

INTERIM REPORT

01.07. - 30.09.2014



Papirbredden 3, Drammen



THIS IS ENTRA

Entra ASA ("Entra", "the Group") 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 108 buildings. Each day over 30,000 people work in buildings owned by Entra. As of 30.09.14 the real estate portfolio had a market value of around NOK 27.8 billion. The public sector represents approximately 73 per cent of the total 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. Entra's **business strategy** has three pillars: customer satisfaction, profitable growth and environmental leadership.

Entra works continuously to maintain customer satisfaction. Close customer contact and bespoke 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 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.

Since 17 October 2014 Entra ASA has been listed on Oslo Børs with the ticker ENTRA. In addition, the subsidiary Entra Eiendom AS has issued bonds and commercial paper which are listed on Oslo Børs under the ticker ENEID.

Highlights

- The Group's rental income was NOK 424.8 million (NOK 375.2 million) for the quarter and NOK 1,254.8 million (NOK 1,150.2 million) year to date 2014
- Net income from property management was NOK 344.0 million (NOK 286.3 million) for the quarter and NOK 1,005.7 million (NOK 853.5 million) year to date
- Positive value changes in the property portfolio amounted to NOK 354.3 million (NOK -101.7 million) in the quarter. For the nine months ended 30.09.14 the value changes were NOK 619.8 million (NOK -379.5 million)
- New and renewed lease contracts for a total of approximately NOK 30.4 million (approx. 15,000 square metres) during the quarter
- Construction of projects in Sundtkvartalet in Oslo and Gullfaks at Hinna Park in Stavanger commenced
- Projects in Otto Sverdrups Plass 4 in Sandvika and in Kongsgård Alle 20, Kristiansand completed and delivered to the new tenants
- Successful privatisation completed, listed on Oslo Børs from 17 October

Key figures

	Q3-14	Q3-13	YTD Q3-14	YTD Q3-13	2013
Operational					
Market value of real estate portfolio (NOKm)*	27,748	24,730	27,748.0	24,730	24,963
Total area (Gross)	1,301,499	1,218,337	1,301,499	1,218,337	1,218,040
Occupancy rate of management portfolio (%)	94.1	95.8	94.1	95.8	95.8
WAULT (years)**	7.7	9.3	7.7	9.3	9.2
Financial					
Rental income (NOKm)	424.8	375.2	1,254.8	1,150.2	1,543.9
Profit before value adjustments and tax (NOKm)	210.0	158.0	630.7	443.7	777.4
Profit after tax (NOKm)	368.4	78.8	684.0	179.2	467.0
EPRA Earnings (NOKm)***	154.7	114.9	461.0	333.1	412.1
Net cash flow from investment activities (NOKm)	-438.0	-600.5	-953.2	-660.4	-999.7
Net nominal interest-bearing debt (NOKm)	15,835.2	14,212.9	15,835.2	14,212.9	14,350.1
Debt ratio (LTV) (%)***	56.3	56.6	56.3	56.6	56.6
Interest coverage ratio (ICR) (%)***	2.1	1.9	2.1	1.9	1.8
Equity ratio (%)	29.2	29.6	29.2	29.6	30.0
Net asset value - EPRA NAV (NOKm)***	11,814.7	11,060.4	11,814.7	11,060.4	10,922.4
EPRA NNAV (NOKm)***	10,500.0	9,948.4	10,500.0	9,948.4	9,821.1
Earnings per share (NOK)****	2.7	530.5	4.8	1,180.0	3,188.6
Cash earnings per share (NOK)****	1.4	1,058.7	4.1	2,992.2	3,810.7
Net asset value - EPRA NAV (NOK) per share****	83.1	77,783.6	83.1	77,783.6	76,813.1

* 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"

**** The company's share was 26 September, split 1:1,000

Financial developments

Results for the third quarter*

The Group's rental income was NOK 424.8 million in the third quarter of 2014 compared to NOK 375.2 million in the same period in 2013. This represents growth in rental income of 13.2 %. NOK 23.5 million of the increase in rental income relates to the purchase of Hinna Park, which was effective as of 1 February 2014. In addition, completion of the projects at Fredrik Selmers vei 4 in Oslo, Otto Sverdrups plass 4 and Kjørboveien 12-26 in Sandvika, and the purchase of the property Lilletorget 1 in Oslo, which was completed on 1 July 2014, contributed to increased rental income in the period compared to the same period last year. Underlying like-for-like growth on the lease contracts was 2.7 per cent from 30.9.2013 to 30.09.2014.

Other operating income amounted to NOK 41.8 million, against NOK 5.2 million in the same period in 2013. During the quarter the company delivered 6 apartments on Ringhøyden at Ringstabekk to the buyers, and thus recognised NOK 23.5 million in income. In addition, other operating income consists of income from external services provided in the quarter.

Maintenance and operating costs were stable and amounted to NOK 41.4 million (NOK 41.6 million).

Other property costs amounted to a total of NOK 32.8 million (NOK 12.0 million) and were affected by costs of NOK 24.0 million related to the apartments sold at Ringstabekk (referred to above). Otherwise other property costs are mainly related to depreciation and rental expenses.

Administrative owner costs amounted to NOK 48.3 million (NOK 40.5 million). NOK 8.1 million was expenses related to preparations for privatisation.

The profit from property management amounted to NOK 344.0 million (NOK 286.3 million) in the third quarter of 2014.

The valuation of the property portfolio resulted in a net positive value change of NOK 354.3 million, compared to NOK -101.7 million in the third quarter of 2013. The positive value change is mainly attributable to yield compression for centrally located properties in the main cities and a lower required return rate on high quality tenants.

The net unrealised negative value change on financial instruments was NOK -44.2 million (NOK 50.5 million) in the quarter. The negative development is mainly due to falling market interest rates and an increase in liabilities relating to the Group's fixed rate loans as a result of a reduction in market valued credit margins in the quarter.

Net realised financial expenses amounted to NOK 176.7 million (NOK 161.7 million). The Group has increased its 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, which is mainly related to IFRIC 12 properties, amounted to NOK 28.6 million (NOK 25.9 million).

The profit before tax was NOK 520.2 million (NOK 106.8 million) in the third quarter of 2014, while comprehensive total income after tax in the period was NOK 368.4 million (NOK 78.8 million).

Balance sheet at 30.09.2014

The Group's assets amounted to NOK 29,778.5 million (NOK 26,057.0 million) as at 30.09.14. Of this, investment property amounted to NOK 25,988.0 million (NOK 22,944.4 million) and investment property held for sale to NOK 260.1 million (NOK 401.6 million). Five properties were classified as held for sale as at 30.09.14.

