

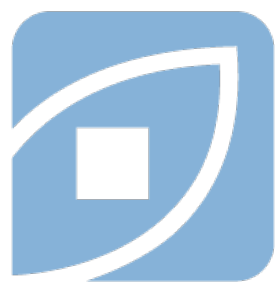
INTERIM REPORT

01.04. - 30.06.2014



Kunnskapssenteret Sandvika





entra

Q2

2014

THIS IS ENTRA EIENDOM

Entra is one of Norway's leading real estate companies, focusing on high quality, flexible office buildings with central locations. The company owns and manages approximately 1.3 million square metres, divided between 107 buildings. Each day over 30,000 people work in buildings owned by Entra. At the end of the first half-year 2014 the real estate portfolio had a market value of around NOK 27 billion. The public sector represents approximately 72 per cent of the customer portfolio.

Entra's **business concept** is to develop, let and manage attractive and environmentally leading buildings, as well as engaging in active portfolio management through the purchase and sale of properties. The company's **business strategy** has three pillars: customer satisfaction, profitable growth and environmental leadership.

Entra works continuously to maintain customer satisfaction. Close customer contact and the establishment of the company's own customer service centre are important factors in achieving this. In addition Entra has high ambitions with regard to the environment and works to reduce total energy consumption in the existing portfolio. A reduction in energy consumption in

the existing portfolio of more than 20 per cent since 2007 shows that this work is giving results. Important quality criteria for Entra's new buildings are to achieve a passive building standard and BREEAM classification "Excellent", and to use environmentally efficient building materials.

Entra's strategic areas of concentration are Oslo and the surrounding region, Bergen, Stavanger and Trondheim. The company is organised into four regions: Central Oslo, Greater Oslo, South/West Norway and Mid/North Norway. Entra has its head office in Oslo and also has regional offices in Bergen and Trondheim.

Entra was established on 1 July 2000 following a decision of the Norwegian parliament to separate out the office building activities of Statsbygg. The Norwegian state, through the Ministry of Trade, Industry and Fisheries, owns the company. Entra has return requirements and operating parameters that correspond to private real estate companies. The Government has been authorised to sell up to 100 per cent of the shares in Entra. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that steps were being taken to privatise Entra and that the privatisation process could be carried out without the divestment of properties from Entra.

Highlights

- The Group's rental income was NOK 419.6 million (NOK 401.7 million) for the quarter and NOK 830.1 million (NOK 775.0 million) for the first half-year.
- Profit from property management was NOK 341.0 million (NOK 284.2 million) for the quarter and NOK 661.8 million (NOK 567.2 million) for the first half-year.
- Positive value changes in the property portfolio amounted to NOK 272.3 million (NOK -203.0 million). For the first half-year the value changes were NOK 265.5 million (NOK -277.8 million).
- New and renewed lease contracts for a total of approximately NOK 32 million (approx. 13,500 square metres) during the quarter
- Agreement on the purchase of the property Lilletorget 1 in Oslo and sale of 50 % shareholding in UP Entra AS
- Decision taken to commence construction of Papirbredden 3 in Drammen, Sundtkvartalet in Oslo and Gullfaks at Hinna Park in Stavanger. Contracts signed to establish Media City Bergen at Lars Hillesgate 30 in Bergen through Entra OPF

Key figures

	Q2-14	Q2-13	YTD Q2-14	YTD Q2-13	2013
Operational					
Market value of real estate portfolio (NOKm)*	26,832	24,116	26,832	24,116	24,963
Total area (Gross)	1,273,306	1,194,189	1,273,306	1,194,189	1,218,040
Occupancy rate of management portfolio (%)	95.2	95.8	95.2	95.8	95.8
WAULT (years)**	7.6	9.5	7.6	9.5	9.2
Financial					
Rental income (NOKm)	419.6	401.7	830.1	775.0	1,543.9
Profit before value adjustments and tax (NOKm)	215.3	154.1	420.9	285.7	777.5
Profit after tax (NOKm)	249.8	71.1	315.7	100.4	467.1
EPRA Earnings (NOKm)***	162.1	111.4	306.5	209.7	402.1
Net cash flow from investment activities (NOKm)	-205.4	-248.2	-515.2	-60.0	-999.7
Net nominal interest-bearing debt (NOKm)	15,220.1	13,288.0	15,220.1	13,288.0	14,350.1
Debt ratio (LTV) (%)***	56.0	54.3	56.0	54.3	56.6
Interest coverage ratio (ICR) (%)***	2.1	1.9	2.1	1.9	1.8
Equity ratio (%)	28.7	29.8	28.7	29.8	30.0
Net asset value - EPRA NAV (NOKm)***	11,303.3	11,084.7	11,303.3	11,084.7	10,922.5
EPRA NNNNAV (NOKm)***	10,033.0	9,952.0	10,033.0	9,952.0	9,855.1

* Market value of the group's property portfolio including IFRIC 12-properties

** As of Q2-14 WAULT is calculated based on the management portfolio, compared to previous periods where the key figure was calculated based on the total portfolio. See "definitions"

** See section "Calculation of key figures and definitions"

Financial developments

Results for the second quarter*

The Group's rental income was NOK 419.6 million in the second quarter of 2014 against NOK 401.7 million in the same period in 2013. Income in the second quarter of 2013 was affected by the posting to income of a total of NOK 24.3 million in connection with a payment to buy out a lease at Tungasletta 2 in Trondheim. Adjusted for this the underlying growth in rental income was 11 per cent, of which like-for-like growth was 3.1 per cent. NOK 21.8 million of the increase in rental income relates to the purchase of Hinna Park. In addition, among others, completion of the projects at Fredrik Selmers vei 4 in Oslo, Brattørkaia 15 in Trondheim and Kjørboveien 12-26 in Sandvika and the purchase of the property Vahlsgate 1-3, which was completed on 1 July 2013, contributed to increased rental income in the period compared to the same period last year.

Other operating income amounted to NOK 61.6 million in the quarter, against NOK 15.5 million in the same period in 2013. During the quarter the company delivered 11 apartments at Ringhøyden at Ringstabekk to the buyers, and thus recognised NOK 48.8 million to income.

Maintenance and operating costs amounted to NOK 27.8 million (NOK 36.0 million) in the quarter. The decrease was primarily due to lower maintenance requirements in the second quarter of 2014.

Other property costs in the quarter amounted to a total of NOK 58.2 million (NOK 27.1 million) in the quarter and were affected by costs of NOK 47.1 million related to the apartments sold at Ringstabekk (referred to above). Otherwise other property costs mainly related to depreciation and rental expenses.

Administrative owner costs amounted to NOK 54.3 million (NOK 69.8 million). The second quarter of 2013 was affected by one-off costs related to the reorganisation. In the second quarter of 2014 NOK 4.8 million was expensed relating to preparations for privatisation.

The profit from property management amounted to NOK 341.0 million (NOK 284.2 million) in the second quarter of 2014.

The valuation of the property portfolio resulted in a positive value change of NOK 272.3 million, compared to NOK -203.0 million in the second quarter of 2013. The positive value change is mainly attributable to a lower yield for central Oslo properties and the commencement

of the project and signing of leases at Papirbredden 3 in Drammen.

The net unrealised negative value change on financial instruments was NOK -157.1 million (NOK 137.1 million) in the quarter. The negative development is mainly due to falling market interest rates in the second quarter of 2014 compared to the corresponding period last year.

Net realised financial expenses amounted to NOK -168.7 million (NOK -176.0 million). The Group has increased borrowings during the period, but falling market interest rates and the expiry of historical interest hedging agreements has contributed to lower realised financial expenses. Net realised financial income, mainly related to IFRIC 12 properties, amounted to NOK 33.4 million (NOK 34.9 million).

The profit before tax was NOK 330.5 million (NOK 88.2 million) in the second quarter of 2014, while comprehensive total income after tax in the period was NOK 249.8 million (NOK 71.1 million).

Results for the first half-year

The Group's rental income was NOK 830.1 million in the first half of 2014 against NOK 775.0 million in the same period in 2013. Income in the first half-year of 2013 was affected by the posting to income of a total of NOK 24.3 million in connection with a payment to buy out a lease at Tungasletta 2 in Trondheim. Adjusted for this the underlying growth in rental income totalled 10.6%, of which underlying like-for-like growth amounted to 3.6 percent. NOK 35.2 million of the increase in rental income relates to the purchase of Hinna Park with effect from 1 February 2014. In addition completion of the projects at respectively Fredrik Selmers vei 4 in Oslo, Brattørkaia 15 in Trondheim and Kjørboveien 12-26 in Sandvika and the purchase of Vahlsgate 1-3 has contributed to higher rental income in the period compared to the same period last year.

