

# INTERIM REPORT

01.04. - 30.06.2015



Statoll Fuel & Retail AS

Dinamo

Schweigaards gate 16, Oslo

## 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 98 buildings with a total area of approximately 1.2 million square metres. Each day over 30,000 people work in buildings owned by Entra. As of 30.06.15 the real estate portfolio had a market value of around NOK 28 billion. The public sector represents approximately 74 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 a bespoke customer service centre are important factors in achieving this. Figures from the Norwegian Tenant Survey show that in 2014 Entra achieved an aggregate customer satisfaction rating of 74, against an industry average of 72. The result for 2014 is an improvement on 2013.

In addition Entra has high ambitions with regard to the environment and works to reduce total energy consumption in the property portfolio. A reduction in energy consumption in the property 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.

Entra is 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 423 million (NOK 442 million) in the second quarter and NOK 864 million (NOK 875 million) for the first half year of 2015
- Net income from property management was NOK 353 million (NOK 363 million) in the quarter and NOK 713 million (NOK 706 million) in the first half year
- Positive value changes in the property portfolio amounted to NOK 178 million (NOK 268 million) in the quarter and NOK 893 million (NOK 270 million) for the first half year
- Net letting in the second quarter was approximately NOK 25 million and NOK 70 million in the first half year of 2015
- The new office building in Schweigaardsgate 16 was finalised in the quarter

## Key figures

	Q2-15	Q2-14	YTD Q2-15	YTD Q2-14	2014
<b>Operational</b>					
Market value of real estate portfolio (NOKm)	28,086	26,832	28,086	26,832	28,358
Total area (Gross sqm)	1,207,676	1,273,306	1,207,676	1,273,306	1,292,107
Occupancy rate of management portfolio (%)	94.6	95.2	94.6	95.2	94.6
WAULT (years)	7.4	7.6	7.4	7.6	7.7
<b>Financial</b>					
Rental income (NOKm)	423	442	864	875	1,772
Profit before value adjustments and tax (NOKm)	140	213	361	415	790
Profit after tax (NOKm)	506	245	1,454	315	1,000
EPRA Earnings (NOKm)*	76	143	216	285	555
Net cash flow from investment activities (NOKm)	-182	-205	1,244	-515	-1,157
Net nominal interest-bearing debt (NOKm)	12,901	15,223	12,901	15,223	13,890
Debt ratio (LTV) (%)*	45.2	56.0	45.2	56.0	48.4
Interest coverage ratio (ICR) (%)*	2.5	2.3	2.4	2.1	2.0
Equity ratio (%)	39.9	29.0	39.9	29.0	35.9
Net asset value - EPRA NAV (NOKm)*	14,886	11,332	14,886	11,332	14,029
EPRA NNNNAV (NOKm)*	13,626	10,055	13,626	10,055	12,531
Earnings per share (NOK)*/**	2.7	1,638	7.8	2,113	5.6
Cash earnings per share (NOK)*/**/***	0.6	1,429	1.7	2,729	4.1
Net asset value - EPRA NAV per share (NOK)*/**	81.0	79,694	81.0	79,694	76.4

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

\*\* The face value was split 1:1000 and the number of shares was increased by 41,538,461 in 2014.

\*\*\* Cash earnings in 2015 is reduced by NOK 115m due to termination of swap contracts. The termination fee will be defined as a one-off item and will thus not reduce cash earnings as a basis for dividend for 2015. The cash earnings adjusted for the termination fee is NOK 12 per share in Q2-2015 and NOK 2.4 per share YTD Q2-2015, and EPRA Earnings is NOK 191million in Q2-2015 and NOK 331million YTD Q2-2015.

## Financial developments

### Results for the second quarter\*

The Group's rental income was NOK 423 million in the second quarter of 2015 compared to NOK 442 million in the same period in 2014. The decrease in rental income is due to the sales of non-core assets in Q4 2014 and Q1 2015 and is partly offset by the completion of development projects and the purchase of Lilletorget 1 in July 2014. Underlying like-for-like growth on the lease contracts was 2.2 per cent from Q2 2014 to Q2 2015.

Other operating revenue amounted to NOK 27 million, compared to NOK 60 million in the same period in 2014 resulted from lower sales of apartments in Q2 2015 compared to the same quarter last year. During the quarter the company sold and delivered 5 apartments at Ringstabekk, and thus recognised NOK 18 million in income. In addition, other operating income consists of income from external services provided in the quarter.