The Group has recognised goodwill of NOK 145.9 million (NOK 0) in connection with the acquisition of 50 % of Hinna Park Eiendom AS. 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 1,076.2 million (NOK 911.2 million). The increase is due to the establishment of the jointly controlled entity Sundtkvartalet Holding AS. Long-term receivables amounting to NOK 742.8 million (NOK 727.2 million) consist mainly of the properties Nasjonalbiblioteket and Vøyenenga School, which are valued in accordance with IFRIC 12. Borgarting Lagmannsrett was reclassified as a short-term receivable during the second quarter of last year after Statsbygg exercised a purchase option on the property. In July 2014 Statsbygg informed Entra that the property would not be taken over in October as planned.

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

Entra is maintaining the classification as a short-term financial receivable as at 30.09.14. Other receivables of NOK 647.4 million (NOK 560.2 million) consists mainly of the IFRIC 12 property and settlement for the sale of apartments at Ringstabekk.

The Group's interest-bearing debt at the end of the third quarter was NOK 16,343.9 million (NOK 14,345.5 million). The change is due to increased borrowings in order to finance property projects and improvements, the purchase of Hinna Park, payment of a dividend of NOK 250 million as decided by the annual meeting held on 3 July 2014 and the acquisition of Lilleorget 1 AS for a purchase price of NOK 287.7 million.

The pension liability was NOK 65.1 million (NOK 44.1 million) at the end of the third quarter. The increase is due to changes in actuarial assumptions, particularly impacted by a lower discount rate on the pension liability.

Trade payables and other payables were NOK 523.6 million (NOK 413.6 million). The increase is due to a higher level of investments particularly impacted by projects run by Hinna Park.

The Group's equity capital, including non-controlling interests, was NOK 8,685.0 million (NOK 7,705.5 million) as at 30.9.14 which corresponds to an equity ratio of 29.2 per cent (29.6 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

The Group's cash flow from operations amounted to NOK 124.4 million (NOK 92.1 million) in the third quarter. The change is mainly due to an increased result from net income from property management partly offset by a negative change in working capital.

Net cash flow from investments was NOK 438.0 million (NOK 600.5 million).

NOK 553.1 million (NOK 700.4 million) was paid out on the purchase of investment property and other investments, of which NOK 235.5 million (NOK 245.7 million) relates to improvements to the existing property portfolio. Purchases of investment properties amounted to NOK 287.3 million (NOK 402.6 million) in the third quarter of 2014.

Furthermore, the Group has received a dividend payment from Oslo S Utvikling of NOK 50 million (NOK 100 million) in the third quarter of 2014.

Net cash flow from financing was NOK 244.5 million (NOK 390.4 million). The Group paid a dividend of NOK 250 million (NOK 416.6 million) in the third quarter.

The net change in liquid assets was NOK 69.2 million (NOK 118.0 million) during the period.

Financing

During the quarter the Group has issued a 5-year NOK 500 million floating rate bond with a credit margin of 61 bps. The outstanding commercial paper debt was reduced by NOK 150 million, with NOK 500 million being refinanced and NOK 650 million repaid. In the quarter, bank debt increased by a total of NOK 194 million.

The Group's interest-bearing nominal debt was NOK 15,976 million (NOK 14,241 million) as at 30.09.14, with a diversified maturity profile. The average remaining term of the Group's debt portfolio was 4.5 years at 30.09.14 (5.4 years as at 30.09.13). The calculation takes into account the fact that available long-term credit facilities can replace short-term debt.

Maturity structure of interest-bearing debt at 30.09

NOK in millions	Credit line	Acc. Share	
		Share of total debt	of total debt
0-3 months	1,743	11 %	11 %
4-12 months	1,074	7 %	18 %
1-2 years	3,311	21 %	38 %
2-4 years	5,640	35 %	74 %
4-6 years	1,928	12 %	86 %
>6 years	2,281	14 %	100 %
Total	15,976		

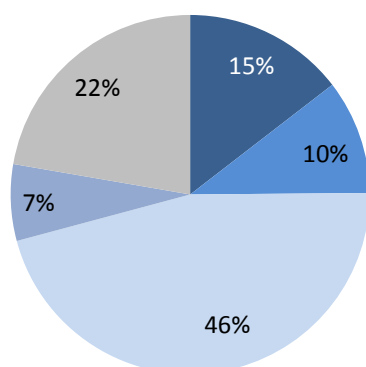
The Group's liquid assets as at 30.09.14 amounted to NOK 140.6 million (NOK 27.6 million as at 30.09.13). The Group has unutilised credit facilities totalling NOK 3,733 million as at 30.09.14 (NOK 4,515 million as at 30.09.13).

Maturity structure unutilised credit facilities at 30.09

NOK in millions	Amount	Share
0-3 months	-	0 %
4-12 months	28	1 %
1-2 years	620	17 %
2-4 years	1,520	41 %
4-6 years	1,500	40 %
>6 years	65	2 %
Total*	3,733	

*) Commitment fee is charged for undrawn credit facilities.

Composition of interest-bearing debt at 30.09



■ Bank loans subsidiaries ■ Commercial paper
■ Bonds listed at OSE ■ Secured Bond 2030
■ Drawn bank loans

The figure above shows the composition of interest-bearing debt. At the end of the period 63 percent of the Group's financing was from the capital market.

The table below shows that 60 per cent of the Group's financing was hedged at a fixed interest rate as at 30.09.14. The weighted effective maturity of the fixed rate portion was 3.0 years as at 30.09.14 (3.1 years as at 30.09.13).

The Group's average interest rate was 4.33 per cent as at 30.09.14, down from 4.45 per cent as at 30.06.14. The reduction in the average interest rate since the second quarter of 2014 is mainly due to the expiry of interest rate hedging derivatives and reduced credit margins.

Interest rate and maturity structure as at 30.09

NOK in millions	Amount ¹	Interest rate ²	Share
<1 year	6,454	4.51 %	40 %
1-2 years	550	4.26 %	3 %
2-3 years	1,102	4.53 %	7 %
3-4 years	2,210	4.18 %	14 %
4-5 years	1,000	4.05 %	6 %
5-6 years	2,100	3.94 %	13 %
6-7 years	950	4.86 %	6 %
7-8 years	350	3.22 %	2 %
8-9 years	350	4.76 %	2 %
9-10 years	400	2.56 %	3 %
>10 years	510	5.36 %	3 %
Total	15,976	4.33 %	100 %

¹ In the quarter Entra has entered into new 2-year forward swap agreements of NOK 500 million with an average interest rate of 2.83 % and 8 year tenor. These swaps are not included in the table.