Other operating income amounted to NOK 75.0 million in the first half-year against NOK 20.2 million in the first half of 2013. During the second quarter the company delivered 11 apartments at Ringhøyden at Ringstabekk to buyers and thus recognised to income NOK 48.8 million. Otherwise other operating income consists mainly of income from administration charges and invoicing of additional services to lessees.

* Figures in brackets refer to the corresponding period of the year before.

Maintenance and operating costs amounted to NOK 62.4 million in the first half of 2014 against NOK 64.5 million in the first half-year 2013. Other property costs amounted to NOK 66.0 million in the first half-year 2014 against NOK 47.8 million in the first half-year 2013. Other property costs consist mainly of depreciation and rental costs and in 2013 were affected by rental costs relating to the rebuilding of Fredrik Selmers vei 4. In 2014 the accounting item has been affected by costs of NOK 47.1 million related to apartments sold at Ringstabekk as referred to above.

Administrative owner costs amounted to NOK 114.8 million in the first half of 2014 against NOK 115.7 million in the first half of 2013. In 2014 there has been an increase in administrative owner costs affected by the fact that Hinna Park has been included in the Group, as well as costs relating to preparations for privatisation. In 2013 the item was affected by costs related to the reorganisation project carried out.

For the first half of 2014 the profit from property operations totalled NOK 661.8 million against NOK 567.2 million for the same period in 2013.

The valuation of the property portfolio resulted in a positive value change of NOK 265.5 million in the first half of 2014 compared with NOK -277.8 million in the first half of 2013. The positive value change is mainly due to a lower yield for central Oslo properties as well as the commencement of the project and signing of leases at Papirbredden 3 in Drammen.

The share of the result of associated companies and jointly controlled entities amounted to NOK 27.2 million in the first half-year 2014 against NOK 10.8 million in the first half-year 2013 and mainly relates to the share of the result from UP Entra.

The net unrealised negative value change on financial instruments was NOK -270.8 million (NOK 123.1 million) in the first half-year. The negative development is mainly due to falling market interest rates and increased liabilities on the Group's fixed rate loans as a result of a reduction in market valued credit margins.

Net realised financial expenses costs amounted to NOK -330.5 million (NOK -349.6 million). The Group has increased borrowings during the period, but falling market interest rates and the expiry of historical interest hedging agreements has contributed to lower realised financial expenses. Net realised financial income, related mainly to IFRIC 12 properties, amounted to NOK 62.4 million (NOK 57.3 million).

For the first half-year 2014 the profit before tax totalled NOK 415.6 million, against NOK 131.1 million in the first

half-year 2013, and comprehensive total income after tax was NOK 315.7 million against NOK 100.4 million in the first half of 2013.

Balance sheet as at 30.06.2014

The Group's assets amounted to NOK 28,950.5 million (NOK 25,626.4 million) at the end of the first half-year. Of this, investment property amounted to NOK 25,071.7 million (NOK 22,357.2 million) and investment property held for sale to NOK 275.2 million (NOK 402.9 million). Five properties were classified as held for sale as at 30.06.14.

The Group has recognised goodwill of NOK 145.9 million (NOK 0) in connection with the acquisition of Hinna Park. The purchase of Hinna Park was a purchase of a business and the non-identifiable goodwill has a balancing item in deferred tax on the additional value in the acquisition

Investments in associated companies and jointly controlled entities were NOK 1,000.8 million (NOK 1,003.7 million). Long-term receivables amounting to NOK 730.7 million (NOK 712.9 million) consist mainly of the properties Nasjonalbiblioteket and Vøyenenga School, which are valued in accordance with IFRIC 12. Borgating Lagmannsrett was reclassified as a short-term receivable during the second quarter of last year after Statsbygg exercised a purchase option on the property. Statsbygg gave notice at the beginning of July that the property would nevertheless not be taken over in October 2014. Entra is maintaining the classification as a short-term financial receivable as at 30.06.14. Other receivables of NOK 795.4 million (NOK 530.1 million) consist mainly of the IFRIC 12 property, settlement for the sale of apartments at Ringstabekk as well as a demerger receivable in connection with the establishment of the company structure around the development of the Sundt quarter.

The Group's interest-bearing debt at the end of the second quarter was NOK 15,755.3 million (NOK 13,517.7 million). The change is due to increased borrowings in order to finance property improvements and the purchase of Hinna Park.

Trade payables and other payables were NOK 814.6 million (NOK 825.6 million). The reduction is due among other things to a decision to reduce the dividend that has not been paid out and increased short-term debt taken over in connection with the purchase of 50 per cent of the shares in Hinna Park.

The Group's equity capital, including non-controlling interests, was NOK 8,317.1 million (NOK 7,626.6 million) as at 30.6.14 which corresponds to an equity ratio of 28.7

per cent (29.8 per cent). In connection with the acquisition of Hinna Park the Group has recorded a non-controlling ownership interest of NOK 257.9 million in the first quarter of 2014.

Cash flow statement

Second quarter

The Group's cash flow from operations amounted to NOK 181.5 million (NOK 122.2 million) in the second quarter. The change is mainly due to an increased result from property management.

Net cash flow from investments was NOK -205.4 million (NOK -248.2 million). The change is mainly due to the sale of shares in the associated company UP Entra, partly counteracted by property sales in the same period last year

NOK 327.7 million (NOK 339.4 million) was paid out on the purchase of investment property and other investments, of which NOK 277.3 million (NOK 290.6 million) relates to improvements to the existing property portfolio.

Net cash flow from financing was NOK 17.0 million (NOK -131.0 million). In the second quarter of 2013, the excess cash was used to repay debt. The net change in liquid assets was NOK 6.9 million (NOK -256.9 million) during the period.

First half-year

The Group's cash flow from operations for the first half-year 2014 amounted to NOK 356.1 million (NOK 214.2 million). The change from last year is mainly due to an increased profit from property management, as well as a positive change in working capital compared with the same period last year.

The net cash flow from investments was NOK -515.2 million (NOK -60 million). The change is mainly due to lower sales proceeds from property sales compared with the first half of 2013 and a slightly higher level of investments on housing under development at Ringstabekk and on investment property. In addition the Group had a net cash effect of NOK -218.9 million related to the purchase of 50% of the shares in Hinna Park in the first quarter of 2014.

NOK 642.2 million was paid out (NOK 750.0 million) for the purchase of investment property and other investments, of which NOK 537.0 million (NOK 500.0 million) relates to improvements to the existing property portfolio. At the same time the Group has not had any payments relating to property purchases in the first half of 2014 (apart from the purchase of the business Hinna

Park referred to above) against NOK 189.4 million in 2013, which related entirely to the purchase of Schweigaardsgate 16.

Net cash flow from financing was NOK 194.0 million (NOK -73.5 million). The increase relates to finance the purchase of Hinna Park in the first quarter of 2014 and improvements to the existing property portfolio, partly counteracted by the proceeds from the sale of the shares in UP Entra in the second quarter of 2014. The net change in liquid assets was NOK 34.9 million (NOK 80.7 million) in the period.

Financing

During the quarter the Group has reduced outstanding commercial paper debt by NOK 300 million, with NOK 550 million being refinanced and NOK 300 million repaid. In the quarter bank debt increased by a total of NOK 314.1 million.

During the first half-year net outstanding commercial paper debt increased by NOK 150 million, of which new borrowings totalled NOK 150 million and NOK 1,650 million was refinanced. The Group's bank debt has increased during the same period by NOK 754.9 million, mainly due to the purchase of Hinna Park Eiendom AS.

The Group's interest-bearing nominal debt was NOK 15,432.4 million (NOK 13,433.5 million) as at 30.06.14.

The Group has a differentiated maturity profile for its interest-bearing nominal debt. The average remaining term of the Group's debt portfolio was 4.5 years at 30.06.14 (5.7 years as at 30.06.13). The calculation takes account of the fact that available long-term credit facilities can replace short-term debt.

Maturity structure of interest-bearing debt at 30.06.

