

2nd quarter 2015

Oslo, 14th July 2015



Agenda



- **Highlights in the quarter**
- Operations and market
- Financial update
- Closing remarks
- Q&A

Highlights in the quarter



- Rental income of 423 NOKm (442 NOKm)*
- Net income from property management of 353 NOKm (363 NOKm)*
- Positive value changes of 178 NOKm (268 NOKm)
- Net letting of 25 NOKm (~ 14,600 sqm)
- Finalised new build project in Schweigaardsgate 16 in Oslo
- Two new renovation projects started up at Helsefy in Oslo



Schweigaardsgate 16, Oslo

* The Q2 14 numbers are restated as a result of changed accounting principle for three properties from IFRIC12 to IAS 40

Agenda



- Highlights in the quarter
- **Operations and market**
- Financial update
- Closing remarks
- Q&A

Letting and occupancy

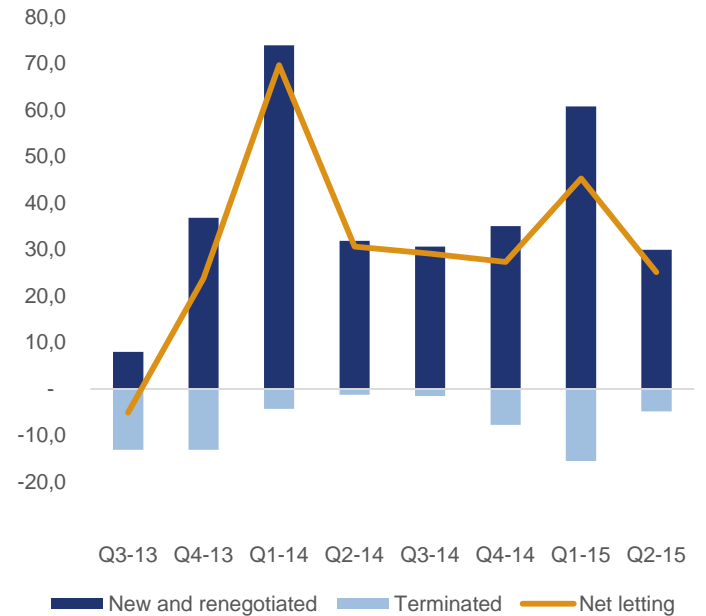


- New and renewed leases, 30 NOKm (17,725 sqm)
- Lease-up of 8.6% on renegotiated contracts
- Terminated contracts, 4.8 NOKm (3,150 sqm)
- Occupancy at 94.6%, WAULT at 7.4 yrs

Largest new and renegotiated contracts

Property:	Tenant:	Sqm:	Contract:
Fredrik Selmersvei 4, Oslo	Norwegian Tax Administration	3,700	New
Moloveien 10, Bodø	County Governor of Nordland	4,045	Renegotiation
Biskop Gunnerusgt 14, Oslo	Evolve	950	New
Fritzners gate 12, Oslo	Embassy of Republic of Indonesia	820	Renegotiation

Quarterly net letting (Annual rent, NOKm)



Finalised Schweigaardsgate 16 in Oslo



- New office building
 - Total of 15,500 sqm
 - Occupancy: 87%
 - Total project cost: NOKm 578
 - Yield on cost: 6.5%
-
- Statoil Fuel and Retail moved into 12,100 sqm as of ultimo June
 - Dinamo Norge will occupy 1,500 sqm from August
 - Ongoing letting processes for second floor and small retail space on ground floor



Schweigaardsgate 16, Oslo

Start of two renovation projects at Helsfyr in Oslo



Strømsveien 96



- Refurbishment of existing building
- New tenant: Norwegian Medicines Agency
- Total of 18,100 sqm, of which 12,500 sqm office
- Occupancy: 46%
- Total project cost: NOKm 433
- Yield on cost: 6.6%

Fredrik Selmers vei 4, building phase 2



- Internal refurbishment of existing building
 - 7,400 sqm of total building of 36,500 sqm
- Extension of current lease contract with with Norwegian Tax Authority (NTA)
 - 3,700 sqm in building phase 2, bringing NTA's total area up to 32,700 sqm
- Occupancy (building phase 2): 52%
- Total project cost: NOKm 212 (incl. existing building)
- Yield on cost: 6.7%