² Fixed credit margins (i.e., the interest expense associated with floating rate debt for which the margin is fixed through the maturity of the debt) with maturities greater than one year are included in <1 year interval, since the interest rate will be reset within one year. If fixed credit margins with maturities greater than one year were excluded from the <1 year interval, the average interest rate for interest rate maturities in the <1 year interval would be 3.05%.

The following table sets out the calculation of interest rate maturities in the <1 year interval as of 30 September 2014:

Instrument	Interest rate
Interest rate maturity <1Y ¹	2.09 %
Credit margin maturity <1Y ²	0.96 %
Credit margin maturity >1Y ³	1.47 %
Total	4.51 %

¹Interest rate maturity <1Y includes the underlying index component (i.e., NIBOR) of floating interest rates on bank debt and bonds (floating rate notes and fixed rate bonds swapped back to floating rate), commercial paper and existing floating to fixed interest rate swaps with a maturity of less than one year.

²Credit margin maturity <1Y includes credit spreads that reset within one year on debt bearing interest at an index that resets within that period.

³Credit margin maturity >1Y includes credit spreads that are fixed for a period of more than one year on debt bearing interest that resets within one year.

The business

Letting situation

At the end of the third quarter the Group had an economic occupancy rate in the management portfolio of 94.1 per cent (95.8 per cent). The weighted remaining term for the Group's leases was 7.7 years for the management portfolio, and 8.0 years when the project portfolio is included.

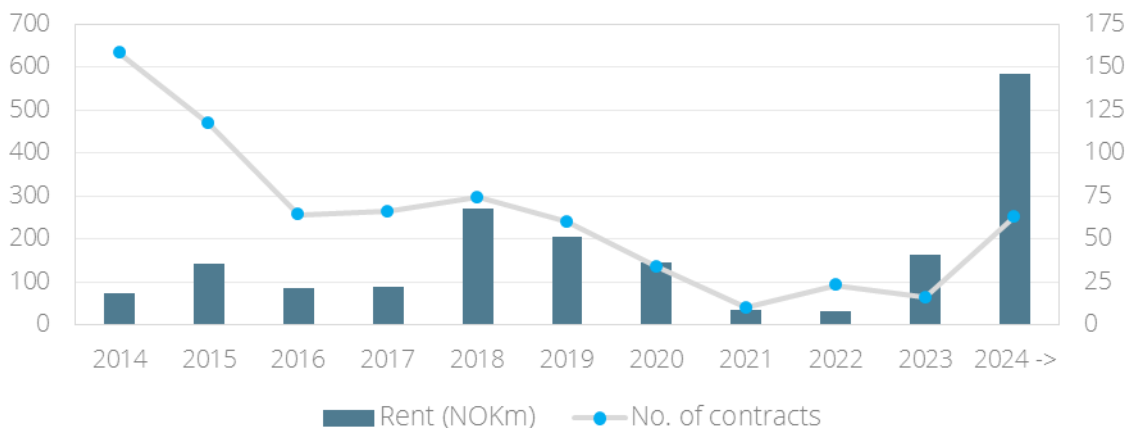
During the third quarter Entra signed new and renegotiated leases with an annual rent totalling NOK 30.4 million (15,063 square metres) and received notices of termination on leases with an annual rent of NOK 1.5 million (852 square metres). The increase in rent from the total amount of renegotiated contracts signed within the quarter was about 14 %.

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

- Partly renegotiated and new contract for 3,082 square metres in Brynsengfaret 4/6 in Oslo with Roche Norge AS
- Renegotiated contract for 2,510 square metres in Observatoriegaten 1 in Oslo with Bull & Co AS
- Renegotiated contract for 2,128 square metres in Brochsgate 3 in Fredrikstad with Fredrikstad Tingrett
- New contract for 1,291 square metres in Kjørboveien 12-26 in Sandvika with Norconsult AS

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

Maturity structure of management portfolio



The property portfolio

Key figures property portfolio at 30.09.14

Key figures at 30.09.2014											
	Area (sqm)	Occupancy (%)	Number of properties (#)	Wault (year)	Market value (NOK mill.) (NOK/sqm)		12 month rolling rent (NOK mill.) (NOK/sqm)		Net yield (%)	Market rent per 30.09.14 (NOK mill.) (NOK/sqm)	
Region Central Oslo	397,869	92.2	30	6.9	12,387	31,134	787	1,979	5.9	850	2,137
Region Greater Oslo	334,236	96.7	30	9.2	6,933	20,743	510	1,525	6.8	460	1,376
Region South and West	192,458	94.2	24	7.8	3,920	20,369	284	1,475	6.6	294	1,525
Region Central and Northern	148,417	95.5	14	6.6	2,552	17,193	197	1,325	6.8	198	1,336
Total management portfolio	1,072,980	94.1	98	7.7	25,792	24,038	1,778	1,657	6.4	1,802	1,679
Project portfolio	86,646		4	11.0	1,457	16,819					
Regulated development sites	141,873		6	0.8	498	3,512					
Total property portfolio	1,301,499		108	8.0	27,748	21,320					

The table includes properties classified as IFRIC 12 (note 4). Ringstabekk housing project is included in market value of management portfolio at cost price of NOK 279 million. Youngsøgt. 7-9 is included in market value of management portfolio at salesprice of NOK 60 million. The calculation of net yield is based on the valuers' assumption of ownership costs, which at 30.09 corresponds to 7.7 per cent of market rent.

Transactions in the quarter

Settlement and takeover of AS Lilletorget 1 took place on 1 July. Entra purchased 100 per cent of the shares from

AS Eiendommer which is owned by Fellesforbundet. Fellesforbundet is also the largest tenant in the property.

Project development

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

Project in progress

Project	Ownership (%)	Location	Expected completion	Project area ('000 sqm)	Occupancy %	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
Group:								
Ringstadbekkveien 105	100	Sandvika	Q1-2015	11,923	77.1	482	464	-
Langkaia 1	100	Oslo	Q1-2015	8,532	60.6	167	140	12.8
Schweigaards gate 16	100	Oslo	Q2-2015	15,502	78.1	586	477	6.3
Akersgata 34-36	100	Oslo	Q3-2015	6,212	98.6	240	154	6.8
Papirbredden 3	60	Drammen	Q4-2015	11,015	62.5	266	53	8.0
Gullfaks***	50	Stavanger	Q3-2016	17,821	100.0	539	60	6.7
Total group				71,005		2,279	1,348	
Joint ventures:								
Sundtkvartalet	50	Oslo	Q4-2016	30,956	26.2	1,055	269	6.7
Total Joint ventures				30,956		1,055	269	

* Total project cost (Including initial value/cost of land)

** Estimated net rent (fully let)/total project cost (including cost of land)

*** Gullfaks; Occupancy is reported as 100 % let due to a rental guarantee included in the purchase transaction of Hinna Park AS

The project Ringstadbekkveien 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, of which 20 have been sold and 17 delivered to buyers. The remaining apartments are 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 project has an ambition to obtain the classification BREEAM Excellent, has been designed with 100% LED lighting, and will obtain energy class B. The building will be completed in June 2015.