NOK in millions	Credit line	Share of total debt (%)	Acc. Share of total debt (%)
0-3 months	650	4	4
4-12 months	2,293	15	19
1-2 years	3,174	21	40
2-4 years	4,410	29	68
4-6 years	1,922	12	81
>6 years	2,984	19	100
Total	15,432		

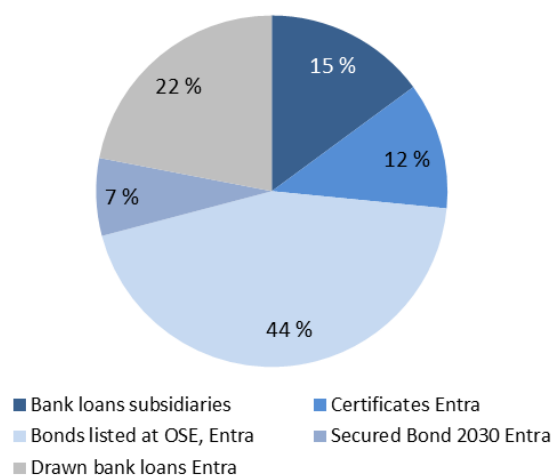
The Group's liquid assets as at 30.06.14 amounted to NOK 212.3 million (NOK 145.5 million as at 30.06.13). The Group has unutilised credit facilities totalling NOK 3,426 million as at 30.06.14 (NOK 4,505 million as at 30.06.13).

Maturity structure unutilised credit facilities at 30.06

NOK in millions	Amount	Share (%)
0-3 months	-	-
4-12 months	51	1
1-2 years	1,010	29
2-4 years	2,300	67
4-6 years	-	-
>6 years	65	2
Total*	3,426	

*) Commitment fee is charged for undrawn credit facilities.

Composition of interest-bearing debt at 30.06.



The figure above shows the composition of interest-bearing debt. At the end of the period the Group had 63 per cent of its financing in the capital market.

Interest rate and maturity structure at 30.06.

NOK in millions	Amount	Interest rate	Share
<1 year	6,110	4.66 %	40 %
1-2 years	550	5.50 %	4 %
2-3 years	1,020	3.98 %	7 %
3-4 years	1,642	4.69 %	11 %
4-5 years	1,850	3.77 %	12 %
5-6 years	1,600	4.14 %	10 %
6-7 years	1,150	4.39 %	7 %
7-8 years	550	3.67 %	4 %
8-9 years	300	3.97 %	2 %
9-10 years	150	5.36 %	1 %
>10 years	510	5.36 %	3 %
Total	15,432	4.45 %	100 %

60 per cent of the Group's financing was hedged at a fixed interest rate. The weighted effective maturity of the fixed rate portion was 2.9 years as at 30.06.14 (3.1 years as at 30.06.13).

The Group's average interest rate was 4.45 per cent as at 30.06.14 (4.92 per cent). The reduction in the average interest rate from the second quarter of 2013 is mainly due to the expiry of interest hedging transactions previously entered into.

The business

Letting situation

At the end of the first quarter the Group had an economic occupancy rate in the management portfolio of 95.2 per cent (94.8 per cent). The weighted remaining term for the Group's leases was 7.6 years for the management portfolio at 30.06.14, and 7.9 years when the project portfolio is included.

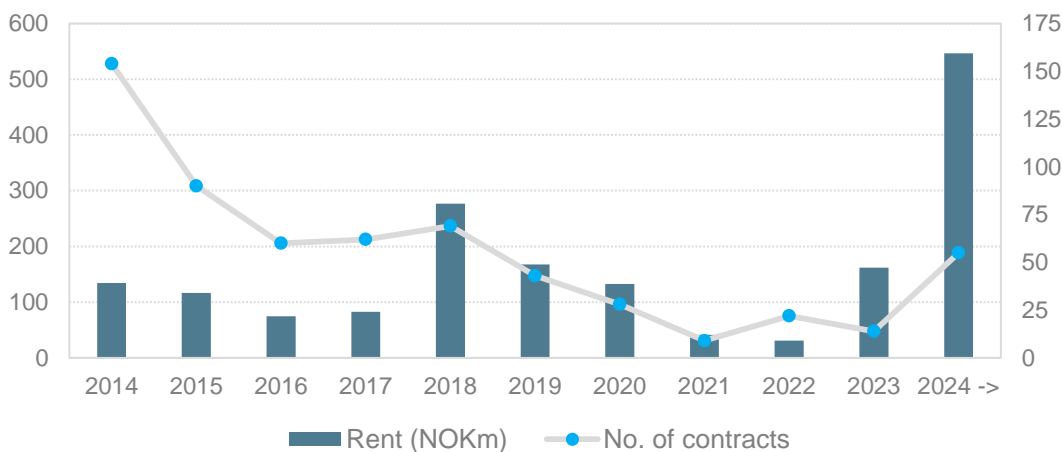
During the second quarter Entra signed new and renegotiated leases with an annual rent totalling NOK 32 million (13,500 square metres) and received notices of termination on leases with an annual rent of NOK 1.2 million (600 square metres).

The largest new/renegotiated leases entered into in the quarter were:

- New contract for 4,005 square metres in Grønland 51 (Papirbredden 3) in Drammen with Husbanken
- New contract for 3,908 square metres in Biskop Gunnerus gate 14 in Oslo with Jernbaneverket
- New contract for 1,664 square metres in Prof. Olav Hanssens vei 10 in Stavanger with University in Stavanger
- Renegotiated contract for 682 square metres in Jåttåvåveien, Hinna Park in Stavanger with American Express
- Renegotiated contract for 555 square metres in Prinsens gate 1 in Trondheim with NTNU Samfunnsforskning

The maturity structure of the Group's lease portfolio is set out in the graph below.

Maturity structure of management portfolio



* Figures in brackets refer to the corresponding period of the year before.

The property portfolio

Key figures property portfolio at 30.06.14

	Area (sqm)	Occupancy (%)	Number of properties* (#)	Wault (year)	Market value (NOK mill.)	Market value (NOK/kvm)	12 month rolling rent (NOK mill.)	12 month rolling rent (NOK/kvm)	Net yield (%)	Market rent per 30.06.14 (NOK mill.)	Market rent per 30.06.14 (NOK/kvm)
Region Central Oslo	383,003	94.8 %	29	6.8	11,885	31,030	762	1,991	6.0 %	822	2,146
Region Greater Oslo	318,699	96.2 %	30	9.1	6,334	19,875	482	1,512	7.1 %	430	1,349
Region South/West	187,617	94.0 %	23	8.0	3,782	20,159	276	1,469	6.6 %	289	1,538
Region Mid/North	148,416	96.0 %	14	6.8	2,517	16,958	199	1,339	7.0 %	199	1,338
Total management portfolio	1,037,735	95.2 %	96	7.6	24,518	23,626	1,719	1,656	6.5 %	1,739	1,676
Project portfolio	94,679		6		1,835	19,382					
Regulated development sites	140,892		5		479	3,400					
Total property portfolio	1,273,306		107		26,832	21,072					

* Number of properties includes projects and zoned development sites

Comments:

Includes properties classified as IFRIC 12 (note 4)

Ringstabekk housing project is included in market value of management portfolio at cost price of NOK 275 million

Youngsøgt. 7-9 is included in market value of management portfolio at sales price of NOK 60 million

The calculation of net yield is based on the valuers' assumption for ownership costs, which at 30.06 corresponds to 7.7 per cent of market rent

Transactions

On 21 January this year Entra signed an agreement to sell St. Olavs gate 4 in Oslo for NOK 82 million.

During the first quarter the properties Spelhaugen 12 in Bergen, Wergelandsveien 27 in Oslo and Storgata 14 in Lillestrøm were delivered to new owners.

On 12 May an agreement was signed to sell Entra's 50 per cent holding in the shares of UP Entra AS to Utstillingsplassen Eiendom AS for NOK 125.2 million. The shares were transferred on 15 May 2014.

On 23 May an agreement was signed to sell Pilestredet 30 (housing) to Pilestredet 30 A og B AS. The property is owned by Tago AS. The expected

date of the settlement and takeover is 1 October 2014.

On 1 February the purchase of 50 per cent of the shares in Hinna Park Eiendom AS was completed.

On 16 June Entra signed an agreement to buy 100 per cent of the shares in AS Lilletorget 1 with AS Eiendommer, which owns the property Lilletorget 1 in Oslo. AS Eiendommer is owned by Fellesforbundet. The purchase price for the shares is based on a property value of NOK 287.7 million. Settlement and takeover took place on 1 July.