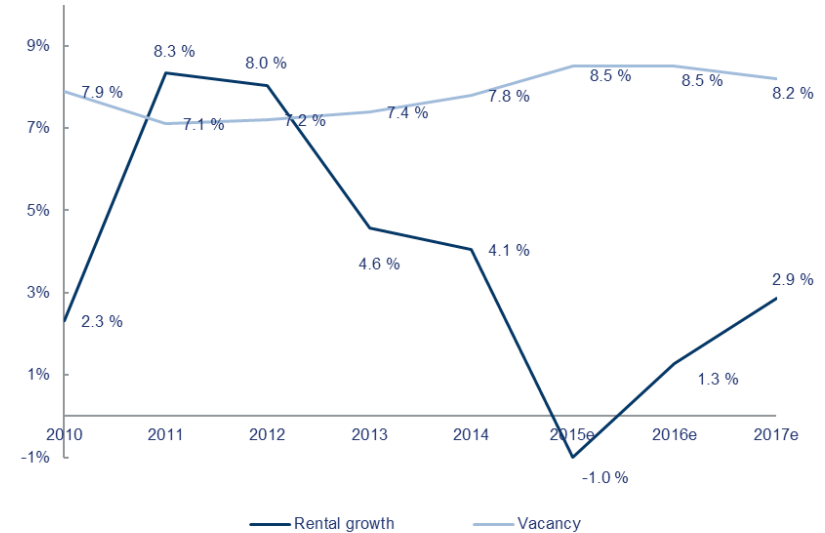
Market development

Rent and vacancy



- Increasing vacancies and slightly negative overall rental growth
 - Central/attractive office areas holding up well
 - Stavanger most challenging market
- Micro location, product quality and professional letting processes of great importance
- Office-to-residential conversion and limited supply side balancing the market

Rental growth and vacancy Oslo



Source: Entra consensus report, average of estimates from leading market specialists in Norwegian market.

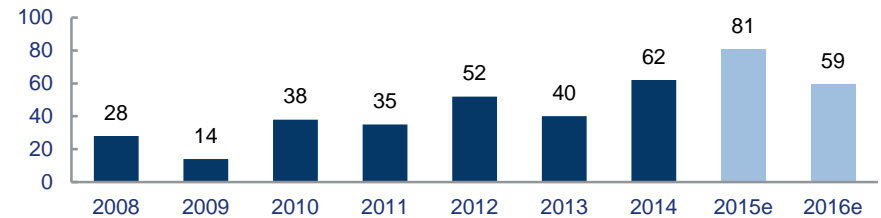
Market development

Transactions and yields

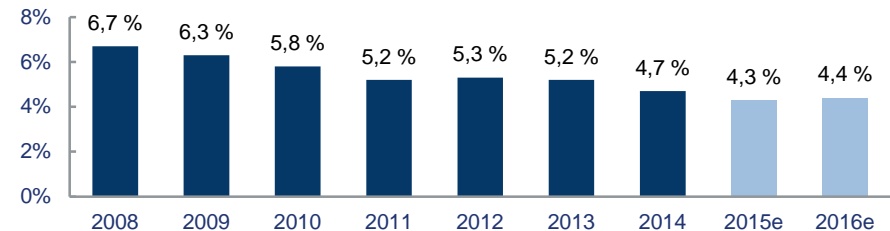


- Property investments attractive relative to other alternatives
- Record high transaction volumes seen in the Norwegian market
- Large transactions involving international investors
- Yields levels have been contracting further, expected to level out

Total transaction volume (NOKbn)



Prime yield Oslo



Source: Entra consensus report, estimates from leading market specialists in Norwegian market

Agenda

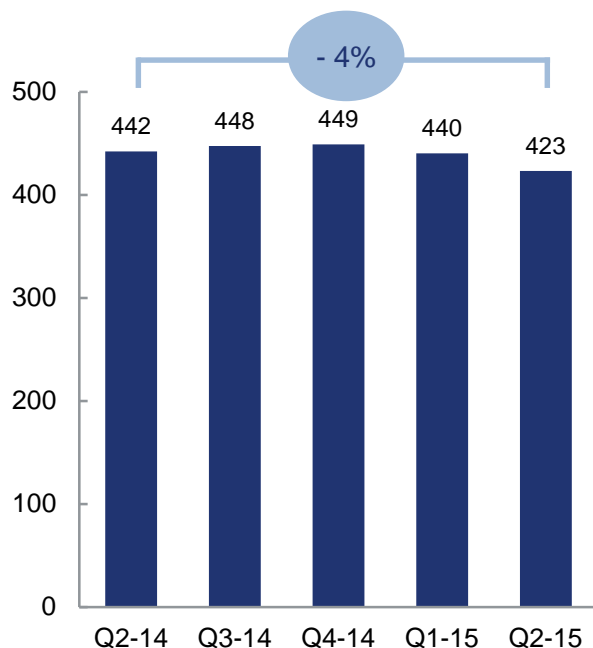


- Highlights in the quarter
- Operations and market
- **Financial update**
- Closing remarks
- Q&A