At Langkaia 1 in Oslo, the 9th and 10th floors are being refurbished. The project comprises 6,200 square metres and the tenant Eniro will occupy 5,250 square metres in February 2015. The final phase of the work is now in progress, with technical equipment and internal walls. In addition the 1st and 2nd floors are in the process of being developed into new office premises totalling 2,400 square metres.

The project in Akersgata 34-36 involves both a new building and refurbishment of an existing building. In total a project of 6,200 square metres of offices, which is fully let to Amedia. The project is on schedule, and is expecting a BREEAM Very Good classification. The project is scheduled to be completed and handed over in September 2015.

Papirbredden 3 has been planned and will be constructed in accordance with FutureBuilt's quality criteria. Papirbredden 3 is a passive building with Energy class A. A lease has been signed with Husbanken on 4,000 square metres out of a total of 11,000 square metres. Construction started in the third quarter of 2014, with a planned completion in Q4 2015. The project is owned by Papirbredden Eiendom, where Entra owns 60%.

At Hinna Park in Stavanger, the parking basement under the Gullfaks building is under construction. The 17,400 square metre office building Gullfaks is situated close to the sea-shore and within a short distance to public transportation and high quality residential and commercial areas. Wintershall Norway AS will lease the whole building, except for the 2nd floor and commercial space in the 1st floor. The project, with BREEAM classification Excellent, has an estimated completion date in Q3 2016.

In Sundtkvartalet in Oslo, a new, environmentally leading office building of approximately 31,000 square metres will be built. The ambition is to obtain BREEAM classification Excellent, a passive building with Energy class A. The project is organised through a jointly-controlled company with Skanska Commercial Development AS, where Skanska and Entra owns 50 per cent each. The cost is included in the cost estimate in the table above. Skanska is the building contractor and has signed a lease for approximately 8,000 square metres in the building. Demolition of existing buildings on the ground has been completed in the third quarter.

In Lars Hilles gate 30 in Bergen, Media City Bergen (MCB) is under development. The project is expected to start up in Q4 2014/Q1 2015. This building comprises 45,000 square metres where the largest media companies in Bergen will co-locate. The project will include the total renovation of the existing 35,000 square metres and the addition of 10,000 square metres. The vision behind the concept is to create an environment for innovation and knowledge development within the media industry, through establishing a cluster of media companies, technology, education and research. TV2, NRK, Bergensavisen, Bergens Tidene, the Media Faculty of Bergen University, and the graphics company Vizrt will be tenants in the building. 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 capital expenditure of approximately NOK 1.5 billion, including the purchase price for the building, and 67 % of the building is currently pre-let.

The project is owned by the jointly controlled entity Entra OPF Utvikling AS where Entra and OPF owns 50 % each.

In the third quarter, the project Otto Sverdrups plass 4, Sandvika was completed, comprising an "Education and Knowledge Centre" of 11,547 square metres for Bærum Municipality and Oslo and Akershus University College, as well as office premises of 2,581 square metres for the Defence Estates Agency

The new school at Kongsgård Allé 20 of 1,967 square metres was completed and delivered to Kristiansand International School (KIS) in the third quarter.

Partly-owned companies

Papirbredden Eiendom AS and Hinna Park Eiendom AS are consolidated in the Group's financial statements 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 existing buildings are 100 per cent let.

The construction of Papirbredden 3 on parts of the site Grønland 51 in Drammen has commenced. 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.

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 following 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

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 has been initiated as described under the project development section. 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.

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 as described under the project development section above. The property Allehelgens gate 6 is fully let to the police on a lease with a remaining term of just under 5 years.

According to 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.

Sundtkvartalet Holding AS (50 % ownership)

Entra and Skanska Commercial Development Norway Holding AS own the jointly controlled enterprise Sundtkvartalet Holding AS. The company will build a new office building of approximately 31,000 square meters in Lakkegata/Vahls gate. Skanska is the building contractor and has signed a lease for approximately 8,000 square metres in the building.

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 developing 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 568,1 million in the consolidated financial statements as at 30.09.2014.

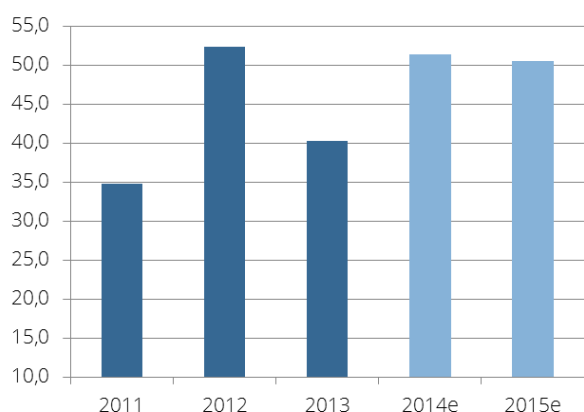
The market value of the properties and projects in OSU is estimated at approximately NOK 3.2 billion (100 per cent). Entra's ownership of 33.33 per cent gives a market value of NOK 1.1 billion. The estimate is based on corresponding principles to those used for Entra's other valuations of investment properties. Entra's share of the net asset value as at 30.09.2014 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 nine months ended 30.9.2014 totalled approximately NOK 35 billion, up from approximately NOK 25 billion in the same period in 2013. The transaction market is active and driven by favourable financing terms for property investors. International investors are showing increased interest in the Norwegian market. The interest for modern and central properties close to transportation hubs is still high. However, also more normal properties outside the most central office clusters are in demand and the historical high gap between prime and normal yield properties is contracting.

Transaction volume Norway



Source: Entra Consensus report

Rental market

Office vacancy in Oslo is slightly higher than at the end of 2013, but still at a moderate level. In Entra's other markets office vacancy rates have increased, but are now levelling out and are expected to remain stable going forward. Supply of new office space is low in 2014 and is expected at moderate levels also in 2015 and 2016. The trend of increasing rents for high standard office premises located close to public transportation hubs continues.

Office vacancy in Oslo is around 7.6 per cent, up from 7.4 per cent at the end of 2013. Rents for offices within the city centre are rising. Activity in the rental market has been somewhat moderate so far in 2014. Modern office premises located in the centre of Oslo obtain about NOK 3,000 per square metre.