Maintenance amounted to NOK 8 million (NOK 12 million) in the quarter.

The Group has reclassified NOK 8 million of property management personnel costs from administrative owner costs to operating costs. Operating costs thus amounted to NOK 34 million (NOK 15 million) in the quarter.

Other property costs amounted to a total of NOK 22 million (NOK 58 million) and were affected by costs of NOK 18 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 32 million (NOK 54 million). The reduction is a result of different timing of activities within the year, streamlining of the cost base and NOK 8 million being reclassified to operating costs as mentioned above.

The net income from property management amounted to NOK 353 million (NOK 363 million) in the second quarter of 2015.

The valuation of the property portfolio resulted in a net positive value change of NOK 178 million, compared to NOK 268 million in the second quarter of 2014. The positive value change is mainly attributable to project portfolio and signing of new and renegotiated contracts.

Net realised financial expenses amounted to NOK 245 million (NOK 160 million), of which NOK 115 million relates to fees for terminating a swap portfolio of NOK 2 billion ultimo June 2015. The underlying reduction in realised financial expenses results from the Group having reduced its borrowings compared to Q2 2014. In addition, lower market interest rates on floating rate debt and the expiry of high interest rate hedging agreements has contributed to lower realised financial expenses.

The net unrealised value change on financial instruments was NOK 344 million in the quarter versus minus NOK 157 million in Q2 2014. The positive development is mainly due to higher long-term market interest rates in the quarter, reduced time to maturity of the existing high interest rate swaps and termination of interest rate swaps with a market value of MNOK 115.

The profit before tax was NOK 661 million (NOK 324 million) in the second quarter of 2015, while total comprehensive income after tax in the period was NOK 506 million (NOK 245 million).

### Results for the first half year

The Group's rental income was NOK 864 million in the first half of 2015 compared to NOK 875 million in the same period in 2014. The decrease in rental income is due to the sales of non-core assets in Q4 2014 and Q1 2015 and is partly offset by the completion of development projects and the purchase of Lilletorget 1 in July 2014. Underlying like-for-like growth on the lease contracts was 1.8 per cent from H1 2014 to H1 2015.

Other operating revenue amounted to NOK 192 million, compared to NOK 72 million in the same period in 2014 resulted from lower sales of apartments in H1 2015 compared to the same period last year. During the first half year 2015 the company delivered 27 apartments at Ringstabekk to the buyers, and thus recognised NOK 166 million in income. In addition, other operating income consists of income from external services provided in the quarter.

Maintenance amounted to NOK 16 million (NOK 19 million).

The Group has reclassified NOK 12 million of property management personnel costs from administrative owner

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

costs to operating costs. Operating costs thus amounted to NOK 60 million (NOK 42 million) in the first half year.

Other property costs amounted to a total of NOK 180 million (NOK 66 million) and were affected by costs of NOK 165 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 87 million (NOK 115 million). The reduction is a result of different timing of activities within the year, streamlining of the cost base and NOK 12 million being reclassified to operating costs as mentioned above.

The net income from property management amounted to NOK 713 million (NOK 706 million) for the first half of 2015.

The valuation of the property portfolio resulted in a net positive value change of NOK 893 million, compared to NOK 270 million in the first half of 2014. The positive value change is mainly attributable to yield compression for centrally located properties in the Oslo region, sales of the properties in Østfold and Lillestrøm in Q1 2015 and signing of new and renegotiated contracts during the period.

Net realised financial expenses amounted to NOK 394 million (NOK 318 million), of which NOK 115 million relates to fees for terminating a swap portfolio of NOK 2 billion ultimo June 2015. The underlying reduction in realised financial expenses results from the Group having reduced its borrowings compared to the first half year of 2014. In addition, lower market interest rates on floating rate debt and the expiry of high interest rate hedging agreements has contributed to lower realised financial expenses.

The net unrealised value change on financial instruments was NOK 423 million in the first half year of 2015 versus minus NOK 271 million in the first half of 2014. The positive development is mainly due to higher long-term market interest rates, reduced time to maturity of the existing high interest rate swaps and termination of interest rate swaps with a market value of MNOK 115.

The profit before tax was NOK 1,677 million (NOK 415 million) in the first half of 2015, while total comprehensive income after tax in the period was NOK 1,454 million (NOK 315 million). The low tax expense rate in the period is related to the sale of properties through single purpose companies without tax expense according to Norwegian tax rules.