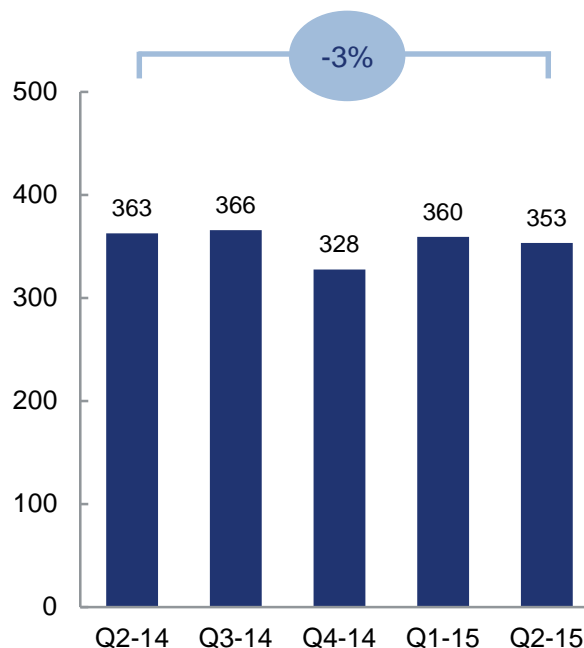
Key financials*



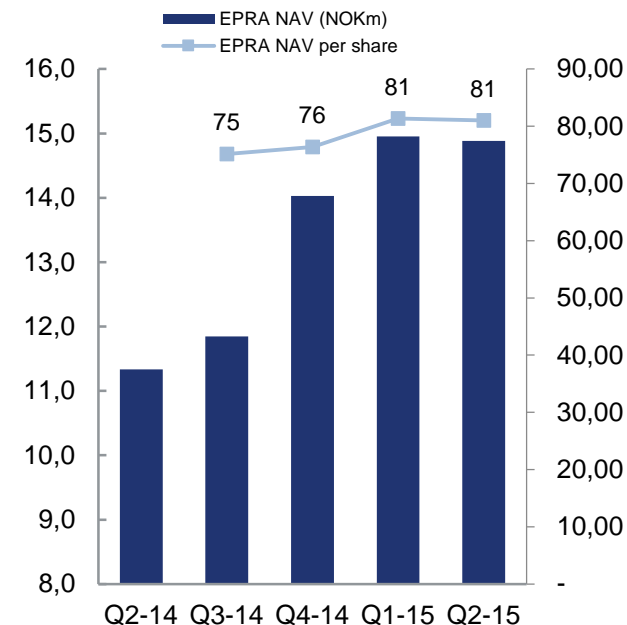
Rental income (NOKm)



Net income from property management (NOKm)



EPRA NAV (NOKbn / NOK per share)



* Q1-14 to Q3-14 numbers are restated as a result of changed accounting principle for three properties from IFRIC 12 to IAS 40