Office vacancy in Bergen has increased to around 7.5 per cent. Rents have remained stable since our Q2-report. Modern centrally located premises in Bergen are achieving rents of around NOK 2,200 per square metre. In Trondheim office vacancy has increased somewhat during 2014 and is currently at about 6 per cent of the total office space. Rents are unchanged. Modern centrally located premises in Trondheim obtain rents of approximately NOK 2,000 per square metre.

As of October office vacancy in Stavanger is around 7 per cent, the same as in our last report. There are however, to a certain degree variations in office vacancy between different subareas within the region. Available data indicates that vacancy and rents have levelled out. The expected reduction in investment spending within the oil and gas industry may however adversely affect the future demand for office space within the region. High standard, modern office premises located in the city centre and at Hinna Park generate rents of around NOK 2,500 per square metre

Market data Oslo

	2011	2012	2013	2014e	2015e	2016e
Vacancy (%)*	7.1	7.2	7.4	7.6	7.5	7.3
Rental price (NOK/sqm)**	2,573	2,780	2,907	3,048	3,173	3,333
Prime yield (%)*	5.2	5.3	5.2	4.9	4.8	

* Oslo, including Lysaker and Fornebu

** High quality offices in Oslo

Source: Entra Consensus report

Organisation and HSE

At 30 September 2014 the Group had 166 employees, of whom 15 are employed in Hinna Park AS.

During the quarter there were 2 lost time injuries. Entra has implemented several initiatives to improve the HSE situation both in on-going projects and in the operations, and works continually on its objective of avoiding injuries.

The Group had an LTIF rate (number of accidents with lost time per million hours worked in last 12 months) on ongoing projects of 6.6 as at the end of the period, up from 5.7 at the end of the previous quarter.

Risk and risk management

The Group is exposed to financial risk through 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 rate and employment. Vacancy in the portfolio and rent changes on renegotiation of existing contracts affect 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.

Events after the balance sheet date

On 17th October, Entra ASA was listed on the Oslo Stock Exchange. In connection with the listing the Norwegian Government (Ministry of Trade, Industry and Fisheries (MTIF)) sold 38,929,766 shares in a public offering of new and existing shares in Entra. In addition, the global coordinators over-allotted 12,072,234 shares and exercised their option to borrow the corresponding number of shares from the selling shareholder (MTIF). In case of full exercise of the over-allotment option granted to the managers the MTIF's shareholding in Entra will be reduced to approximately 49.6 %.

In addition, Entra issued 41,538,461 new shares in connection with the transaction raising gross proceeds of approximately NOK 2.7 billion. There are a total of 183,732,461 shares outstanding in the company following the issuance of the new shares. The proceeds from the offering have been used to reduce outstanding credit facilities in the group, including credit facilities drawn to pay an extraordinary dividend of NOK 650 million to the MTIF.

The 20 largest shareholders as registered in the VPS as of 28 October 2014 were as follows:

NAME:	NO OF SHARES:	OWNERSHIP:
Norwegian Ministry of Trade, Industry and Fisheries	91 194 000	49,6 %
Geveran Trading	18 450 000	10,0 %
Folketrygdfondet	7 650 000	4,2 %
JP Morgan Clearing (Nominee)	4 400 000	2,4 %
J.P. Morgan Chase Bank (Nominee)	4 043 423	2,2 %
J.P. Morgan Chase Bank (Nominee)	3 084 571	1,7 %
Varma Mutual Pension Company	2 900 000	1,6 %
BNP Paribas Sec. (Nominee)	2 691 257	1,5 %
Danske Invest Norske	2 123 989	1,2 %
State Street Bank (Nominee)	1 914 816	1,0 %
State Street Bank (Nominee)	1 744 190	0,9 %
Citiban (Nominee)	1 600 589	0,9 %
Goldman Sachs (Nominee)	1 412 185	0,8 %
The Bank of New York (Nominee)	1 267 171	0,7 %
Danske Invest Norske	1 150 967	0,6 %
SEB (Nominee)	1 142 107	0,6 %
State Street Bank (Nominee)	1 123 917	0,6 %
Deutsche Bank AG	1 019 046	0,6 %
MP Pensjon PK	1 000 000	0,5 %
State Street Bank (Nominee)	708 577	0,4 %
SUM 20 LARGEST SHAREHOLDERS (VPS 28.10.14)	150 620 805	82,0 %
TOTAL	183 732 461	100,0 %

Outlook

Office vacancy in Oslo has shown a slight increase from the end of 2013, despite the low volume of new buildings being completed this year. The vacancy rate is expected to decrease as a result of a low net supply of new office space entering the market, taking into account conversion of old space into residential or other purposes. As seen in previous periods, modern offices located near public transportation still attract tenants and obtain solid rents compared to premises located in fringe areas. In Entra's other markets office vacancy has increased somewhat since year-end in 2013. The vacancy rates have however stabilized and are likely to remain at current levels.

Property investors seek quality properties with good locations and/ or long and secure cash flows. Centrally located properties with development potential are also greatly in demand. 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.

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 sustainable solutions.

Efficient operations, good project implementation and active portfolio management are the most important parameters for delivering the objective of profitable growth. Going forward Entra will increase focus on streamlining of operations, including the potential for cost efficiencies and operational gearing.

Oslo, 29 October 2014

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All figures in NOK millions			YTD	YTD	
	Q3-14	Q3-13	Q3-14	Q3-13	2013
Rental income	424.8	375.2	1,254.8	1,150.2	1,543.9
Other operating revenue	41.8	5.2	116.8	25.3	31.5
Total operating revenue	466.6	380.4	1,371.6	1,175.6	1,575.4
Repairs & maintenance	12.9	15.2	33.2	39.3	65.9
Operating costs	28.5	26.4	70.6	66.9	91.5
Other property costs	32.8	12.0	98.8	59.7	88.2
Administrative owner costs	48.3	40.5	163.3	156.2	223.1
Total operating costs	122.5	94.1	365.9	322.1	468.7
Net income from property management	344.0	286.3	1,005.7	853.5	1,106.8
Changes in value from investment properties	354.3	-101.7	619.8	-379.5	-495.1
Share of profit from associates and jointly controlled entities	14.1	7.5	41.3	18.3	235.5
Operating profit	712.5	192.1	1,666.8	492.2	847.2
Interest and other finance income	28.6	25.9	90.9	83.3	109.9
Interest and other finance expense	-176.7	-161.7	-507.2	-511.3	-674.8
Net realised financials	-148.2	-135.8	-416.4	-428.0	-564.9
Unrealised changes in value of financial instruments	-44.2	50.5	-315.0	173.7	183.7
Net financials	-192.3	-85.2	-731.3	-254.3	-381.3
Profit before tax	520.2	106.8	935.5	237.9	466.0
Tax payable	-	-	-	-	-
Change in deferred tax	-141.0	-28.0	-240.7	-62.3	4.0
Profit for period/year	379.2	78.8	694.8	175.5	469.9
Actuarial gains and losses, net of tax	-10.8	-	-10.8	3.7	-2.9
Total comprehensive income for the period/year	368.4	78.8	684.0	179.2	467.0
Profit attributable:					
Equity holders of the Company	382.9	75.4	683.9	167.8	453.3
Non-controlling interest	-3.8	3.4	10.9	7.8	16.6
Total comprehensive income attributable to:					
Equity holders of the Company	372.2	75.4	673.1	171.4	450.4
Non-controlling interest	-3.8	3.4	10.9	7.8	16.6