Project development

The table below shows ongoing projects with a total project cost exceeding NOK 50 million.

Property	Location	Expected completion	Project area (’000 sqm)	Occupancy %	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Net yield/Estimated project cost* %
Otto Sverdrups plass 4 (Øvre Torg 1)	Sandvika	Q3-2014	15.5	93.3	481	461.7	6.5
Kongsgård alle 20	Kristiansand	Q4-2014	2.0	100.0	67	62.0	6.4
Ringstadbekkveien 105	Bærum	Q1-2015	16.0	-	473	436.5	-
Langkaia 1	Oslo	Q1-2015	8.5	61.7	167	86.5	12.8
Schweigaards gate 16	Oslo	Q2-2015	15.5	77.7	590	412.7	6.3
Akersgaten 34-36	Oslo	Q3-2015	6.2	98.6	240	132.3	6.8
Papirbredden 3	Drammen	Q3-2015	11.0	40.7	265	48.1	8.0
Total			74.8		2,283	1,640	

* Including initial value/cost of land

Otto Sverdrups plass 4 (formerly Øvre Torg 1) in Sandvika, comprising a total 15,500 square metres, is in the final phase. A “Knowhow Centre” will be established for Bærum Municipality and Oslo and Akershus University College, as well as premises for the Defence Estates Agency. The project has a letting ratio of 93 per cent and is to be delivered to the tenants in August 2014.

Kongsgård Allé 20 in Kristiansand is being extended by 2,000 square metres to a total of 12,000 square metres. The project will house three educational institutions, Kristiansand International School (KIS), Adult Education/Kongsgård School Centre as well as a Reception school. The tenant is Kristiansand municipality, and the additional building for KIS is expected to be ready for the start of the school year in August 2014.

The project Ringstadbekken 105 in Bærum consists of Ringhøyden (commercial premises and apartments) and Slottshagen (apartments). Slottshagen consists of 24 senior apartments all of which have been sold. The commercial premises at Ringhøyden of approximately 3,000 square metres have been handed over to the tenant Bærum Municipality. Ringhøyden also consists of 49 senior apartments, which were completed in June. Of these 16 have been sold and 11 delivered to buyers in June, with the remainder now being offered for sale. The apartments in Slottshagen will be completed in the first quarter of 2015.

At Schweigaardsgate 16 in Oslo a new office building of 15,500 square metres is under construction, where Statoil Fuel & Retail will be the largest tenant with 12,100 square metres. The building will be completed in June 2015.

At Langkaia 1 in Oslo work has begun on the total refurbishment of the 9th and 10th floors. The project comprises 6,200 square metres and the tenant Eniro will occupy 5,250 square metres in February 2015. In addition the old “loading balcony” on the 1st and 2nd floors is in process of being developed into new office premises totalling 2,400 square metres.

The project in Akersgaten 34-36 involves a new building and the refurbishment of 6,200 square metres of offices and is fully let to Amedia. The project is on schedule. The project is expected to be completed and handed over in September 2015.

At Papirbredden 3 in Drammen a lease has been signed with Husbanken on 4,000 square metres out of a total of 11,000 square metres. Building work will begin in August 2014 and the project has been planned and will be constructed in accordance with FutureBuilt’s quality criteria. Papirbredden 3 is a passive building with Energy class A. The project is owned by Papirbredden Eiendom, where Entra owns 60%.

Sundtkvartalet in Oslo is a project where work will begin in October on building a new, environmentally leading office building of approximately 34,000 square metres. The project will include office space, services and a multi-use hall. The project is organised through a jointly-controlled company with Skanska, where Skanska and Entra own 50 per cent each. Skanska is the building contractor and has signed a lease for approximately 8,000 square metres in the building.

Partly-owned companies

Papirbredden Eiendom AS and Hinna Park Eiendom AS are consolidated in the Group's financial statement and Entra OPF Utvikling AS and Oslo S Utvikling AS are accounted for applying the equity method.

Papirbredden Eiendom AS (60 % ownership)

Entra Eiendom AS and Drammen Municipality own Papirbredden Eiendom AS. The company owns the properties Grønland 51, Grønland 56, Grønland 58, Grønland 60 and Kreftingsgate 33 in Drammen. All the properties are 100 per cent let.

It has been decided to commence construction of Papirbredden 3 on parts of the site Grønland 51 in Drammen. The building will total 11,000 square metres and a lease has been signed with Husbanken for 4,000 square metres.

Zoning work is continuing for the property Kreftingsgate 33 in Drammen.

Entra OPF Utvikling AS (50 % ownership)

Entra and Oslo Pensjonsforsikring (OPF) own the jointly controlled enterprise Entra OPF Utvikling AS. The company owns the properties Lars Hilles gate 30 and Allehelgens gate 6 in Bergen.

The property Lars Hilles gate 30 consists today of approximately 35,000 square metres and is planned to be extended by a further 10,000 square metres to total approximately 45,000 square metres. Since the beginning of 2013 Entra OPF has worked closely with the media companies in order to arrive at the best solutions for establishing Media City Bergen. TV2, NRK, Bergensavisen, Bergens Tidene, the Media Faculty of Bergen University, and the graphics company Vizrt have agreed to move their activities in Bergen to Lars Hilles gate 30. The property will be a signature building and will be an important part of the development around Nygårdstangen in Bergen. The project has a total investment budget of approximately NOK 1.5 billion, including the building's opening value. The percentage of the project currently let is around 67 per cent.

The property Allehelgens gate 6 is fully let to the police on a lease with a remaining term of just under 5 years.

Under the agreement between Entra and Oslo Pensjonsforsikring, Entra OPF Utvikling AS is not to be financed with debt, and any capital requirements in addition to the company's ongoing profits are to be financed with equity contributions from the owners. In addition the contract provides that the company as a general rule will distribute the previous year's profit after providing for any capital requirements in the year in which the distribution is made.

Hinna Park Eiendom AS (50 % ownership)

Entra owns 50 per cent of the shares in Hinna Park Eiendom (taken over as at 1 February 2014). The remaining 50 per cent is owned by Hinna Park Holding AS. The company owns Hinna Park AS which itself owns the companies:

1. Fjordpiren AS (100 % let)
2. Troll Næring AS (98.4 % let)
3. HP Stadionblokken C AS (96.2 % let)
4. Hinna Park Logistikk AS
5. Gullfaks AS
6. Oseberg Næring AS
7. Ormen Lange AS
8. Hinna Park Utvikling AS
9. HPL Temp AS

The companies are based at Hinna Park in Jåttåvågen – Stavanger.

The companies Fjordpiren AS, Troll Næring AS and HP Stadionblokken C AS undertake the letting of newly erected commercial buildings.

Hinna Park Logistikk AS includes activity related to parking (under cover and outside), canteen operation and letting of boat berths. Hinna Park Logistikk AS has commenced building parking hall no 2 (Gullhallen).

The companies Gullfaks AS, Oseberg Næring AS and Ormen Lange AS are all project companies with their own building plots. Construction of Gullfaks is under way and will begin building as soon as Hinna Park Logistikk AS has completed the deck of the underground parking garage now under construction for the projects Gullfaks and Oseberg. Gullfaks will be an office building of 17,400 square metres and the building is expected to be completed in August 2016. A lease has been signed with Wintershall Norge AS for around 77 per cent of the space. The office buildings Oseberg and Ormen Lange are at the design stage. The aim is to start construction once leases corresponding to an occupancy level of around 60 per cent have been signed.

Hinna Park Utvikling AS is a company whose purpose is to acquire rights and building land for the further development of Jåttåvågen in Stavanger.

For further information see note 9 to the financial statements

Oslo S Utvikling AS (OSU) (33.33 % ownership)

OSU is a property development company that is undertaking the development of parts of the city district Bjørvika in Oslo. OSU is responsible for around 350,000 square metres above ground and around 105,000 square metres below ground, of which approximately 163,000 square metres above ground and approximately 55,000 square metres below ground has been developed.

OSU's strategy of developing properties for sale means that the properties are not recorded in the financial statements at fair value, but at historical cost. In the consolidated financial statements the investment is included using the equity method, and equity after tax is recorded at NOK 620.3 million in the consolidated financial statements as at 30.06.2014.

