the Properties is both full and correct.

It follows that we have made an Assumption that details of all matters likely to affect value within your knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Unless otherwise referred to in the Valuation Report, our valuation of all buildings has been based on an Assumption that all works of construction have been satisfactorily carried out in accordance with the building contract and specifications, current relevant codes of practice. We have also made an Assumption that a duty of care and all appropriate warranties are available from the professional team and contractors, which will be assignable to third parties.

#### **10. CURRENT FINANCIAL MARKET INSTABILITY**

The financial markets have seen significant turbulence over the last year or so resulting in severe liquidity shortages. Lenders have sought to both reduce leverage and to shift to low risk assets.

Against this background buyers of bonds have in the main withdrawn from the market at previous pricing levels resulting in the exit route of many lenders (the CMBS market and securitisation) no longer being available. Such lenders have significantly reduced their lending business at competitive prices leaving only a few "balance sheet lenders". The result has been materially less liquidity. The cost of debt has risen significantly and the quantum of debt as a percentage of loan to value has fallen substantially for all but the best assets.

The turmoil in the credit markets had an immediate effect on the real estate investment market resulting in some transactions failing and/or prices being renegotiated downwards. This has caused a marked reduction in the volume of transactions with activity below the levels of recent years. The renegotiation of agreed prices prior to completion of transactions remains common. Generally, there is greater volatility in the evidence generated by comparable transactions and in these circumstances there is a greater degree of uncertainty than that which exists in a more active and stronger market in forming an opinion of the realization prices of property assets.

The position has also become more difficult with the recent demise and rescue of several of the major banks and institutions across the globe and the significant injections of equity into the banks by the UK, European and US Authorities. These factors have combined to create further anxiety about future availability of debt finance and movements in the financial and real estate markets, despite the joint efforts to cut interest rates by the US Federal Reserve, The Bank of England and the European Central Bank.

Whereas transaction evidence underpins the valuation process, the definition of Market Value, including the commentary in Practice Statement 3.2.4, requires the valuer to reflect the realities of the current market. In this context valuers must use their market knowledge and professional judgment and not rely only upon historic market sentiment based on historic transactional comparables.

Those transactions which have been proceeding have been doing so at a further discount to previously established levels leading to further volatility in all property markets.

Therefore, under Guidance Note 5 of the RICS Valuation Standards, we are of the opinion that 'abnormal' market conditions currently prevail and that there is likely to be a greater than usual degree of uncertainty in respect of the figures now reported even if market seems to have been more stable at the end of last year. Until the number and consistency of comparable transactions increases, this situation is likely to remain.

The Circumstances described above are particularly acute in respect of properties for development purposes. This is due to the adverse impact of current market conditions on the feasibility of many developments and the increasing risk premiums required by providers of finance for all properties and in particular those with impacted by the uncertainty of the development process.

## **11. VALUATION**

We are of the opinion that the aggregate of the Market Values of the freehold and leasehold interests in the properties described in Schedules A, subject to the Assumptions and comments in this Valuation Report, as at 31 December 2009 is as follows:

**€54,622,574**  
**(Five hundred and fifty four million six hundred and**  
**twenty two thousand five hundred and seventy four**  
**Euros)**

Conversion rates.

1€ = 10.3530 SEK

1€ = 7.4402 DKK

1€ = 1.4354 US Dollar

1€ = 3.4510 Litass

## **12. CONFIDENTIALTY AND DISCLOSURE**

The contents of this Valuation Report and Schedules may be relied upon only by the addressees in connection with the Purpose of this Valuation Report. No reliance may be placed upon the contents of the Valuation Report and Schedules by any party who is not an addressee of this Valuation Report or by an addressee of this Valuation Report for any purpose other than in connection with the Purpose of this Valuation Report. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party; the valuer's written approval as to the form and context of such publication or disclosure must first be obtained. Such publication or disclosure will not be permitted unless, where relevant, it incorporates the Special Assumptions referred to herein. For the avoidance of doubt such approval is required whether or not DTZ Sweden AB is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