Balance sheet

All figures in NOK millions	30.09.14	30.09.13	31.12.13
NON-CURRENT ASSETS			
Goodwill	145.9	-	-
Intangible assets	30.1	35.7	30.9
Total intangible assets	176.0	35.7	30.9
Investment property	25,988.0	22,944.4	23,144.8
Property used by owner	6.7	5.6	6.7
Other operating assets	31.4	28.9	30.5
Total property, plant & equipment	26,026.0	22,978.9	23,182.0
Investments in associates and jointly controlled entities	1,076.2	911.2	1,128.3
Loan to associates and jointly controlled entities	-	2.8	-
Financial derivatives	375.7	203.5	203.5
Other long-term receivables	742.8	727.2	742.8
Total financial assets	2,194.7	1,844.6	2,074.6
Total NON-CURRENT ASSETS	28,396.8	24,859.3	25,287.5
CURRENT ASSETS			
Housing-units for sale	278.9	181.4	227.0
Trade receivables	54.7	27.0	27.9
Other receivables	647.4	560.2	538.1
Total current receivables	981.0	768.6	793.0
Cash and bank deposits	140.6	27.6	177.4
TOTAL CURRENT ASSETS	1,121.6	796.2	970.4
Investment property held for sale	260.1	401.6	388.2
TOTAL ASSETS	29,778.5	26,057.0	26,646.1

All figures in NOK millions	30.09.14	30.09.13	31.12.13
EQUITY			
Paid-in equity	1,729.3	1,729.3	1,729.3
Retained earnings	6,572.3	5,870.5	6,149.1
Non-controlling interests	383.4	105.7	114.6
TOTAL EQUITY	8,685.0	7,705.5	7,993.0
LIABILITIES			
Interest-bearing debt	13,515.8	11,283.5	11,799.4
Pension liability	65.1	44.1	53.1
Deferred tax liability	2,844.0	2,532.6	2,463.8
Financial derivatives	1,053.3	832.4	848.0
Other liabilities	165.4	125.6	126.6
Total non-current liabilities	17,643.7	14,818.2	15,290.9
Trade payables and other payables	523.6	413.6	458.1
Interest-bearing debt	2,828.1	3,062.0	2,809.1
Prepayments and provisions	98.2	57.7	95.0
Total current liabilities	3,449.9	3,533.3	3,362.2
TOTAL LIABILITIES	21,093.5	18,351.6	18,653.1
TOTAL EQUITY AND LIABILITIES	29,778.5	26,057.0	26,646.1

Consolidated statement of changes in equity

All figures in NOK millions	Share capital	Other paid-in capital	Other equity	Non-controlling interest	Total equity
Total equity 31.12.2012	142.2	2,003.7	5,698.7	98.0	7,942.6
Total comprehensive income			450.4	16.6	467.0
Repayment of equity		-416.6			-416.6
Total equity 31.12.2013	142.2	1,587.1	6,149.1	114.6	7,993.0
Total comprehensive income			673.1	10.9	684.0
Dividend			-250.0	-	-250.0
Additions with non-controlling interests	-	-	-	257.9	257.9
Total equity 30.09.2014	142.2	1,587.1	6,572.3	383.4	8,685.0

Consolidated statement of cash flows

All figures in NOK millions	Q3-14	Q3-13	YTD Q3-14	YTD Q3-13	2013
Profit before tax	520.2	106.8	935.5	237.9	466.1
Net financial items paid	10.7	9.0	-15.8	-12.9	-17.9
Items without cash effect	-11.6	-6.2	-35.8	24.7	-187.6
Change in market value investment properties	-354.3	101.3	-619.8	379.5	495.1
Change in market value financial instruments	44.2	-50.5	315.0	-173.7	-183.7
Change in working capital	-84.9	-68.2	-101.3	-149.2	-58.8
Other changes	0.1	-0.0	0.1	-0.0	-4.8
Net cash flow from operating activities	124.4	92.1	477.9	306.3	508.4
Proceeds from sales of investment properties, companies and housing-units	65.1	-0.1	256.1	590.6	596.9
Purchase of business	-	-	-218.9	-	-
Purchase of investment properties and other assets	-553.1	-700.4	-1,195.3	-1,450.4	-1,798.8
Net payments associates and jointly controlled entities	50.0	100.0	204.8	199.4	202.2
Net cash flow from investment activities	-438.0	-600.5	-953.2	-660.4	-999.7
New interest-bearing debt	1,720.8	3,020.0	7,300.8	7,372.0	10,412.0
Repayment of interest-bearing debt	-1,226.3	-2,213.0	-6,612.3	-6,638.5	-9,391.5
Dividends paid	-250.0	-416.6	-250.0	-416.6	-416.6
Net cash flow from financing activities	244.5	390.4	438.5	316.9	603.9
Change in cash and cash equivalents	-69.2	-118.0	-36.8	-37.3	112.6
Cash and cash equivalents at beginning of period	209.8	145.5	177.4	64.8	64.8
Cash and cash equivalents at end of period	140.6	27.6	140.6	27.6	177.4

Notes to the income statement and balance sheet

1. Accounting principles

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting. 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 ASA, subsidiaries, associated companies and jointly controlled entities. The interim 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 Q3-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	175.3	126.4	80.2	49.9	-7.1	424.8
Other operating revenue	1.3	29.4	17.0	1.3	-7.1	42.0
Total operating revenue	176.6	155.8	97.3	51.2	-14.1	466.8
Repairs & maintenance	6.5	3.5	2.1	0.7	-	12.9
Operating costs	8.5	9.3	8.6	4.6	-2.5	28.5
Other property costs	3.2	24.1	0.1	0.1	5.3	32.8
Administrative owner costs	3.2	2.5	11.1	1.6	30.1	48.5
Total operating costs	21.4	39.5	21.9	7.0	32.9	122.7
Net income from property management	155.2	116.3	75.4	44.2	-47.0	344.0