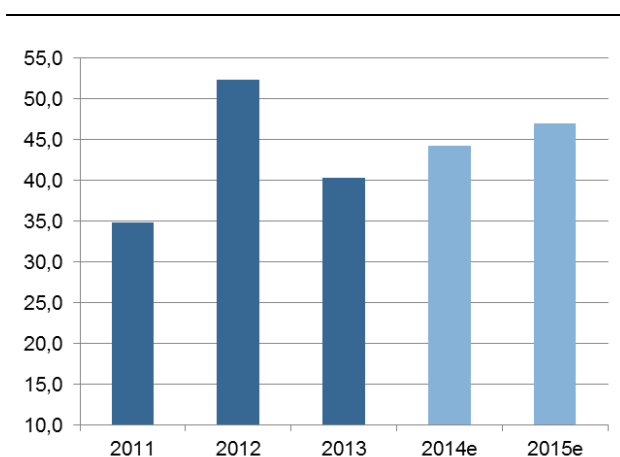
The market value of the properties and projects in OSU is estimated at approximately NOK 3.0 billion (100 per cent). Entra's ownership of 33.33 per cent gives a market value of NOK 1.0 billion. The estimate is based on corresponding principles to those used for Entra's other valuations of investment properties. Entra's share of the net asset value as at 30.06.2014 was NOK 0.9 billion after taking into account estimated latent deferred tax of 10 per cent.

Market developments

Transaction market

Commercial property transactions in Norway in the first half of 2014 totalled approximately NOK 14-15 billion, the same level as the transaction volume in the first half-year 2013. It is likely that the figure for transactions in the first half of 2014 will increase when all the transactions become known in the market.

Transaction volume Norway



Source: Entra Consensus report

Market data Oslo

	2011	2012	2013	2014e	2015e
Vacancy (%)*	7.1	7.2	7.4	7.4	7.3
Rental price (NOK/sqm)**	2,573	2,780	2,907	3,008	3,145
Prime yield (%)*	5.2	5.3	5.2	5.0	5.0

* Oslo, including Lysaker and Fornebu

** High quality offices in Oslo

Source: Entra Consensus report

Rental market

Office vacancy is roughly unchanged at a moderate level in Oslo and slightly rising in Entra's other markets. Good rents are being obtained for modern, centrally located premises.

Office vacancy in Oslo is around 7.5 per cent, unchanged from the end of 2013. Rents for offices in the centre are rising. Activity in the rental market has been moderate approaching the summer. Modern centrally located premises in Oslo achieve around NOK 3,000 per square metre.

Office vacancy in Bergen is around 7 per cent. Rents are virtually unchanged. Modern centrally located premises in Bergen are achieving rents of around NOK 2,200 per square metre.

In Trondheim office vacancy is around 5 per cent. Rents are unchanged. Modern centrally located premises in Trondheim are achieving rents of around NOK 2,000 per square metre.

In Stavanger office vacancy is around 7 per cent. The oil and gas industry has indicated a reduction in investments from 2015 and vacancy may therefore increase further. Rents have levelled out. In the centre and at Hinna Park rents for modern premises are around NOK 2,600 per square metre.

Organisation

At 30 June 2014 the Group had 162 (166) employees, of whom 15 are employed in Hinna Park AS.

During the quarter there were eight injuries that resulted in absence from work. Entra has implemented several initiatives to improve the HSE situation and works continually on its objective of avoiding injuries.

The Group had an LTIF rate (number of accidents involving absence from work per million hours worked in last 12 months) on ongoing projects of 5.6 as at the end of the period, down from 6.7 at the end of the previous quarter.

Risk and risk management

The Group is exposed to financial risk through the considerable level of debt financing, and changes in interest rate levels on loans at floating rates will affect the Group's cash flow. The risks associated with the development in market rates are managed through active use of various interest hedging instruments. Liquidity/refinancing risk is reduced by entering into long-term loan agreements, as well as through establishing a diversified maturity structure and the use of various credit markets and counterparties.

The Group's equity is affected by value changes on properties and financial instruments that are due to changes in, among other things, interest and rent levels, yields and other market conditions.

Entra is exposed to the letting market, which is affected by macroeconomic changes in, among other things, GDP, the CPI and employment. Vacancy in the portfolio and rent changes on renegotiation of existing contracts affects the ongoing cash flow. Efforts are made to reduce the letting risk by systematic customer service, following up contract expiries and plans for letting work, as well as by adapting properties to customers' requirements. By entering into long leases with a diversified maturity structure, the Group achieves a stable and predictable cash flow.

Entra carries out major upgrading and development projects involving risks in relation to deadlines and costs.

There has for some time been a deviation between the rent adjustment on leases entered into (CPI) and the increase in building costs, a factor which it has been important to take into account when planning and implementing projects. This difference is expected to be less in the future.

Outlook

Office vacancy is roughly unchanged at a moderate level in Oslo and slightly rising in Entra's other markets. Good rents are being achieved for modern, centrally located premises. Employment is rising moderately and companies expect growth in the future, although a decline in oil investments is expected from 2015. The supply of new premises is falling and counteracting somewhat lower demand.

Property investors seek quality properties with good locations and/or long and secure cash flows. Centrally located properties with development potential are also greatly sought-after. There has been a clear improvement in the debt capital markets in recent months and for the right properties there is competition between the banks to contribute with financing. These market conditions support a continued positive value development for Entra's property portfolio. There is still a great difference between the pricing of property in the main cities in relation to property located in smaller cities and towns.

Entra gives priority to working to be the best in the sector with regard to customer satisfaction through good operations and customer follow-up.

It is the company's view that customers to an increasing degree prefer environmentally sustainable office premises. Entra will therefore continue in the future to work systematically to achieve environmentally and economically correct solutions.

Efficient operations, good project implementation and active portfolio management are the most important parameters for delivering the objective of profitable growth.

Oslo, 23 July 2014

The Board of Entra Eiendom AS

Financial statements

Statement of comprehensive income

All figures in NOK millions	Q2-14	Q2-13	YTD Q2-14	YTD Q2-13	2013
Rental income	419.6	401.7	830.1	775.0	1,543.9
Other operating revenue	61.6	15.5	75.0	20.2	31.5
Total operating revenue	481.2	417.2	905.0	795.2	1,575.4
Repairs & maintenance	13.1	20.1	20.4	24.0	65.9
Operating costs	14.7	15.9	42.0	40.5	91.5
Other property costs	58.2	27.1	66.0	47.8	88.2
Administrative owner costs	54.3	69.8	114.8	115.7	222.9
Total operating costs	140.3	132.9	243.2	228.0	468.4
Net income from property management	341.0	284.2	661.8	567.2	1,107.0
Changes in value from investment properties	272.3	-203.0	265.5	-277.8	-495.1
Share of profit from associates and jointly controlled entities	9.6	11.0	27.2	10.8	235.5
Operating profit	622.8	92.2	954.5	300.2	847.4
Interest and other finance income	33.4	34.9	62.4	57.3	109.9
Interest and other finance expense	-168.7	-176.0	-330.5	-349.6	-674.9
Net realised financials	-135.3	-141.1	-268.2	-292.2	-565.0
Unrealised changes in value of financial instruments	-157.1	137.1	-270.8	123.1	183.7
Net financials	-292.3	-4.1	-539.0	-169.1	-381.3
Profit before tax	330.5	88.2	415.6	131.1	466.1
Tax expense	-80.7	-20.7	-99.8	-34.3	3.9
Profit for period/year	249.8	67.5	315.7	96.7	470.0
Actuarial gains and losses, net of tax	-	3.7	-	3.7	-2.9
Total comprehensive income for the period/year	249.8	71.1	315.7	100.4	467.1
Profit attributable:					
Equity holders of the Company	238.0	67.3	301.1	92.4	453.4
Non-controlling interest	11.9	0.1	14.7	4.4	16.6
Total comprehensive income attributable to:					
Equity holders of the Company	238.0	71.0	301.1	96.0	450.5
Non-controlling interest	11.9	0.1	14.7	4.4	16.6