**SvenErik Hugosson MRICS**  
Director

For and on behalf of  
DTZ Sweden AB

## PART B

### PROPERTY SCHEDULE

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Mimer 5, Ottar 5 & 6, the municipality of Västerås.	<p>The properties are situated in the centre of Västerås, between the CBD and an industrial park. The main shopping galleria in Västerås (Multi Centre) is situated on the opposite sides of two of the streets in front of the building on Ottar 5. The railway station is situated 100 m from the building on Ottar 6. The distance to the motorway E18 is 1 km.</p> <p>The Properties are made up of thirteen buildings. They were constructed in various phases between 1912 and 1961. Refurbishment and renovation works have been carried out since 1991. In addition to the buildings there are two viaducts within the Properties over Karlsgatan. The buildings are essentially integrated to varying degrees regarding technical support and communications systems. Physical communicating walkways or transportation corridors connect the majority of the buildings. Each building is surrounded by its own perimeter security.</p> <p>On <b>Ottar 5</b> there is one building (<b>217</b>) erected in 1960. The building, called Melkerhuset, is made up of 10 stories with offices and three basement stories. Most premises were refurbished during the 1990s. Since then there have been various tenant improvements.</p> <p>On <b>Ottar 6</b> there are two connecting buildings. Building <b>220 and 235</b>. The buildings were erected between 1940 to 1945 and 1917 to 1919 respectively. The buildings are of five to eight stories. The older buildings also have a tower with six small stories, up to a maximum of eleven stories. There are also basements stories. There have been major refurbishments of the buildings during the 1990s and later.</p> <p>On <b>Mimer 5</b> there are 10 buildings, originally erected between 1912 and 1955 as industrial buildings for manufacturing of goods for ASEA. Most buildings are of five to six stories without basements.</p>	<p>The main tenant is ABB (47,400 m<sup>2</sup> and SEK 54,600,000).</p> <p>The lease with ABB is part of a master lease concerning 4 properties in Västerås.</p>	130,406,000 SEK	142,734,000 SEK
Västerås 5:9 in the municipality of Västerås	The property consists of a parking lot.	The entire parking is let to the property owner of Mimer and Ottar.	1,665,800 SEK	1,850,000 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Isolatorn 3, the municipality of Västerås.	<p>The site has an area of approximately 69,463 m<sup>2</sup>.</p> <p>The Property is located at Tegnér Industrial Park that is situated directly north of the E18 motorway. The motorway can easily be accessed from the main road at the entrance to the property. The CBD of Västerås is situated approximately one kilometre south of the property. The surrounding area is mainly occupied by residential properties. Some of these properties have been developed in the last few years. On the other side of the E18 there is an area called Kopparlunden, where old industrial buildings are undergoing refurbishment and are largely being converted to office use. However Isolatorn 3 is not believed to be an attractive location for offices. In 10 or 20 years' time, this part of the site may be new residential buildings.</p> <p>On the site there are in excess of 20 buildings constructed between 1934 and 2000. Refurbishments and conversion to other uses have been carried out gradually. Many of the main buildings are of a standard corresponding to buildings constructed in the 1980s or 1990s. Other buildings on site are of an older standard. Over the years the nature of the operation has changed significantly, from a closed to an open multi-let industrial park. The main tenants use their premises for high-tech research. The same goes for many of the small new tenants.</p> <p>The buildings are grouped in several blocks, and are partially connected. In the south, close to the highway E18 buildings are mainly used as offices and laboratories. In the centre of the site are industrial buildings with office accommodation to the upper floors.</p>	<p>The main tenants are ABB and Westinghouse</p> <p>ABB is a global leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. Westinghouse Sweden operates in two business units: Nuclear Fuel and Nuclear Services.</p> <p>Westinghouse Sweden is a supplier of nuclear fuel and components, plant upgrades including nuclear automation, as well as nuclear services. The lease with ABB expires in 2016-12-31 and with Westinghouse in 2011-03-31 resp. 2023-03-31.</p>	37,925,000 SEK	39,663,000 SEK
Finnslätten 1, 4, Västerås 3:84-89, the municipality of Västerås.	<p>The Properties are located at Finnslätten's industrial park, approximately four kilometres to the north of central Västerås. The E18 motorway is situated approximately two kilometres distant and can be reached via Bergslagsvägen or Malmbergsgatan.</p> <p>The site consists of a large industrial and office complex, which was originally owner-occupied by ABB. Over the past decade, Finnslätten's industrial park has been converted from a closed and closely monitored industrial park into an open industrial park. The existence of companies other than ABB has increased in recent years but is make up a small part of the total occupancy.</p>	<p>Västerås is ABB's international centre for development and production of robotics. ABB has been the dominating company in the area for many years.</p> <p>It should be noted that especially areas let by ABB are more or less of a gross character as the tenant partly leases whole buildings.</p>	193,404,000 SEK	196,171,000 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
	<p>The properties comprise 31 buildings. They were constructed in various stages between 1957 and 1998. Conversions and renovations have been carried over a number of years. The land use has changed significantly, from a heavy closed industrial park to an open industrial park with many high-tech companies.</p> <p>Just over half of the building portfolio comprises production premises. The share of production premises, however, has decreased in recent years, as operations at ABB have become increasingly knowledge-based. ABB's industrial college is located on the site as well as a building for health care and a restaurant building.</p>			
Örjan 1, the municipality of Västerås.	<p>The site has an area of 157,205 m<sup>2</sup>.</p> <p>The Property is located southeast of central Västerås in the Saltängen industrial area. The E18 highway and national highway 66 are about two kilometres away via Surahammarsvägen.</p> <p>Västerås commercial centre is about four kilometres from the Property. The Property includes eighteen buildings. They were erected in various stages between 1920 and 2000. Conversions and renovations have been carried out gradually.</p> <p>Over the years the nature of the use has changed from heavy to light industry. The building portfolio mainly comprises three units. One comprises three attached office buildings, the second comprises a large production section and the third a warehouse with attached offices. The production section and the warehouse are attached to one unit. There are also several other buildings.</p>	ABB is the major tenant. The lease expires in 2016-12-31, another major tenant is DSV (logistic company). This lease expires in 2011-12-31.	36,168,000 SEK	37,348,000 SEK



Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Bälgen 9, the municipality of Arboga	<p>The site has an area of 72,571 m<sup>2</sup>. The property is situated about 1 km west of the city of Arboga in an industrial area called Nästkvarn. The site is a freehold property. Large parts are asphalted for roads and parking. For storage (Industrial buildings) purposes, the location is quite good, as there is a lot of space for trucks and good access to main roads. Access to the E18 road is approximately 4 km away. There are approximately 152 allocated parking places on the site. The location is good for industrial and storage purposes.</p> <p>On the site there is one dominating industrial building, one smaller storage building and a museum building. The industrial building was erected in 1950 and is erected on one floor. One part of the building contains offices on one to two floors. The building has been and is still used as a single tenant letting. Currently the building mostly contains storage premises (former industrial) but also office spaces. The office premises are in good condition dating from 1998-2004. All premises have either had major renovations or are newly built such as the canteen, which was built in 1998.</p>	Only one tenant Försvarmakten, (the Swedish military) which is a secure state-owned tenant. Lease until 2016-03-31.	14,719,000 SEK	8,444,000 SEK
Säversta 8:28, the municipality of Bollnäs	<p>The site has an area of 21,445 m<sup>2</sup>.</p> <p>The property is located on the outskirts of Bollnäs.</p> <p>On the site there is one building of one floor erected in 1979 and refurbished in 1997. It contains mainly production and office areas.</p>	AQ Mekatronik AB lease the entire property until 2010-06-30. The tenant wants to reduce space.	422,300 SEK	1,969,000 SEK
Ribban 5, the municipality of Nyköping.	<p>The Property is in the Spelshagen area, or Nyköpings Strand, one of Nyköping's main areas for offices and industrial use. New offices, retail and residential buildings have been built here in recent years. The location is good for industrial and storage purposes.</p> <p>On the site there is one industrial building. The industry building was erected in 1963 and is built on one-two floors. One smaller part has 4 floors. Currently the building consists of 6 parts. The larger additions were made in 1968 and 1975-76. Most of the building is on two floors. The upper industrial floor may be difficult to use in the future with less good logistics possibilities. The building also contains offices both on the first and second floors. Currently, the building mostly contains industrial space but also some office spaces, clothes wholesaler and glazier's workshop.</p>	<p>ABB lease appr 19,200 m<sup>2</sup> and is the main tenant in the building. Their lease is going to expire in 2011-12. There will be a risk for vacancies after that.</p> <p>There are at the moment app. 9,000 m<sup>2</sup> vacant on the property. Most of the current leases are on market rent.</p>	20,214,000 SEK	23,345,000 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Bredskär 2, the municipality of Malmö.	<p>The site has an area of 24 551 m<sup>2</sup>. The address is Färögatan 8, Malmö.</p> <p>It is situated in the industrial part of the harbour area. It is close to thoroughfare Väst kustvägen.</p> <p>There are two buildings on the site. One of the buildings is an office building with is empty since several years.</p>	The building is vacant.	0 SEK	4,916,000 SEK
Murängen 2, the municipality of Sandviken.	<p>The site has an area of 35,043 m<sup>2</sup>.</p> <p>The property is located in Storvik in Sandviken.</p> <p>On the site there are six buildings of one floor erected in 1971, 1982, 1989, 1992. The buildings contain production, warehouse and office areas.</p>	The major tenant is ABB Fastighets AB. The premises are almost fully let. The lease expires in 2011-12-31.	3,469,000 SEK	3,391,500 SEK
Geten 2, the municipality of Sundsvall.	<p>The site has an area of 9,020 m<sup>2</sup>.</p> <p>The property is located in the outskirts of Sundsvall.</p> <p>On the site there are three buildings of one to two floors erected in 1964 containing production, commercial and office areas.</p>	ABB Fastighets AB and Sundsvalls Elteam are the main tenants. The lease expires in 2014-12-31 resp. 2011-03-31.	1,667,600 SEK	3,444,900 SEK
Baggen 6, the municipality of Sundsvall.	<p>The property is located in the outskirts of Sundsvall.</p> <p>The site has an area of 8,766 m<sup>2</sup>. The address is Hovgatan 6, Sundsvall.</p> <p>On the site there are two buildings of one floor erected in 1973 and refurbished in 1994 and 2000. The buildings contain production and office areas.</p>	Sund Birsta lease the entire property on a lease expires in 2015-05-31.	921,000 SEK	1,432,800 SEK
Skotet 1, the municipality of Luleå.	<p>The site has an area of 15 000 m<sup>2</sup>. The property is situated in Notvikens Industriområde in the outskirt of Luleå.</p> <p>On the site there are five buildings in one to two floors erected in 1976, 1984, 1988 and refurbished in 1995, 1998, 2000 and 2001. The buildings contain production and office areas.</p>	<p>YIT Sverige AB is currently occupying 1,248 sqm of office space, expiring 2011-12.</p> <p>ABB Fastigheter AB is currently occupying 3,4808 sqm of production space, expiring 2010-12</p>	5,078,500 SEK	5,870,700 SEK
Öjebyn 119:1, the municipality of Piteå.	<p>The property is located in Hamnvikens Industriområde in Piteå.</p> <p>The site has an area of 56,612 m<sup>2</sup>. the address is Skylvägen 1, Piteå.</p> <p>On the site there are four buildings of one to two floors erected in 1967, 1977 and 1984. They contain production areas, warm warehouses and office areas.</p>	ABB is currently occupying 19,149 sqm of production space, expiring 2011-12. The office space (628 sqm) is still vacant.	4,379,000 SEK	4,562,700 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Spolaren 4, the municipality of Norrköping.	<p>The site has an area of 16,464 m<sup>2</sup>. Norrköping.</p> <p>The property is situated about 1.5 km north of the city of Norrköping in an industrial area called Butängen. It is one of the most popular industrial areas in Norrköping. The site is a freehold property. Large areas are asphalted for roads and parking space.</p> <p>For storage (Industrial buildings), the location is quite good; there is a lot of space for trucks and good access to main roads. Visible from E66 road. The soil is clay.</p> <p>On the site there is a building erected in 1959. There is an office and industrial building on the property erected in 1959 Rebuilt: 1961, 1963, 1970. The office part is occupies 4 floors and the industrial parts, one floor. The premises were refurbished in 1990. The structure is a concrete frames and brick and sheet metal facades.</p>	The major tenants are ABB and YIT Sverige AB. The leases with ABB expire between 2012-12-31 and 2010-12-31 and with YIT in 2011-03-01.	3,881,200 SEK	4,615,600 SEK
Utnäs 4 in the municipality of Oskarshamn	<p>The sites have a total area of 116,121 m<sup>2</sup>. They are situated in the municipality of Oskarshamn.</p> <p>The object consists of 2 properties Utnäs 4 with a land area of 86,241 m<sup>2</sup> and Figeholm 3:40 with a land area of 27,000 m<sup>2</sup>. The property is located in Figeholm close to the sea and consists of an industrial site.</p>	ABB is currently occupying 9,300 sqm (entire building) of production space, expiring, 2011-06.	3,433,300 SEK	3,483,200 SEK
Hälsinggården 1:427, the municipality of Falun.	<p>The site has an area of 23,487 m<sup>2</sup>. The address of the property is Lövasvägen 26, Falun. The property is situated in the area Roxnäs in the municipality of Falun, app. 6 km east of the central parts of Falun and app. 5 km to the railway station.</p> <p>On the site there are one building erected in 1967 and extended several times last in 2006. The building has gone true major renovation under later years. A new concrete slab have been made in the cold storage, some parts have a new facade and roof. The building consists manly of high bay storage and some office space, changing rooms and a canteen.</p>	Förlagssystem JAL AB. They are currently occupying the entire property on a lease expiring 2013-04.	4,363,200 SEK	4,582,900 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Katthavet 8, the municipality of Stockholm.	<p>The site has an area of 2,451 m<sup>2</sup>. The address of the property is Näckströmsgatan 8, Stockholm.</p> <p>The property is a part of the CBD-area of Stockholm, close to the so-called "Golden Triangle". That area is one of the most popular office locations in Stockholm, especially for companies in the finance sector.</p> <p>Next to the property is a park called Berzeli Park. The property owner lease land within this park for restaurant purposes. A small restaurant building has been developed on this land in 2001.</p> <p>The property is fully built.</p> <p>The building was originally erected in 1863 as a restaurant and entertainment building. In 1989 the building was totally refurbished and extended.</p> <p>The building comprises restaurant and entertainment premises in the ground floor and the basement as part of the first floor. The first floor and the second floor mainly consist of conference facilities whilst the upper floors contain hotel rooms (total 7 floors and 1 basement).</p> <p>The hotel comprises 65 hotel rooms and the conference consist of 8 different rooms with a capacity from 10 to 400 guests</p>	<p>Berns Group AB is currently leasing the entire building.</p> <p>The lease expires in 2013-12-31.</p>	21,573,600 SEK	21,151,300 SEK
Alvesta 13:28, the municipality of Alvesta.	<p>The site has an area of 31,398 m<sup>2</sup>. The address of the property is Ågårdsvägen 16, Alvesta. The property is situated in a large industrial area in western Alvesta.</p> <p>On the site there is a building erected in 1973 and refurbished or extended in 1996, 1999 and 2003. The building contains production areas with a ceiling height of app. 5-5.5 meters free height. There are also some smaller office areas in the building. Next to the main building there is a smaller not tempered warehouse.</p>	Finnveden AB. They are currently occupying the entire property on a lease expiring 2024-06.	2,169,300 SEK	3,578,800 SEK
Svartå 1:157, the municipality of Degerfors.	<p>The site has an area of 59,022 m<sup>2</sup>. The address of the property is Industrivägen 11, Degerfors. The property is situated in an industrial area in the small town Svartå, app. 12 km south of Degerfors.</p> <p>On the site there is a building erected in 1939, 1968, 1972, 1975 and 1976. The building contains production areas with a ceiling height that vary between 3-4 and 10-12 meters, tempered warehouse areas, non-tempered warehouse areas and office space. On the site there are also two smaller warehouse buildings.</p>	Finnveden AB. They are currently occupying the entire property on a lease expiring 2011-06.	2,378,300 SEK	2,378,300 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Armaturen 10, the municipality of Kungsör.	<p>The site has an area of 37,519 m<sup>2</sup>. The address of the property is Granlidsvägen 3, Kungsör. The property is situated in a large industrial area in northeastern Kungsör 'Kungsörs Industriområde'. The location is considered good for industrial purposes in Kungsör.</p> <p>On the site there are three buildings erected. <b>B1</b> is the main building. It was erected in 1967 and extended in 1974 and 1999. The building contains production areas with a ceiling height of app. 4.5 meters in the older parts and 6 meters in the newer parts. There are also some smaller office and warehouse areas in the building. In 1999 all installations were exchanged in the older parts of the building. The building is heated by district heating, installed in 2000. The roof was refurbished in the beginning of the 2000's. In all the building has a good standard and condition. <b>B2</b> is a detached house that is being used for sleeping accommodations by employees and the building also comprises a gym and other personnel facilities. Standards from the 1990's. <b>B3</b> smaller non-tempered warehouse erected by the loading area of the main building.</p>	Finnveden AB. They are currently occupying the entire property on a lease expiring 2024-06.	2,511,700 SEK	4,127,300 SEK
Hallsta 3:7, the municipality of Hallstahammar.	<p>The site has an area of 129,731 m<sup>2</sup>. The address of the property is Bultfabriksvägen 7, Hallstahammar. The property is situated in a large industrial area in northwestern Hallstahammar, 'Bultenområdet Industriområde'. The location is considered good for industrial purposes in Hallstahammar.</p> <p>On the site there are five buildings erected.</p> <p><b>B1</b> is the main building on the site and it was erected in four floors and basement during the years 1940-1973. The building contains production and tempered warehouse areas with a ceiling height of app. 6-7 meters. There are also some office areas in the building. The building has an ordinary standard and condition.</p> <p><b>B2</b> is a smaller office building, which also comprises some warehouse areas. This building was refurbished internally in 2000. <b>B3</b> is an old-style wooden house that is being used for conferences etc. The building has a very good condition both interior and exterior. <b>B4 and B5</b> is two smaller buildings that comprise technical areas, such as substation and neutralization.</p>	<p>Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.</p> <p>The tenant has the right to terminate 33 % of the premises from 2010-06.</p>	9,364,000 SEK	11,177,800 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Östnor 171:2 and 167:3, the municipality of Mora.	<p>The site has an area of 16,344 m<sup>2</sup> (Östnor 167:3). The site has an area of 16,825 m<sup>2</sup> (Östnor 171:2). The address of the property is Landsvägen 52, Mora. The property is situated in the area Östnor, app. 5 km northwest of Mora.</p> <p>On the site there are two buildings erected. <b>B1</b> was erected in 1940, 1960, 1989 and 1997. The building contains mainly production areas with a ceiling height of 4.5 meters free height, parts of the building has a ceiling height of 2.7 and 6.0 meters. <b>B2</b> is a smaller non-tempered warehouse building.</p>	<p>Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.</p> <p>The tenant has the right to terminate 33 % of the premises from 2010-06.</p>	1,691,100 SEK	2,015,700 SEK
Holje 116:116, the municipality of Olofström.	<p>The site has an area of 75,235 m<sup>2</sup>. The property has no registered address. The property is situated in an industrial area just west of central Olofström. The location is considered good for industrial purposes in Olofström.</p> <p>On the site there is a large building erected in two floors and basement during the years 1949-1985. The building contains production and tempered/non tempered warehouse areas with ceiling heights varying between 5 and 10 meters. The upper floor only comprises smaller office and warehouse areas. The building has an ordinary standard and condition.</p>	<p>Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.</p> <p>The tenant has the right to terminate 33 % of the premises from 2010-06.</p>	8,600,200 SEK	10,260,000 SEK
Åttersta 6:28, the municipality of Sandviken.	<p>The site has an area of 78,246 m<sup>2</sup>. The address of the property is Bultvägen 20, Sandviken. The property is situated in the small town Åshammar, app. 12 km west of Sandviken.</p> <p>On the site there is a building erected in 1951, 1961 and 1971. The building contains production areas with a ceiling height of app. 7 meters free height and tempered warehouse areas. On the site there are also three smaller non-tempered warehouse buildings.</p>	<p>Finnveden AB. They are currently occupying the entire property on a lease expiring 2011-06.</p>	2,579,900 SEK	2,579,900 SEK
Forsheda 5:119, the municipality of Värnamo.	<p>The site has an area of 20,637 m<sup>2</sup>. The address of the property is Galvanovägen 2, Värnamo. The property is situated in Forsheda, a small town app. 12 km west of Värnamo.</p> <p>On the site there is a building erected in 1981, 1984, 1988, 1995 and 1996. The building contains production areas with a ceiling height of mainly 5 meters free height. There are also office areas and tempered warehouse areas in the building. On the site there are also two smaller not tempered warehouses.</p>	<p>Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.</p> <p>The tenant has the right to terminate 33 % of the premises from 2010-06.</p>	1,946,500 SEK	2,320,500 SEK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Slätvaren 1, the municipality of Värnamo.	<p>The site has an area of 23,170 m<sup>2</sup>. The address of the property is Margretelundsvägen 8, Värnamo. The property is situated in an industrial area app. 2.5 km north of central Värnamo, 'Margretelund Östra Industriområde'. The location is considered good for industrial purposes in Värnamo and has good access to the European Highway 4.</p> <p>On the site there are two buildings erected. <b>B1</b> was erected in two floors in 1996 and extended in 1998. The building comprises production and tempered warehouse areas with a ceiling height of app. 6 meters. There are also some office areas in the building. The building has a good standard and condition. <b>B2</b> was erected in two floors in 1975 and refurbished in 2002-2003. The building comprises tempered warehouse areas with a ceiling height of app. 5.5-6 meters. There are also some office areas in the building. The building has a good standard and condition.</p>	Bult Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.	3,236,600 SEK	3,236,600 SEK
Stenfalken 1, the municipality of Värnamo.	<p>The site has an area of 32,575 m<sup>2</sup>. The address of the property is Stenfalksvägen 1, Värnamo. The property is situated in an industrial area app. 1.5 km northeast of central Värnamo. The location is considered good/normal for industrial purposes in Värnamo and has good access to the European Highway 4.</p> <p>On the site there is a building erected in two floors in 1980-1981 and extended in 1985 and 2002. The building comprises production and tempered warehouse areas with a ceiling height of app. 7-8 meters. The high-bay storages have ceiling heights of app. 13-14 meters. There are also some office areas in the building. The building has normal standard and condition.</p>	Bult Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.	7,761,500 SEK	5,692,700 SEK
Kanalholmen15-29, Avedøre Holm, Hvidovre, Denmark	<p>The site has an area of 49,205 m<sup>2</sup>. The address is Kanalholmen 15-29, Denmark. Matr. Nr. 43EG Avedøre By, Avedøre.</p> <p>The property is located in an established industrial area about 12km to the south west of Copenhagen, close to motorway access.</p> <p>On the site there are 4 separate buildings originally built between 1971 and 1993 with later additions. The main building comprises cold stores, chill, handling area, office and staff facilities. The remaining 3 buildings offer offices, staff, storage and small cold store facilities.</p>	<p>Frigoscandia Distribution AB. They are currently occupying 17181 sqm of storage space and 1852 sqm of office space, expiring 2024-11.</p> <p>The lease agreement is a triple net agreement.</p>	12,111,000 DKK	11,704,000 DKK