Operating segments Q3-2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	160.4	119.9	54.7	40.2	0.1	375.2
Other operating revenue	5.9	-1.0	0.5	-0.3	-	5.1
Total operating revenue	166.2	118.9	55.2	39.9	0.1	380.4
Repairs & maintenance	8.0	2.5	3.5	1.3	-0.1	15.2
Operating costs	8.0	10.4	3.7	4.0	0.2	26.4
Other property costs	7.6	10.1	-0.1	-0.1	-5.6	12.0
Administrative owner costs	7.7	1.9	2.5	3.2	25.1	40.5
Total operating costs	31.3	25.0	9.6	8.5	19.7	94.1
Net income from property management	135.0	93.8	45.7	31.4	-19.6	286.3

Operating segments YTD Q3-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	526.3	362.5	220.7	152.4	-7.1	1,254.8
Other operating revenue	8.3	83.4	22.3	3.1	-0.3	116.8
Total operating revenue	534.6	445.8	243.0	155.5	-7.3	1,371.6
Repairs & maintenance	19.0	6.6	5.2	2.5	-	33.2
Operating costs	24.9	17.4	15.5	14.4	-1.6	70.6
Other property costs	10.5	73.1	0.7	1.0	13.5	98.8
Administrative owner costs	10.4	9.4	24.4	4.8	114.4	163.3
Total operating costs	64.8	106.4	45.7	22.7	126.3	365.9
Net income from property management	469.8	339.4	197.3	132.7	-133.6	1,005.7

Operating segments YTD Q3-2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	498.8	336.7	165.9	149.3	-0.6	1,150.2
Other operating revenue	15.2	4.8	2.9	2.4	-	25.3
Total operating revenue	514.1	341.5	168.8	151.7	-0.6	1,175.5
Repairs & maintenance	24.4	5.3	6.7	2.9	-0.1	39.3
Operating costs	22.6	18.8	11.0	11.5	3.0	66.9
Other property costs	20.7	25.2	2.9	1.6	9.4	59.7
Administrative owner costs	9.7	8.0	7.6	9.7	121.1	156.2
Total operating costs	77.4	57.3	28.1	25.7	133.5	322.1
Net income from property management	436.7	284.2	140.6	126.0	-134.1	853.5

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	172.6	223.1
Total operating costs	108.2	77.7	44.7	39.5	198.5	468.6
Net income from property management	577.3	380.6	181.3	165.4	-197.8	1,106.8

3. Investment properties

All figures in NOK millions			YTD	YTD	
	Q3-14	Q3-13	Q3-14	Q3-13	31.12.13
Opening balance	25,346.8	22,760.1	23,532.9	22,936.6	22,936.6
Purchase of investment property	288.3	404.2	1,581.2	591.2	591.2
Investment in the property portfolio	252.5	271.1	796.9	754.3	1,045.4
Capitalised borrowing costs	5.7	12.3	22.6	33.9	45.3
Sale of investment property	0.4	0.0	-305.3	-590.5	-590.5
Changes in value from operational lease	9.7	3.4	4.1	-25.2	-39.8
Changes in value from investment properties	344.6	-105.1	615.7	-354.3	-455.2
Closing balance	26,248.1	23,346.0	26,248.1	23,346.0	23,532.9
Investment property held for sale	260.1	401.6	260.1	401.6	388.2
Investment property	25,988.0	22,944.4	25,988.0	22,944.4	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 654.0 million as at the end of the third 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.

Profit before tax from IFRIC 12 properties relates to the three properties accounted for under IFRIC 12. The related income is recognised in the statement of comprehensive income under interest and other finance income and the related operating costs and provisions for repairs and maintenance are recognised in the statement of comprehensive income under interest and other finance expense and repairs and maintenance, respectively.

The IFRIC 12 properties generated rental income in the third quarter of NOK 22.8 million (NOK 22.1 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 nine months of 2014 rental income of NOK 68.3 million (NOK 66.3 million) was generated. Correspondingly the Group has recorded interest and other financial income in the income statement of NOK 25.4 million (NOK 24.3 million) this quarter and NOK 76.4 million (NOK 71.0 million) in the first nine months of 2014. The receivable in respect of the IFRIC 12 properties is valued at NOK 1,135 million (NOK 1,118 million) at the end of the third 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.

EVERY 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 EVERY 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	30.09.14	30.09.13	31.12.13
Financial assets measured at fair value			
Financial assets measured at fair value with change over the result			
- Derivatives	375.7	203.5	203.5
Financial assets held for sale			
- Equity instruments	0.6	0.6	0.6
Total	376.2	204.0	204.0
Financial liabilities measured at fair value			
Financial liabilities measured at fair value with change over the result			
- Derivatives	1,053.3	832.4	848.0
- Bonds	4,384.1	3,697.5	4,073.5
- Commercial paper	1,650.0	1,550.0	1,650.0
Total	7,087.3	6,079.9	6,571.5

7. Trade and other payables

All figures in NOK millions	30.9.14	30.9.13	31.12.13
Trade payables	303.4	210.8	290.0
Unpaid government taxes and duties	12.8	22.4	12.8
Other short term liabilities	207.3	180.5	155.3
Total	523.6	413.6	458.1

8. Prepayments and provisions

All figures in NOK millions	30.9.14	30.9.13	31.12.13
Prepayment from customers	82.8	36.9	67.3
Provisions for current liabilities	15.4	20.8	27.8
Total	98.2	57.7	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 Q3-14
Operating revenue	65.0
Net income from property management	20.6

Pro forma figures – consolidated from beginning of year

All figures in NOK millions	YTD Q3-14
Operating revenue	1,380.0
Net income from property management	1,008.3

Calculation of key figures and definitions

Reconciliation of investment properties to property market value

All figures in NOK millions	30.09.14	30.09.13	31.12.2013
Investment property	25,988.0	22,944.4	23,144.8
Investment properties held for sale	260.1	401.6	388.1
Market value of IFRIC 12 properties	1,300.2	1,280.1	1,285.0
Properties for use of the group	8.2	8.2	8.2
Housing units held for sale	278.9	181.4	227.0
Prepaid VAT compensation	-87.5	-85.9	-89.8
Property market value	27,748.0	24,729.8	24,963.3