Balance sheet

All figures in NOK millions	30.06.14	30.06.13	31.12.13
NON-CURRENT ASSETS			
Goodwill	145.9	-	-
Intangible assets	31.3	34.7	30.9
Total intangible assets	177.2	34.7	30.9
Investment property	25,071.7	22,357.2	23,144.8
Property used by owner	6.7	5.7	6.7
Other operating assets	31.2	29.2	30.5
Total property, plant & equipment	25,109.6	22,392.1	23,182.0
Investments in associates and jointly controlled entities	1,000.8	1,003.7	1,128.3
Loan to associates and jointly controlled entities	-	2.8	-
Financial derivatives	328.1	219.0	203.5
Other long-term receivables	730.7	712.9	742.8
Total financial assets	2,059.5	1,938.4	2,074.6
Total NON-CURRENT ASSETS	27,346.4	24,365.2	25,287.5
CURRENT ASSETS			
Housing-units for sale	275.4	162.0	227.0
Trade receivables	45.8	20.7	27.9
Other receivables	795.4	530.1	538.1
Total current receivables	1,116.6	712.7	793.0
Cash and bank deposits	212.3	145.5	177.4
TOTAL CURRENT ASSETS	1,329.0	858.2	970.4
Investment property held for sale	275.2	402.9	388.2
TOTAL ASSETS	28,950.5	25,626.4	26,646.1

All figures in NOK millions	30.06.14	30.06.13	31.12.13
EQUITY			
Paid-in equity	1,726.9	1,414.2	1,414.2
Retained earnings	6,203.0	6,110.1	6,464.6
Non-controlling interests	387.2	102.3	114.6
TOTAL EQUITY	8,317.1	7,626.6	7,993.4
LIABILITIES			
Interest-bearing debt	12,791.6	10,537.7	11,799.4
Pension liability	57.0	44.6	53.1
Deferred tax liability	2,706.2	2,504.4	2,463.9
Financial derivatives	1,033.1	918.8	848.0
Other liabilities	190.2	123.5	126.6
Total non-current liabilities	16,778.2	14,129.0	15,291.0
Trade payables and other payables	814.6	825.6	457.6
Interest-bearing debt	2,963.7	2,980.0	2,809.1
Prepayments and provisions	76.9	65.1	95.0
Total current liabilities	3,855.2	3,870.7	3,361.7
TOTAL LIABILITIES	20,633.4	17,999.7	18,652.7
TOTAL EQUITY AND LIABILITIES	28,950.5	25,626.4	26,646.1

Consolidated statement of changes in equity

All figures in NOK millions	Share capital	Share premium	Other equity	Non-controlling interest	Total equity
Total equity 31.12.2012	142.2	1,272.0	6,430.7	98.0	7,942.9
Total comprehensive income			450.5	16.6	467.1
Dividend			-416.6		-416.6
Total equity 31.12.2013	142.2	1,272.0	6,464.6	114.6	7,993.4
Total comprehensive income			301.1	14.7	315.7
Dividend			-250.0		-250.0
Capital decrease demerger	-28.0	-	-1.7	-	-29.7
Capital increase merger	28.0	312.7	-311.1	-	29.7
Additions with non-controlling interests	-	-	-	257.9	257.9
Total equity 30.06.2014	142.2	1,584.7	6,203.0	387.2	8,317.1

Consolidated statement of cash flows

All figures in NOK millions	Q2-14	Q2-13	YTD Q2-14	YTD Q2-13	2013
Profit before tax	330.5	88.2	415.6	131.1	466.1
Net financial items paid	-21.9	-20.0	-26.5	-21.9	-17.9
Items without cash effect	-7.5	14.0	-24.1	30.9	-187.6
Change in market value investment properties	-272.3	203.0	-265.5	277.8	495.1
Change in market value financial instruments	157.1	-137.1	270.8	-123.1	-183.7
Change in working capital	-4.6	-26.3	-14.6	-81.0	-58.8
Other changes	0.2	0.4	0.4	0.4	-4.8
Net cash flow from operating activities	181.5	122.2	356.1	214.2	508.4
Proceeds from sales of investment properties and companies	-0.2	62.9	191.0	590.7	596.9
Purchase of business	-32.4	-	-218.9	-	-
Purchase of investment properties and other assets	-327.7	-339.4	-642.2	-750.0	-1,798.8
Net payments associates and jointly controlled entities	154.8	28.4	154.8	99.4	202.2
Net cash flow from investment activities	-205.4	-248.2	-515.2	-60.0	-999.7
New interest-bearing debt	2,610.0	2,732.0	5,580.0	4,352.0	10,412.0
Repayment of interest-bearing debt	-2,593.0	-2,863.0	-5,386.0	-4,425.5	-9,391.5
Dividends paid	-	-	-	-	-416.6
Net cash flow from financing activities	17.0	-131.0	194.0	-73.5	603.9
Change in cash and cash equivalents	-6.9	-256.9	34.9	80.7	112.6
Cash and cash equivalents at beginning of period	219.2	402.5	177.4	64.8	64.8
Cash and cash equivalents at end of period	212.3	145.5	212.3	145.5	177.4

Notes to the income statement and balance sheet

1. Accounting principles

The results for the period have been prepared in accordance with applicable IFRS standards and interpretations. The accounting principles that have been used in the preparation of the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2013. Reporting covers Entra Eiendom AS, subsidiaries, associated companies and jointly controlled entities. The half-year financial statements have not been audited.

2. Segment information

The Group established a regional model at the end of the second quarter of 2013. With effect from the fourth quarter of 2013 the business reports under four geographic operating segments in line with IFRS 8: Central Oslo, Greater Oslo, South/West Norway and Mid/North Norway. Each of the operating segments has its own profit responsibility.

The segment information is followed up by the Group management team and CEO, who constitute the Group's highest operative governing and decision-making body.

Costs related to staff and support functions for the operating segments, as well as group eliminations, are included in the segment Group. Financial expenses, financial income and tax are handled at Group level.

Operating segments Q2-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group Consolidated	
Rental income	176.7	119.1	74.0	49.8	-	419.6
Other operating revenue	2.7	51.3	0.5	0.7	6.5	61.7
Total operating revenue	179.4	170.4	74.5	50.5	6.5	481.2
Repairs & maintenance	8.7	1.4	1.9	1.1	0.0	13.1
Operating costs	7.4	1.7	-0.4	5.2	0.8	14.7
Other property costs	3.7	49.3	0.3	0.4	4.6	58.2
Administrative owner costs	3.9	2.9	6.1	1.6	39.8	54.3
Total operating costs	23.7	55.2	7.8	8.3	45.2	140.3
Net income from property management	155.6	115.2	66.7	42.2	-38.7	341.0

Operating segments Q2-2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group Consolidated	
Rental income	171.9	104.2	56.7	69.5	-0.6	401.7
Other operating revenue	6.7	5.0	1.8	1.9	-	15.5
Total operating revenue	178.6	109.3	58.5	71.4	-0.6	417.2
Repairs & maintenance	15.1	2.1	2.2	0.7	-	20.1
Operating costs	5.8	1.2	4.9	1.2	2.7	15.9
Other property costs	2.5	9.4	1.4	0.9	12.9	27.2
Administrative owner costs	1.5	2.8	2.7	3.3	59.6	69.8
Total operating costs	24.9	15.5	11.3	6.1	75.2	132.9
Net income from property management	153.7	93.8	47.2	65.4	-75.8	284.2

Operating segments YTD Q2-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group Consolidated	
Rental income	351.0	236.1	140.5	102.5	-	830.1
Other operating revenue	7.0	54.0	5.3	1.8	6.8	75.0
Total operating revenue	358.0	290.1	145.8	104.3	6.8	905.0
Repairs & maintenance	12.5	3.0	3.1	1.7	-	20.4
Operating costs	16.4	8.1	6.9	9.8	0.8	42.0
Other property costs	7.3	49.0	0.5	1.0	8.2	66.0
Administrative owner costs	7.1	6.8	13.3	3.2	84.3	114.8
Total operating costs	43.4	66.9	23.8	15.7	93.4	243.2
Net income from property management	314.6	223.2	122.0	88.6	-86.5	661.8

Operating segments YTD Q2-2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group Consolidated	
Rental income	338.5	216.9	111.2	109.1	-0.6	775.0
Other operating revenue	9.4	5.8	2.4	2.6	-	20.2
Total operating revenue	347.8	222.7	113.5	111.8	-0.6	795.2
Repairs & maintenance	16.5	2.8	3.2	1.6	-	24.0
Operating costs	14.6	8.4	7.3	7.5	2.8	40.5
Other property costs	13.1	15.0	3.0	1.7	15.1	47.8
Administrative owner costs	2.0	6.1	5.1	6.5	96.0	115.7
Total operating costs	46.2	32.3	18.5	17.2	113.9	228.0
Net income from property management	301.7	190.4	95.0	94.5	-114.5	567.1