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Birkedam, Kolding, Denmark	<p>The site has an area of 85,240 m<sup>2</sup>. The address is Birkedam Kolding, Denmark. Matr. Nr. 3BL Harte By Harte.</p> <p>The property is located in an industrial area on the northern outskirts of the town of Kolding in Jutland, Denmark, close to motorway access.</p> <p>On the site there are interconnected single storey buildings built between 1975 and 2001. The buildings contain cold stores, chill, handling area, office and staff facilities.</p>	<p>Frigoscandia Distribution AB. They are currently occupying 22047 m<sup>2</sup> of storage space and 767 m<sup>2</sup> of office space, expiring 2024-12.</p> <p>The lease agreement is a triple net agreement.</p>	13,317,750 DKK	12,269,600 DKK
Bergkamen-Rünthe, the municipality of Bochum.	<p>The site has an area of 31,236 m<sup>2</sup>. The address of the property is Industriestrasse 20, Bochum. The property is located in the industrial park Rünthe, which is one of the oldest industrial parks in town having been developed in the 1970s and 1980s. The property is situated on a rectangular shaped site, which is fenced all the way around. The premises can only be accessed from Industriestraße.</p> <p>There are two office buildings of three storeys constructed in the early 1990s. One comprises the main entrance with a reception area and a central staircase. The other office building has two floors and is of similar fit out, with suspended ceilings. There is access to the production halls from that building part. The production halls are constructed of concrete up to a height of approximately 2-3 meters and aluminium exterior walls set on top. The floors are also of concrete.</p>	Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.	889,730 Euro	889,730 Euro
Fasteners (Poland), the district of Bielsko-Biala.	<p>The site has an area of 57,607 m<sup>2</sup>. The address of the property is Wyzwolenia 105 Str., Bielsko Biala. The surrounding area is industrial with a French and Italian factories located directly next to the property. In addition there is a large redundant factory, which belongs to BEFAMA a company that is currently in liquidation. The remainder of the area is residential.</p> <p>Building erected in 1962. The property comprises 14 different buildings of different sizes, uses, years of construction and standards. The two largest buildings were erected in 1962 and 1975 and comprise mainly production areas.</p>	Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.	650,580 Euro	600,200 Euro



Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
Metal Structures (Poland), the district of Bielsko-Biala.	<p>The site has an area of 61,464 m<sup>2</sup>. The address of the property is Wyzwolenia 84 Str., Bielsko-Biala. The surrounding area is industrial with a French and Italian factories located directly next to the Property. In addition there is a large redundant factory, which belongs to BEFAMA a company that is currently in liquidation. The remainder of the area is residential.</p> <p>Building erected in 1985. The property comprises a building in two floors erected in 1985 (refurbished in 2001). The building provides accommodation for warehouse, production services and an office accommodation. The property also comprises a building under construction. The property will provide accommodation for a new production hall. The L shaped building is of steel frame construction under flat corrugated metal roof with suspended spot lighting.</p>	Finnveden AB. They are currently occupying the entire property on a lease expiring 2021-06.	927,450 Euro	782,000 Euro
Scandic Neringa in the municipality of Vilnius (Lithuania)	The property has a central location in Vilnius. The hotel has in total 60 rooms.	The building is let by Scandic Hotels on a lease expiring in 2015-12-22.	1,922,250 Litas	2,346,500 Litas
Entertainment and Shopping Centre located in Murmansk, Russia	<p>The address of the property is 134, Kolsky Prospect, Murmansk, Russia. The site has a total area of 37,158 m<sup>2</sup>. The property is situated in the intersection of two main roads, Leninsky Shosse and Kolskiy Fare-free bus routes were arranged from the city centre from 5.30 pm till 11.30 pm.</p> <p>The Subject Property is a multifunctional entertainment and shopping centre named Forum, opened in 2006. The shopping centre is comprises four floors and an O" Key Supermarket as its main anchor tenant, electronic goods store Mir as its mini-anchor, and smaller retail gallery units. A cinema is located on the third floor, which also includes a food court.</p> <p>Lettable area 16,100 m<sup>2</sup></p>	The Subject Property is fully let to 104 tenants with lease terms varying from 11 months to 5 years (10 years for O" Key hypermarket from 24 August 2006 to 02 September 2016).	5,617,934 USD	6,508,130 USD
The Kaliningrad Plaza Office, Retail and Entertainment Centre located at 30, Leninsky Prospect, Kaliningrad, Russia Cadastral number 39:15:132324:0007	<p>The site has a total area of 8,235 m<sup>2</sup> and is located at 30, Leninsky Prospect in Kaliningrad, Russia. The Subject Property is located in the central business district of the city and has excellent visibility from one of the busiest areas of the city characterized by high car and pedestrian traffic flows.</p> <p>The Subject Property is the Kaliningrad Plaza multifunctional office, retail and entertainment centre comprised of two buildings with a common underground parking for 326 cars as well as surface parking. Both the buildings have a prominent glazed facade.</p> <p>Total area 30,039 m<sup>2</sup>.</p>	The Subject Property is let to 127 tenants with lease terms varying from 11 months to 25 years.	5,164,150 USD	4,977,686 USD