EBITDA from IFRIC 12 properties

All figures in NOK millions	Q3-14	Q3-13	YTD Q3-14	YTD Q3-13	2013
Rental income	22.8	22.1	68.3	66.3	88.4
Other operating revenue	-1.7	-1.7	-4.6	-4.9	-6.6
Total operating revenue	21.1	20.4	63.7	61.4	81.8
Repairs and maintenance	0.7	0.4	2.2	-0.6	0.0
EBITDA from IFRIC 12 properties	21.8	20.8	65.9	60.8	81.9
Long-term receivable	692.4	675.4	692.4	675.4	679.7
Short-term receivable	442.3	442.6	442.3	442.6	442.3
Total receivable	1,134.7	1,118.1	1,134.7	1,118.1	1,122.0

Interest coverage ratio (ICR)

All figures in NOK millions	Q3-14	Q3-13	2013
Net income from property management	344.0	286.3	1,106.8
Depreciations	5.3	4.1	32.7
EBITDA from IFRIC 12 properties	21.8	20.8	81.9
EBITDA adjusted	371.2	311.2	1221.3
Share of EBITDA Entra OPF Utvikling	1.0	11.6	46.2
EBITDA adjusted for share of Entra OPF Utvikling	372.2	322.8	1,267.5
Interest cost	166.5	167.5	668.0
Other finance expense	4.6	5.2	19.0
Applicable net interest cost	171.0	172.7	686.9
Interest Coverage Ratio (ICR)	2.2	1.9	1.8

Debt ratio (LTV)

All figures in NOK millions	Q3-14	Q3-13	2013
Net nominal interest-bearing debt	15,835.2	14,213	14,350.1
Total market value of the property portfolio	28,114.0	25,091.1	25,334.0
Market value of the property portfolio	27,748.0	24,729.8	24,963.3
Share of Entra OPF Utvikling (50%)	366.1	361.3	370.7
Debt ratio (LTV) %	56.3	56.6	56.6

Net asset value - EPRA NAV and EPRA NNAV

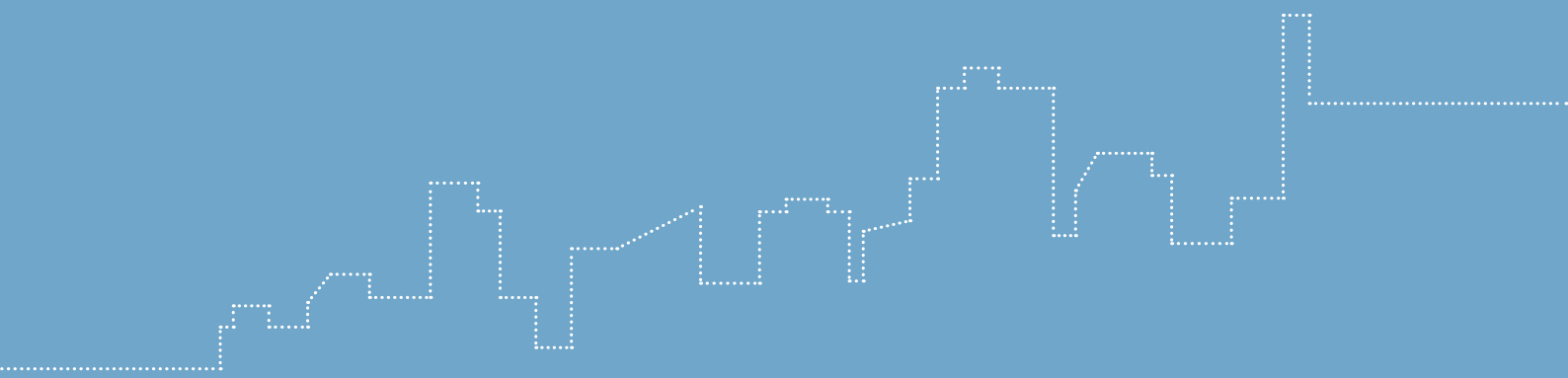
All figures in NOK millions	Q3-14	Q3-13	2013
Book value of investment properties	26,248.1	23,346.0	23,532.9
Net interest bearing debt	16,203.3	15,379.8	14,431.0
Other debt-like items	1,359.8	260.6	1,108.5
Total equity	8,685.0	7,705.5	7,993.4
Less: Non controlling interests	383.4	105.7	114.6
NAV per financial statement	8,301.6	7,599.8	7,878.8
Add: Adjustment to property portfolio	167.1	164.6	164.4
Add: Revaluation of investments made in the JV	318.9	482.6	265.3
Add: Fair value adjustments of financial instruments	677.6	628.9	644.5
Add: Deferred tax arising on revaluation moments	2,349.6	2,184.5	1,969.4
EPRA NAV	11,814.7	11,060.4	10,922.4
Market value on property portfolio	27,748.0	24,729.8	24,963.3
Tax value on property portfolio	13,333.6	12,134.6	12,784.9
Basis for calculation of tax on gain on sale	14,414.3	12,595.1	12,178.4
Less: Market value of tax on gain on sale (5% tax rate)	720.7	629.8	608.9
Net market value on financial derivatives	677.6	628.9	644.5
Tax expense on realised net financial derivatives (27% tax rate)	183.0	176.1	174.0
Less: Net result from realisation of financial derivatives	494.6	452.8	470.5
Book value of interest bearing debt	16,343.9	14,345.5	14,608.5
Nominal value of interest bearing debt	15,975.9	14,240.5	14,527.5
Basis for calculation of tax on realisation of interest bearing debt	368.1	105.0	81.0
Less: Market value of tax on realisation (27% tax rate)	99.4	29.4	21.9
EPRA NNAV	10,500.0	9,948.4	9,821.1

EPRA Earnings

All figures in NOK millions	Q3-14	Q3-13	YTD Q3-14	YTD Q3-13	2013
Profit for period/year - Earnings per IFRS income statement	379.2	78.8	694.8	175.5	469.9
Exclude:					
Adjustment to value of investment property	-354.3	101.7	-619.8	379.5	495.1
Tax on changes in value of investment property	95.7	-28.5	167.3	-106.3	-133.7
Unrealised changes in value of financial instruments	44.2	-50.5	315.0	-173.7	-183.7
Tax on changes of value financial instruments	-11.9	14.1	-85.0	48.6	49.6
Profit or losses on disposal of inventory in Oslo S Utvikling AS	1.6	1.0	-12.3	-1.6	-229.2
Share of profit - jointly controlled entities - fair value adjustments	-0.4	-0.6	4.1	4.7	30.7
Non-controlling interests of subsidiaries	0.7	-1.3	-3.0	-3.9	-5.3
IFRIC 12 adjustment		-		10.0	10.0
Change in tax rate		-			-91.3
EPRA earnings	154.7	114.9	461.0	333.1	412.1

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 EPRA Earnings	- Annual cash rental income being received as of relevant date - 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 Like-for-like	- Property / plots of land with planning permission for development 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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