Operating segments 2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group Consolidated	
Rental income	667.3	453.0	222.4	201.2	-0.1	1,543.9
Other operating revenue	18.2	5.3	3.5	3.7	0.8	31.5
Total operating revenue	685.5	458.3	226.0	204.9	0.7	1,575.4
Repairs & maintenance	33.2	10.6	13.6	8.5	-0.0	65.9
Operating costs	34.3	25.6	16.6	15.1	-0.1	91.5
Other property costs	27.5	28.9	3.4	2.3	26.0	88.2
Administrative owner costs	13.2	12.6	11.0	13.6	172.4	222.9
Total operating costs	108.2	77.7	44.7	39.5	198.3	468.4
Net income from property management	577.3	380.6	181.3	165.4	-197.6	1,107.0

3. Investment properties

All figures in NOK millions			YTD	YTD	
	Q2-14	Q2-13	Q2-14	Q2-13	31.12.13
Opening balance	24,913.2	22,773.4	23,532.9	22,936.6	22,936.6
Purchase of investment property	-0.1	-0.1	1,292.8	187.0	591.2
Investment in the property portfolio	267.7	241.9	544.4	483.3	1,045.4
Capitalised borrowing costs	8.1	10.0	16.9	21.6	45.3
Sale of investment property	-114.4	-62.2	-305.7	-590.6	-590.5
Changes in value from operational lease	-6.3	-2.8	-5.6	-28.6	-39.8
Changes in value from investment properties	278.6	-200.2	271.1	-249.2	-455.2
Closing balance	25,346.8	22,760.1	25,346.8	22,760.1	23,532.9
Investment property held for sale	275.2	402.9	275.2	402.9	388.2
Investment property	25,071.7	22,357.2	25,071.7	22,357.2	23,144.8

Investment properties held for sale include the properties St. Olavsgate 4 and Pilestredet 30 in Oslo, Grønnegata 122 in Tromsø and Skansegaten 2 and Tollpakketuset in Stavanger.

The value change on operational lease agreements relates to the property Langkaia 1, which is owned under a lease that expires on 31 December 2030. The property will then revert without consideration to the Oslo Harbour Authority.

The property is classified as an investment property under IAS 40 and is valued at NOK 600.2 million as at the end of the second quarter of 2014. The Group records quarterly a negative value change on the property as the maturity date of the lease approaches.

4 IFRIC 12

IFRIC 12 regulates the recording of public infrastructure by private entities acting pursuant to contracts from the public sector. The infrastructure is operated by the private entity over a certain period, with the public sector controlling the residual value. In the case of Entra this applies to 3 properties. The properties have been recorded under "Other financial receivables" in the balance sheet. In calculating the long-term receivable estimates have been used to which some uncertainty attaches. The estimate uncertainty relates to future rent payments. In addition there is uncertainty relating to each property with regard to estimates of future ownership costs, investments and buyout clauses.

The IFRIC 12 properties generated rental income in the second quarter of NOK 22.7 million (NOK 22.0 million), which is not included in the Group's net income from property management as the properties are accounted for under IFRIC 12. In the first half-year 2014 rental income of NOK 45.4 million (NOK 44.1 million) was generated. Correspondingly the Group has recorded interest and other financial income in the income statement of NOK 25.2 million (NOK 25.7 million) this quarter and NOK 50.9 million (NOK 46.7 million) in the first half of 2014. The receivable in respect of the IFRIC 12 properties is valued at NOK 1,130 million (NOK 1,114 million) at the end of the second quarter of 2014.

5. Contingencies

Due to a disagreement between the shareholders in Greenfield Property AS («GFP») Entra has sued Norwegian Data Group AS («NDG») and GFP. After receiving the writ NDG and GFP have brought their own claim against Entra.

EVRY has issued a writ against Entra alleging that Entra has defaulted on a guarantee to complete Greenfield Datacenter and/or a promise to support the computer centre project.

Entra considers it unlikely that the claims of NDG/GFP and EVRY will succeed.

6. Information on the fair value of financial assets and liabilities

The valuation methods and principles are unchanged in the quarter. See the annual financial statements for 2013 for further information. Set out below is a summary of financial instruments divided between the different valuation hierarchies set out in IFRS 7.

With the exception of equity capital instruments of NOK 0.6 million (level 3) all financial instruments are level 2.

All figures in NOK millions	30.06.14	30.06.13	31.12.13
Financial assets measured at fair value			
Financial assets measured at fair value with change over the result			
- Derivatives	328.1	219.0	203.5
Financial assets held for sale			
- Equity instruments	0.6	0.6	0.6
Total	328.7	219.6	204.0
Financial liabilities measured at fair value			
Financial liabilities measured at fair value with change over the result			
- Derivatives	1,033.1	918.8	848.0
- Bonds	4,312.5	3,198.5	4,073.5
- Commercial paper	1,800.0	1,480.0	1,650.0
Total	7,145.6	5,597.3	6,571.5

7. Trade and other payables

All figures in NOK millions	30.06.14	30.06.13	31.12.13
Trade payables	286.5	273.4	290.0
Unpaid government taxes and duties	18.9	15.7	12.8
Dividend	250.0	416.6	-
Other short term liabilities	259.1	119.9	154.8
Total	814.6	825.6	457.6

8. Prepayments and provisions

All figures in NOK millions	30.06.14	30.06.13	31.12.13
Prepayments from customers	61.5	37.7	67.3
Provisions for current liabilities	15.5	27.5	27.8
Total	76.9	65.1	95.0

9. Consolidation Hinna Park Eiendom

In the fourth quarter of 2013 an agreement was signed to purchase 50 per cent of the shares in Hinna Park Eiendom AS. The shareholders agreement gives Entra control from 1 February 2014 and consolidation takes place with effect from this date. Comparative figures have not been restated.

Hinna Park Eiendom AS owns 100 per cent of the shares in HP Stadionblokken C AS, Fjordpiren AS, Troll Næring AS, Gullfaks AS, Ormen Lange AS, Hinna Park Logistikk AS and Hinna Park Utvikling AS through Hinna Park AS. The Hinna Park group has a marketing and operating organisation consisting of 15 people and manages its own properties as well as properties for other owners in the Hinna Park area.

In the Hinna Park group there are 3 properties with existing leases (Stadionblokken C building, Fjordpiren building and Troll building), a development project under construction (Gullfaks building) and two sites (Oseberg and Ormen Lange).

The purchase strengthens Entra's presence in the South/West region

Additional value analysis

All figures in NOK millions	Carrying value acquired company	Net additional value	Acquisition balance sheet*
Goodwill	1.0	144.9	145.9
Investment properties	783.4	509.4	1,292.8
Trade and other receivables	48.5		48.5
Cash	75.5		75.5
Pension liability	-1.9		-1.9
Deferred tax	-10.9	-130.8	-141.7
Other provisions	-36.0		-36.0
Debt to credit institutions	-713.8	-28.7	-742.5
Trade payables	-9.8		-9.8
Taxes due, other current liabilities	-42.1		-42.1
Net identified assets and liabilities	93.9	494.8	588.7
Consideration for shares			294.3
Cash taken over			-75.5
Net outgoing cash flow			218.9

Effect of merger on consolidated figures

All figures in NOK millions	YTD Q2-14
Operating revenue	38.1
Net income from property management	15.8

Pro forma figures – consolidated from beginning of year

All figures in NOK millions	YTD Q2-14
Operating revenue	913.4
Net income from property management	664.4

Declaration of the Board and Chief Executive

We declare to the best of our belief that the half-year financial statements for the period 1 January to 30 June 2014 have been prepared in accordance with IAS 34 - Interim reporting, and that the information in the financial statements gives a true and fair view of the Group's assets, liabilities, financial situation and result as a whole. We also declare, to the best of our belief, that the half-year report gives a true and fair presentation of important events during the accounting period and their influence on the half-year financial statements, the most important risk and uncertainty factors that the business faces over the next accounting period, as well as material transactions with connected persons

Oslo, 23 July 2014

Siri Hatlen
Chair

Martin Mæland
Deputy Chair

Kjell Bjordal
Board member

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Birthe Smedsrud Skeid
Board member

Tore Benediktsen
Board member

Klaus-Anders Nysteen
Chief executive

Calculation of key figures and definitions

Debt ratio (LTV)

All figures in NOK millions	Q2-14	Q2-13	2013
Net nominal interest-bearing debt	15,220.1	13,288	14,350.1
Total market value of the property portfolio	27,197.7	24,479.4	25,334.0
Market value of the property portfolio	26,831.7	24,116.4	24,963.3
Share of Entra OPF Utvikling (50%)	366.1	363.0	370.7
Debt ratio (LTV) %	56.0	54.3	56.6