Q3 14 post IPO pro forma EPRA NAV = 13.8 NOKbn / 75 NOK per share

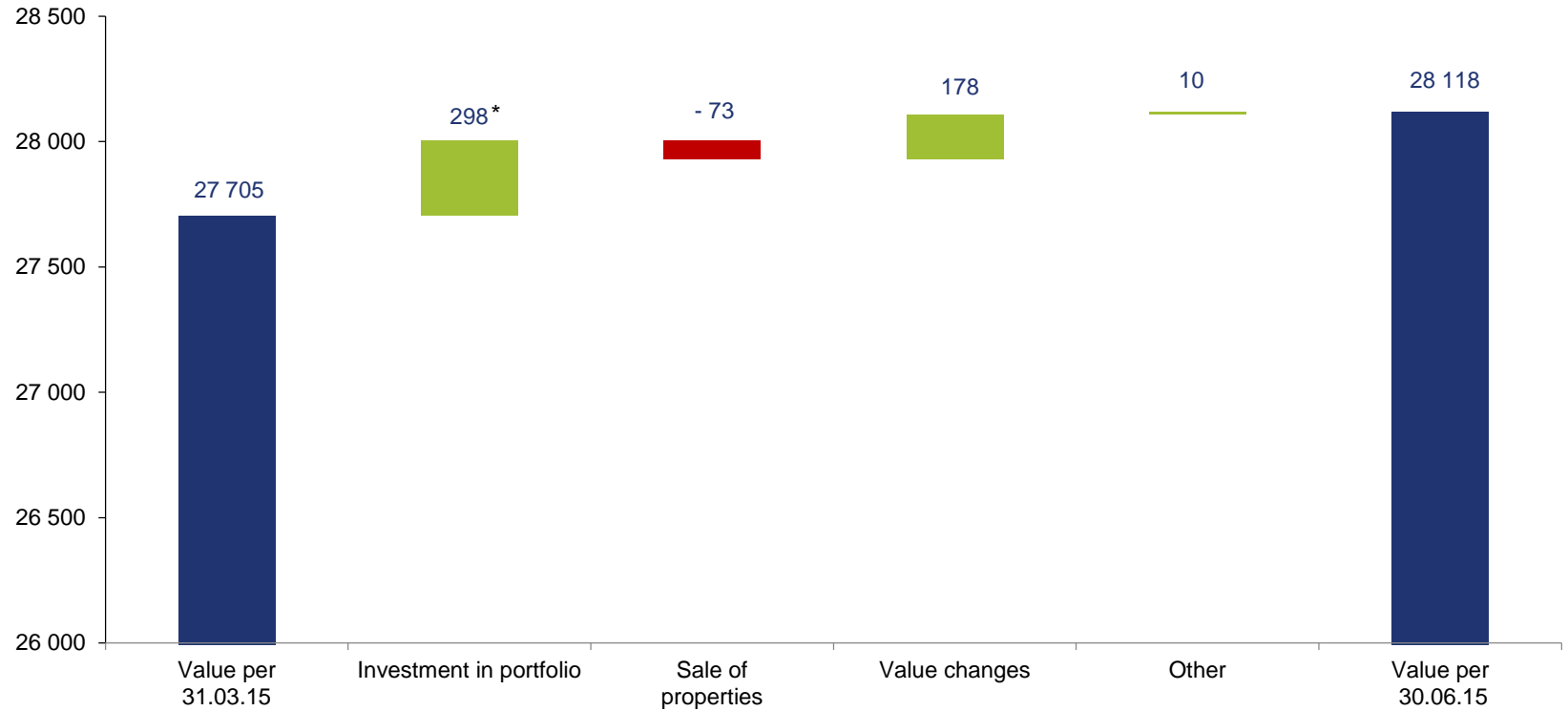
Results*



All figures in NOKm	Q2-15	Q2-14	YTD Q2-15	YTD Q2-14
Rental income	423	442	864	875
Other operating revenue	27	60	192	72
Total operating revenue	450	502	1,056	948
Repairs and maintenance	8	12	16	19
Operating costs	34	15	60	42
Other property costs	22	58	180	66
Administrative owner costs	32	54	87	115
Total operating costs	97	140	343	242
Net income from property management	353	363	713	706
Changes in value from investment properties	178	268	893	270
Share of profit from associates and jointly controlled entities	32	10	42	27
Operating profit	563	640	1,648	1,003
Net realised financials	-245	-160	-394	-318
Unrealised changes in value of financial instruments	344	-157	423	-271
Net financials	98	-317	29	-588
Profit before tax	661	324	1,677	415
Tax payable	0	0	0	0
Change in deferred tax	-155	-79	-223	-100
Profit after tax	506	245	1,454	315

* The numbers are restated as a result of changed accounting principle for three properties from IFRIC 12 to IAS 40

Investment property value development



* In addition Entra has invested NOK 128 mill through its non-consolidated J/Vs

Project Portfolio



Property	Ownership (%)	Location	Expected Completion	Project area ('000 sqm)	Occupancy (%)	Est. total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost** (%)
Akersgata 34-36	100	Oslo	Q3-2015	6 212	87	245	221	6.8
Papirbredden 3	60	Drammen	Q4-2015	11 354	58 ↑	266	187	8.1 ↑
Fredrik Selmers vei 4 (phase 2)	100	Oslo	Q1-2016	7 406	52	212	166	6.7
Gullfaks***	50	Stavanger	Q3-2016	17 934	100	539	363	6.7
Strømsveien 96	100	Oslo	Q4-2016	18 137	46	433	128	6.6
Total group				61 043		1 695	1 064	
Jointly controlled companies:								
Sundtkvartalet	50	Oslo	Q4-2016	31 356	28	1 055	493	6.7
MediaCity Bergen	50	Bergen	Q3-2017	44 958	61 ↑	1 677	733	6.1
Total Joint ventures				76 314		2 733	1 226	