Property	Description, Age and Tenure	Terms of Existing Tenancies	Net Annual Rent 01/01/2010	Estimated net Annual Rent 01/01/2010
DIY Complex, 59 A, B, G Rustaveli Street, St-Petersburg, Russia cadastral number 78:10:5552A:1)	<p>The Subject Property is situated at 59 A, B, G Rustaveli Street, St-Petersburg, Russia.</p> <p>The Subject Property is located in the north-east of St-Petersburg, in the Kalininsky District, close to the intersection of Rustaveli Street, one of the main arterial roads of this district, and Kirishskaya Street.</p> <p>The Subject Property is strategically located on the right side of Rustaveli Street when moving from the city centre to the out-of-town residential areas located to the north/ north-east of St-Petersburg.</p> <p>The Subject Property comprises a DIY complex with a total area of 10,954.1 m<sup>2</sup> based on the K-Rauta concept.</p> <p>The scheme is comprised of a big box retail building and builder's yard - two free standing buildings – an unheated retail warehouse and a warehouse shed.</p>	The Subject Property is fully let to a single tenant, CJSC Stroimaster (a subsidiary of Rautakesko Oy), on a long term occupational lease expiring on 30 November 2017, with an option of two prolongation periods of 5 years each, on the same lease terms.	2,297,337 Euros	1,424,033 Euros
Sokos Hotel Palace Bridge 2-4 Birgevoy Lane, Saint-Petersburg, Russia cadastral number 78:6:2006:26	<p>The Subject Property address is 4-6, Volkhovsky Lane and 2-4, Birzhevoy Lane, in the second row of buildings, close to Makarova Embankment, Universitetskaya Embankment and Syezdovskaya and the 1st Lines.</p> <p>The Subject Property is located in the centre of St-Petersburg, in the Vasileostrovsky District, approximately 1 kilometre from the historical centre, key business districts, Lenexpo and other various hotel demand generators.</p> <p>The Subject Property is surrounded by famous and popular historical and architectural monuments such as the Library of the Academy of Sciences, Literary Museum "Pushkinsky Dom", Central Navy Museum, Zoological Museum, Museum named after Lomonosov, Museum of Anthropology and Etnography (Cabinet of Curiosities), Academy of Sciences, State University and others. The immediate environs of the hotel are considered to be mostly non-residential and administrative.</p> <p>The Subject Property comprises a 311 bedroom upscale hotel and destination spa, which opened at the beginning of 2007.</p> <p>The complex comprises two connected buildings: the 7-level new hotel building and the spa with wellness centre and restaurants in a historically protected block, the former wine warehouse of the merchant Yeliseyev. The inner courtyard of the old warehouse is covered by a glass roof. The property aims to provide an upscale level of product and services.</p>	The Subject Property is fully let to a single tenant, CJSC Stroimaster (a subsidiary of Rautakesko Oy), on a long term occupational lease expiring on 30 November 2017, with an option of two prolongation periods of 5 years each, on the same lease terms.	5,600,000 Euros	5,600,000 Euros

## APPENDIX III

### PART A

#### STATEMENT OF ADJUSTED NAV

##### Basis of Preparation

The following unaudited Statement of Adjusted NAV and adjusted basic NAV per share of the Group has been prepared for illustrative purposes only to show the effect on reported unaudited NAV and basic NAV per share at 30 September 2009 (as included in the unaudited Quarter 3 Financial Update) of an adjustment to reflect the DTZ property valuation at 31 December 2009 or, where a property was sold prior to that date, the actual disposal proceeds.

The unaudited Statement of Adjusted NAV and adjusted basic NAV per share do not take account of the deferred tax effects of the change in property valuation. Furthermore they do not reflect any trading activity or any other transactions since 30 September 2009 or adjustments other than those specifically referred to above and therefore do not represent an estimate of actual NAV or NAV per share at 31 December 2009. Such amounts, when reported, may differ materially from the Adjusted NAV and basic NAV per share set out below.

	<i>€m</i>
Reported NAV as at 30 September 2009 (1)	238.0
Adjustment to apply the 31 December 2009 property valuation (2)	<u>(19.9)</u>
<b>Adjusted NAV</b>	<b><u>218.1</u></b>
Number of shares issued and fully paid as at 30 September 2009	475.9
	<i>Euro cents</i>
Adjusted basic NAV per share	45.8
Reported basic NAV per share as at 30 September 2009 (1)	50.0

##### Notes

- 1 The Reported NAV and Reported Basic NAV per share of the Group as at 30 September 2009 has been extracted without material adjustment from the Quarter 3 Financial Update.
- 2 Investment properties were included in the reported NAV at 30 September 2009 at an amount of £574.2 million based on the valuation provided by DTZ at 30 June 2009 as adjusted for foreign exchange

movements between 30 June 2009 and 30 September 2009. Investment properties at 31 December 2009, which excluded an investment property in Sweden disposed of during the three months then ended for SEK 2.5 million (€0.2 million), were valued at €54.6 million by DTZ at 31 December 2009 which results in an adjustment of €19.4 million and associated decrease in goodwill of €0.5 million.