Interest coverage ratio (ICR)

All figures in NOK millions	Q2-14	Q2-13	YTD	YTD	2013
			Q2-14	Q2-13	
Net income from property management	341.0	284.2	661.8	567.2	1,107.0
Net income from IFRIC 12 properties	18.0	17.2	35.8	31.7	65.4
Total Net Income from property management	359.0	301.5	697.7	598.9	1,172.3
Depreciation	4.4	16.4	8.5	20.7	32.7
EBITDA adjusted	363.3	317.9	706.2	619.6	1,205.1
Share of EBITDA Entra OPF Utvikling	2.6	12.7	14.3	24.0	46.2
EBITDA adjusted for share of Entra OPF Utvikling	366.0	330.6	720.5	643.6	1,251.3
Interest cost	173.1	166.6	337.9	331.4	668.0
Other finance expense	3.9	5.8	7.8	10.2	19.0
Applicable net interest cost	176.9	172.4	345.7	341.6	686.9
Interest Coverage Ratio (ICR)	2.1	1.9	2.1	1.9	1.8

Net asset value - EPRA NAV and EPRA NNAV

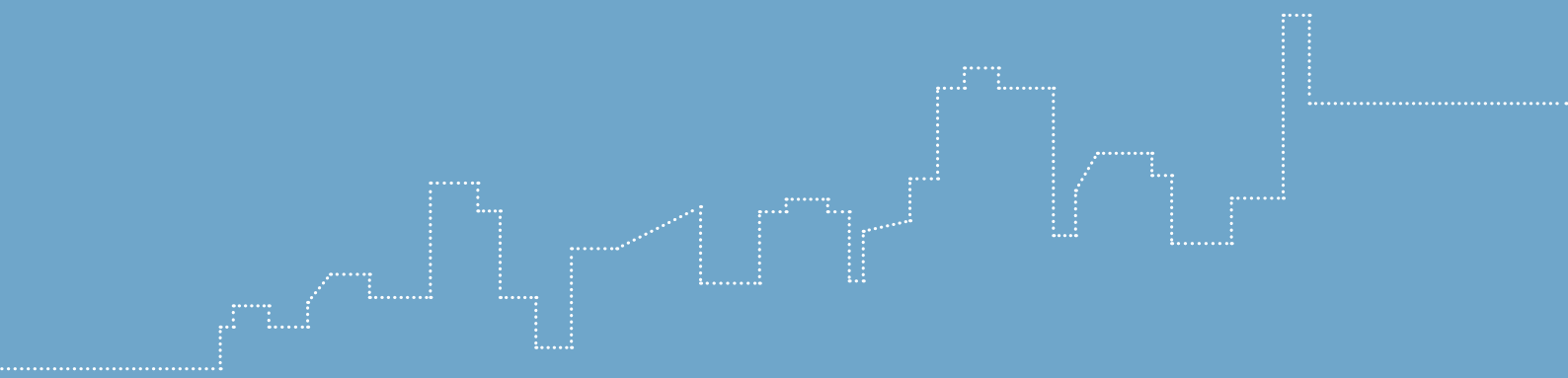
All figures in NOK millions	Q2-14	Q2-13	2013
Book value of investment properties	25,347	22,760	23,533
Carrying value of net interest bearing debt	15,543	14,634	14,431
Other debt-like items	1,487	500	1,109
Total equity	8,317	7,627	7,993
Less: Non controlling interests	387	102	115
NAV per financial statement	7,930	7,524	7,879
Add: Adjustment to property portfolio	161	161	164
Add: Revaluation of investments made in the JV	295	543	265
Add: Fair value adjustments of financial instruments	705	700	645
Add: Deferred tax arising on revaluation moments	2,212	2,156	1,969
EPRA NAV	11,303	11,085	10,922
Market value of property portfolio	26,832	24,116	24,963
Tax value of property portfolio	13,463	12,135	13,463
Basis for calculation of tax on gain on sale	13,369	11,982	11,500
Less: Market value of tax on gain on sale (5% tax rate)	668	599	575
Net market value of financial derivatives	705	700	645
Tax expense on realised net financial derivatives (27% tax rate)	190	189	174
Less: Net result from realisation of financial derivatives	515	511	471
Market value of interest bearing debt	15,755	13,518	14,608
Nominal value of interest bearing debt	15,432	13,434	14,528
Basis for calculation of tax on realisation of interest bearing debt	323	84	81
Less: Market value of tax on realisation (27% tax rate)	87	23	22
EPRA NNAV	10,033	9,952	9,855

EPRA Earnings

All figures in NOK millions	Q2-14	Q2-13	YTD	YTD	2013
			Q2-14	Q2-13	
Profit for period/year - Earnings per IFRS income statement	249.8	67.5	315.7	96.7	470.0
Exclude:					
Adjustment to value of investment property	-272.3	203.0	-265.5	277.8	495.1
Tax on changes in value of investment property	73.5	-54.8	71.7	-75.0	-133.7
Unrealised changes in value of financial instruments	157.1	-137.1	270.8	-123.1	-183.7
Tax on changes of value financial instruments	-42.4	37.0	-73.1	33.2	49.6
Profit or losses on disposal of inventory in OSU	-8.1	0.2	-13.9	-2.6	-229.2
Minority interest in respect of the above	-2.6	-1.2	-3.7	-2.6	-5.3
Share of profit joint venture - fair value adjustments	7.1	-3.2	4.5	5.3	30.7
Change in tax rate					-91.3
EPRA earnings	162.1	111.4	306.5	209.7	402.1

Definitions

12 months rolling rent	- The contractual rent of the management properties of the Group for the next 12 months as of a certain date, adjusted for (i) signed new contracts and contracts expiring during such period, (ii) contract based CPI adjustments based on Independent Appraisers' CPI estimates and (iii) the Independent Appraisers' estimates of letting of current and future vacant areas.
Contractual rent	- Annual cash rental income being received as of relevant date
EPRA Earnings	- Net income after tax excluding value changes on investment properties, unrealised changes in the market value of financial derivatives and gains/losses on the sale of properties and their associated tax effects. All adjustments are also made for jointly controlled entities. EPRA earnings are intended to give an indication of the underlying development in the property portfolio
EPRA NAV	- Net asset value adjusted to include market value of all properties in the portfolio and interest-bearing debt, and to exclude certain items not expected to crystallise in a long-term investment property business model such as e.g. financial derivatives and deferred tax on the market value of investment properties. The objective with EPRA NAV is to demonstrate the fair value of net assets given a long-term investment horizon
EPRA NNAV	- EPRA NNAV is EPRA NAV adjusted to reflect the fair value of debt and derivatives and in order to include deferred tax on value changes. The objective with EPRA NNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised
Gross yield	- 12 months rolling rent divided by the market value of the management portfolio
Independent Appraisers	- Akershus Eiendom and DTZ
Land and development properties	- Property / plots of land with planning permission for development
Like-for-like	The percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio. The figure is thus adjusted for purchases and sales of properties and active projects
Loan-to-value ("LTV")	- Net nominal value of interest-bearing liabilities divided by the market value of the property portfolio and the market value of the jointly controlled entity Entra OPF Utvikling
Management properties	- Properties that are actively managed by the company
Market rent	- The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the Independent Appraisers
Market value of property portfolio	- The market value of all the properties owned by the parent company and subsidiaries, regardless of their classification for accounting purposes. Does not include the market value of properties in associates and jointly controlled entities
Net rent	- 12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group
Net yield	- Net rent divided by the market value of the management properties of the Group
Occupancy	- Estimated market rent of occupied space of the management properties, divided by the market rent of the total space of the management portfolio. Based on EPRA standard
Project properties	- Properties where it has been decided to start construction of a new building and/or renovation
Interest Coverage Ratio ("ICR")	- Net income from property management excluding depreciation and amortisation for the Group including Entra OPF, divided by net interest on interest-bearing nominal debt and fees and commitment fees related to investment activities
Total area	- Total area including the area of management properties, project properties and land / development properties
WAULT	- Weighted Average Unexpired Lease Term measured as the remaining contractual lease amounts of the current lease contracts of the management properties of the Group, including areas that have been re-let and signed new contracts, adjusted for termination rights and excluding any renewal options, divided by Contractual Rent, including renewed and signed new contracts



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