* Total project cost (Including book value at date of investment decision/cost of land)

** Estimated net rent (fully let) at completion/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

Balance sheet*



All figures in NOKm	30.06.2015	30.06.14	31.12.2014
Intangible assets	192	177	180
Book value of property portfolio	28 158	26 919	28 434
Associated companies	1 170	1 001	1 137
Financial derivatives	425	328	550
Other current assets	240	475	350
Cash and cash equivalents	72	210	198
Total assets	30 259	29 109	30 850
Equity	12 058	8 454	11 064
Interest bearing debt	13 396	15 755	14 647
Deferred tax	3 178	2 757	2 984
Financial derivatives	941	1 033	1 353
Other liabilities	685	1 109	802
Total equity and liabilities	30 259	29 109	30 850

* The numbers are restated as a result of changed accounting principle for three properties from IFRIC 12 to IAS 40

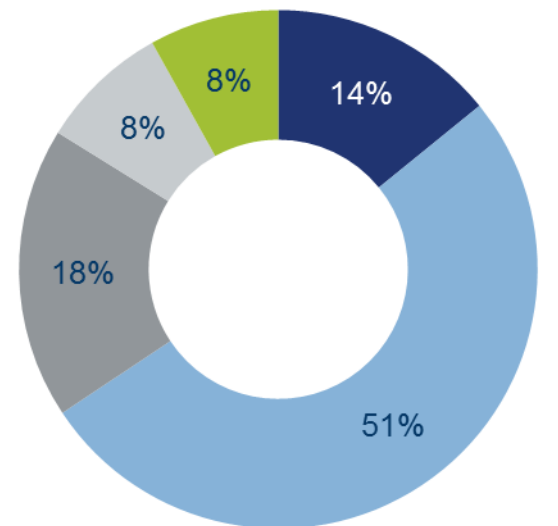
Financial update



Key debt metrics as of 30.06.15

Interest bearing nominal debt	12,923 NOKm
Unutilised credit facilities	4,274 NOKm
Loan-to-value	45.2%
Weighted average maturity	4.9 yrs
Average interest rate	3.95%
Share at fixed rate	60%
Average duration of interest rate hedges	3.5 yrs

Composition of interest bearing debt



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

Financial update



- Average interest rate at 3.95% as of 30.06.15
- Terminated interest rate swaps with notional value of 2 NOKbn during last week of June
 - Termination fee of 115 NOKm in Q2 15
 - Defined as one-off item, will not reduce cash earnings as basis for dividend for 2015
- 700 NOKm of 10 year interest rate swaps entered into during H1-15
 - Forward start period of approx. 3 years
 - Average interest rate of 2.32%
- New 7yr bond of 400 NOKm with 2.45% coupon (59 bps margin)

Development in average interest rate 2009 – 2018e



- Changes in average interest rate is caused by expiration of interest rate swaps and start of forward swaps already entered into.
- Assumptions (2015-2018):
 - Stable debt level
 - All debt re-financed at existing terms
 - NIBOR forward curve

Agenda



- Highlights in the quarter
- Operations and market
- Financial update
- **Closing remarks**
- Q&A

Closing remarks

- Entra is competing well in the letting market
 - Several significant lease contracts signed in July
 - Low exposure towards oil/oil service segment
- Ongoing internal focus on improving operating margin and cash flows
 - Continuous streamlining of cost base
 - Economies of scale potential
 - Reduced financial costs
- Continue to deliver large development projects on time and cost
 - Adding portfolio growth and scale



Schweigaardsgate 16

Agenda



- Highlights in the quarter
- Operations and market
- Financial update
- Closing remarks
- **Q&A**



پاپیربری ۳

Business Village

The property portfolio



Key figures at 30.06.2015											
	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 (NOK mill.) (NOK/sqm)	
Region Central Oslo	416 063	94.7	30	6.4	14 040	33 745	856	2 058	5.7	909	2 184
Region Greater Oslo	254 373	94.2	25	9.5	5 907	23 222	389	1 529	6.1	359	1 413
Region South and West	193 037	93.9	22	7.6	3 824	19 812	278	1 441	6.6	284	1 473
Region Mid/North	135 217	95.6	12	6.9	2 562	18 948	191	1 411	6.7	189	1 395
Total management portfolio	998 690	94.6	89	7.4	26 333	26 368	1 714	1 716	6.0	1 741	1 743
Project portfolio	79 486		3	11.7	1 326	16 678					
Regulated development sites	129 500		6	0.3	427	3 295					
Total property portfolio	1 207 676		98	7.6	28 086	23 256					