## **PART B**

### **REPORT ON STATEMENT OF ADJUSTED NAV**

The Directors  
NR Nordic & Russia Properties Limited  
13 Castle Street  
St Helier  
Jersey  
Channel Islands  
JE4 5UT

25 January 2010

Dear Sirs

#### **Reporting Accountant Services in connection with preparation of a Press Announcement and an Offer Document in accordance with the Takeover Code**

We report on the unaudited Statement of Adjusted NAV of NR Nordic & Russia Properties Limited (the "Company") and its subsidiaries (together the "Group") as at 30 September 2009 (the "Adjusted NAV") which has been prepared on the basis described in Appendix 3 and 5 of the Press Announcement, for illustrative purposes only, to provide information about the effect of applying the DTZ Property Valuation as at 31 December 2009 ("the Valuation") to the unaudited NAV as at 30 September 2009 (without taking account of the deferred tax effects of the change in property valuation). The Adjusted NAV is not an estimate of what the actual reported NAV is expected to be as at 31 December 2009, as a result of the reasons set out, and the actual 31 December 2009 NAV that is subsequently reported by the Company may differ materially from the Adjusted NAV.

This report is required by the Panel on Takeovers and Mergers (the "Panel") and is given for the purpose of complying with requirements of the Panel and for no other purpose. Accordingly we assume no responsibility in respect of this report to Holowent Limited or any person connected to, or acting in concert with, Holowent Limited or to any other person who is seeking or may in future seek to acquire control of the Company (an "Alternative Offeror") or to any other person connected to, or acting in concert with, an Alternative Offeror.

#### **Responsibility**

It is the responsibility of the directors of the Company to prepare the Adjusted NAV in accordance with the requirements of the Code.

It is our responsibility, as required by the Code, to perform the procedures set out below in respect of the calculation of the Adjusted NAV and report the results of those procedures to you.

The Adjusted NAV is based on the unaudited NAV as at 30 September 2009 of the Group which was the responsibility of the directors of the Company and the Valuation which is the responsibility of DTZ. We do not accept any responsibility for, nor do we express any opinion on, the unaudited NAV as at 30 September 2009 or the Valuation.

#### **Scope of our work**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted of checking the information used in preparing the Adjusted NAV to the source documents and the arithmetic accuracy of the calculation. We have not undertaken any procedures in relation to information upon which the Adjusted NAV is based and accordingly we express no opinion in this regard.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusion

The calculation of the Adjusted NAV has been accurately made on the basis stated.

Yours faithfully

**Ernst & Young LLP**

Jersey

Channel Islands

## APPENDIX IV

### SHAREHOLDINGS AND DEALINGS

As at 22 January 2010, being the latest practicable date prior to the date of this announcement, the Offeror and persons with whom it is acting in concert were interested in the following NR Nordic relevant securities:

<i>Name</i>	<i>Number of NR Nordic Shares</i>	<i>NR Nordic Shares as per cent. of existing share capital</i>	<i>Number of NR Nordic Convertible Loan Notes</i>
Swedish Holdco	117,299,200	24.65%	64,788,224
LR REAM	-		5,500,000
			-
<b>Total</b>	<b>117,299,200</b>	<b>24.65%</b>	<b>70,288,224</b>

\* Ian Livingstone and Richard Livingstone are interested in Swedish Holdco and LR REAM

Save as disclosed above, as at 22 January 2010, neither the Offeror nor any persons with whom it is acting in concert had any interest in or right to subscribe for, or any short position (whether conditional or absolute and whether in money or otherwise), including any short position under a derivative, any agreement to sell or delivery obligation or right to require another person to purchase or take delivery of, any relevant NR Nordic securities and nor had such person borrowed or lent any relevant NR Nordic securities, save for any borrowed shares which have been either on-lent or sold.

For the purposes of this paragraph, NR Nordic relevant securities means:

- (a) NR Nordic Shares and any other securities of NR Nordic carrying voting rights;
- (b) equity share capital of NR Nordic; and
- (c) any securities of NR Nordic carrying conversion or subscription rights into any securities listed in (a) or (b) above;

## APPENDIX V

### BASES OF CALCULATIONS AND SOURCES OF INFORMATION

1. Unless otherwise stated, financial information relating to NR Nordic has been extracted or derived (without adjustment) from the consolidated audited annual report and accounts, the consolidated unaudited interim annual report and accounts and the consolidated unaudited unaudited quarterly financial updates for NR Nordic for the relevant periods.
2. The total equity value of the Offer is calculated based on the existing issued Share capital of NR Nordic comprising 475,924,532 Shares.
3. The adjusted net asset value of the Company ("**Adjusted NAV**") has been prepared for illustrative purposes only to show the effect on the reported unaudited net asset value of the Company as at 30 September 2009 of an adjustment to reflect the DTZ Property Valuation as at 31 December 2009 or, where a property was sold prior to that date, the actual disposal proceeds (but without taking into account the deferred tax effects of the change in property valuation, and not reflecting any trading activity or any other transactions since 30 September 2009 or adjustments other than those specifically referred to in the Statement of Adjusted NAV set out in Appendix III to this announcement, and therefore not representing an estimate of the Company's actual net asset value as at 31 December 2009 which may, when reported, differ materially from the Adjusted NAV).
4. Information relating to the Offeror has been provided by persons duly authorised by the Offeror Board.



## APPENDIX VI

### DEFINITIONS

In this announcement, the following words and expressions shall, except where the context requires otherwise, have the following meanings:

“ABB”	ABB Fastighet AB;
“Acceptance Closing Date”	the latest time and date for acceptance of the Offer, being the First Closing Date, unless extended by the Offeror in accordance with the terms and conditions to be contained in the Offer Document;
“Acceptance Period”	the period during which the NR Nordic Shareholders can accept the Offer, which will commence on the Business Day following the date on which the Offer Document is despatched to Shareholders and will end on the Acceptance Closing Date;
“acting in concert”	has the meaning given by the City Code;
“Adjusted NAV”	has the meaning given in Appendix V to this announcement;
“AFM”	The Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> );
“AIM”	the Alternative Investment Market of the London Stock Exchange;
“Amsterdam Business Day”	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in Amsterdam are open for normal business;
“Board” or “Boards”	as the context requires, the board of directors of NR Nordic and/or the board of directors of the Offeror and the terms “NR Nordic Board” and “Offeror Board” shall be construed accordingly;
“Business Day”	a day which is an Amsterdam Business Day and a London Business Day;
“certificated” or “in certificated form”	a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form and which is not in uncertificated form (i.e. that is not in CREST or through an admitted Institution within the meaning of the Dutch Securities Giro Act ( <i>aangesloten instelling</i> ));
“CET”	Central European Time;
“Citi Facility”	the facility agreement dated 31 July 2006 between LR Navidad Holding AB, LR Finnish Holdings Oy and LR Swedish Holdings No.2 AB entered into with, <i>inter alia</i> , Citi Global Markets Limited as arranger as amended;
“Closing Price”	the closing middle market quotation of an NR Nordic Share on a particular day, as derived from the Daily Official List;
“Code” or “City Code”	the City Code on Takeovers and Mergers;
“Companies Law”	the Companies (Jersey) Law 1991, as amended;
“Daily Official List”	the Daily Official List ( <i>Officiële Prijscourant</i> ) of Euronext Amsterdam;
“Directors”	the directors of the Company;

“DTZ”	DTZ Sweden AB and DTZ Russia Ltd;
“DTZ Property Valuation”	the property valuation set out at Appendix II, to this announcement;
“Dutch Act”	the Dutch Financial Supervision Act ( <i>wet op het Financieel Toezicht</i> );
“Dutch Merger Rules”	all applicable laws and regulations of the Netherlands, including without limitation the applicable provisions of the Wft, the Dutch Takeover Decree, any rules and regulations promulgated pursuant to the Wft and/or the Dutch Takeover Decree, the Dutch Works Council Act ( <i>Wet op de ondernemingsraden</i> ), the Merger Code 2000 ( <i>SER besluit Fusiegedragregels 2000</i> ), the rules and regulations of Euronext Amsterdam, the Dutch Civil Code and any other applicable securities or competition regulatory laws of the Netherlands;
“Dutch Takeover Decree”	The Dutch Decree on public takeovers ( <i>Besluit openbare biedingen Wft</i> );
“Euronext Amsterdam”	the stock exchange of Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam N.V.;
"First Closing Date"	the date falling 28 days after the date on which the Offer Document is despatched to Shareholders;
“Form of Acceptance”	the form of acceptance, election and authority relating to the Offer which, in relation to NR Nordic Shares, held in certificated form, accompanies this document;
“Independent Directors”	the Directors other than Ian Livingstone, i.e. Michael Hirst, David Hunter, Christopher Lovell, Martin Sabey, Peregrine Moncreiffe, Iain Watters and Chris Coles;
“Lazard”	Lazard & Co., Limited;
“London Business Day”	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in the City of London are open for normal business;
"London & Regional Group"	London & Regional Group Holdings Limited and its subsidiaries;
"LR REAM"	LR Real Estate Asset Management AB, a company incorporated in Sweden and having its registered office at c/o LR Nordic Properties AB, Kungsgaten 48, 111 35, Stockholm, Sweden;
“Management Agreement”	the advisory and management agreement dated 10 November 2006 between NR Nordic, certain of NR Nordic's subsidiaries, LR REAM and LR Nordic Properties AB,;
“NR Nordic” or “Company”	NR Nordic & Russia Properties Limited, a company incorporated in Jersey with registered number 94890;
“NR Nordic Group”	NR Nordic and its subsidiaries (as such term is construed in accordance with the Companies Law);
“NR Nordic Convertible Notes”	the EUR 70,288,224 outstanding convertible loan notes issued by the Company, of which EUR 64,788,224 are held by Swedish Holdco and EUR 5,500,000 are held by LR REAM;
“NR Nordic Share Options”	the options granted to Mr Jens Engwall and Mr Michael Hirst entitling the holders to acquire one new share per option at an exercise price of EUR 1.05 per NR Nordic Share;

“NR Nordic Shareholder(s)” or “Shareholder(s)”	the holders of NR Nordic Shares;
“NR Nordic Shares” or “Shares”	the existing issued or unconditionally allotted and fully paid (or credited as fully paid) no par value ordinary shares in the capital of NR Nordic and any further ordinary shares which are unconditionally allotted or issued fully paid (or credited as fully paid) (including pursuant to the exercise of NR Nordic Share Options) before the date on which the Offer ceases to be open for acceptance (or, subject to the City Code or with the consent of the Panel, by such other date as the Offeror may decide);
“Numis”	Numis Securities Limited;
“Offer” or “Holowent”;	the cash offer made by the Offeror to acquire all of the issued and to be issued NR Nordic Shares (other than any NR Nordic Shares held by any member of the Offeror Group) on the terms and subject to the conditions set out in this document and to be set out in the Offer Document and, in relation to NR Nordic Shares held in certificated form, the Form of Acceptance (including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer in accordance with applicable law and regulations);
“Offer Document”	the document that will contain and set out the terms and conditions of the Offer;
“Offeror”	Holowent Limited registered in Cyprus with number HE 240246;
“Offeror Group”	Spirastrella, the Offeror and Swedish Holdco;
“Offer Price”	EUR 0.24 per NR Nordic Share to which the Offer relates;
“Overseas Person”	any person who is not resident in the United Kingdom or the Netherlands, or who is a citizen, resident or national of a jurisdiction outside the United Kingdom or the Netherlands, or who is a nominee of, or custodian or trustee for, any citizen(s), resident(s) or national(s) of any country other than the United Kingdom or the Netherlands;
“Overseas Shareholder”	an NR Nordic Shareholder who is an Overseas Person;
“Panel”	the Panel on Takeovers and Mergers;
“Regulatory Information Service”	any of the services set out in Appendix 3 to the Listing Rules of the United Kingdom Listing Authority;
“relevant securities”	as defined by the City Code;
“Spirastrella”	Spirastrella Sarl, a company incorporated in Luxembourg with registered number B 73837;
“Statement of Adjusted NAV”	the statement of Adjusted NAV set out at Appendix III to this announcement;
“Swedish Holdco”	LR Swedish Holdings No.1 AB, a company incorporated in Sweden;
“uncertificated” or “in uncertificated form”	a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form;

“Unconditional Date”	the date on which the Offeror shall publicly announce that the Offer is declared unconditional ( <i>gestand wordt gedaan</i> ), being no later than three (3) Amsterdam Business Days following the Acceptance Closing Date, in accordance with Article 16, paragraph 1 of the Dutch Takeover Decree;
“United Kingdom” or the “UK”	the United Kingdom of Great Britain and Northern Ireland and its dependent territories; and
“WFT”	means the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ).

In this document (unless expressly provided to the contrary or the context otherwise requires):

- (a) references to EUR and € are to the lawful currency of the European Economic and Monetary Union;
- (b) reference to SEK, means Swedish Krona, being the lawful currency of the Kingdom of Sweden;
- (c) all references to statutes or other forms of legislation shall, unless otherwise stated, be to statutes or forms of legislation of the United Kingdom and any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof; and
- (d) terms defined in the CREST manual shall, unless the context otherwise requires, bear the same meanings where used in this document.