## Balance sheet at 30.06.2015

The Group's assets amounted to NOK 30,259 million (NOK 29,109 million) as at 30.06.15. Of this, investment property amounted to NOK 27,939 million (NOK 26,361 million) and

investment property held for sale to NOK 178 million (NOK 275 million). 2 properties were classified as held for sale as of 30.06.15.

Investments in associated companies and jointly controlled entities were NOK 1,170 million (NOK 1,001 million).

The Group's interest-bearing debt as of 30.06.15 was NOK 13,396 million (NOK 15,755 million). Since 30.06.14 the Group has decreased its interest-bearing debt primarily as a result of the IPO in October 2014 and the sales of investment properties in Q4 2014 and Q1 2015.

The pension liability was NOK 82 million (NOK 57 million) at the end of the second 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 378 million (NOK 815 million). As of 30.06.14 the amount was impacted by interests due on interest bearing debt, approved not paid dividend payments and other short-term accruals.

The Group's equity capital, including non-controlling interests, was NOK 12,058 million (NOK 8,454 million) as at 30.06.15 which corresponds to an equity ratio of 39.9 per cent (29 per cent). The IPO in October 2014 and the results for the first half of 2015 have had an important impact on the strengthened equity. The decrease in non-controlling interests from NOK 387 million at 30.06.14 to NOK 309 at 30.06.15 is mainly explained by dividend from Hinna Park Eiendom of NOK 75 million.

## Cash flow statement

### Second quarter

The Group's cash flow from operations amounted to NOK 126 million (NOK 179 million) in the second quarter.

Net cash flow from investments was NOK -182 million (NOK -205 million).

Proceeds from sales of investment properties, companies and housing-units of NOK 128 million (NOK 0 million) mainly consists of proceed from the sale of Grønnegata 122 and the sale of housing-units at Ringstabekk.

Cost of upgrades of investment properties amounted to NOK 290 million (NOK 277 million) in the second quarter of 2015.

Furthermore, the Group has invested NOK 17 million in the jointly controlled entity Entra OPF in the quarter.

Net cash flow from financing was NOK 1 million (NOK 17 million) in the quarter related to refinanced commercial paper loans of a total of NOK 2,714 million, repaid bank loans of NOK 2,253 million and paid dividend of NOK 459 million.

The net change in liquid assets was NOK -54 million (NOK -9 million) during the period.

### First half year

The Group's cash flow from operations amounted to NOK 320 million (NOK 354 million) in the first half year.

Net cash flow from investments was NOK 1,244 million (NOK -515 million).

Proceeds from sales of investment properties, companies and housing-units of NOK 1,726 million (NOK 191 million) mainly consists of proceed from the sale of the six properties in Østfold and Lillestrøm with a total property

value of NOK 1,375 million, the sale of Grønnegata 122 in Tromsø and sales of housing-units at Ringstabekk.

Cost of upgrades of investment properties amounted to NOK 456 million (NOK 537 million) in the first half year of 2015.

Furthermore, the Group has received repayment of loan from the jointly controlled entity Sundtkvartalet of NOK 62 million and invested NOK 54 million in the jointly controlled entity Entra OPF in the first half year.

Net cash flow from financing was NOK -1,689 million (NOK 194 million) in the quarter related to refinanced commercial paper loans of a total of NOK 3,564 million, repaid bank loans of NOK 4,793 million and paid dividend of NOK 459 million.

The net change in liquid assets was NOK -125 million (NOK 32 million) during the period.

## Financing

During the second quarter, the Group has issued a new seven-year fixed rate bond of NOK 400 million and refinanced commercial paper loans for a total of NOK 500 million. The Groups bank debt increased with NOK 425 million mainly due to payment of dividend.

During the first half-year net outstanding commercial paper debt decreased by NOK 250 million, of which new borrowings used for refinancing totaled NOK 1,350 million and NOK 1,600 million matured. The Groups bank debt was reduced with NOK 1,265 million, mainly due to divestment of non-core real estate assets.

The Group's interest-bearing nominal debt was NOK 12,973 million as at 30.06.15 (NOK 15,432 million as at 30.06.14), with a diversified maturity profile. The average remaining term of the Group's debt portfolio was 4.9 years at 30.06.15 (4.5 years as at 30.06.14). The calculation takes into account 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
0-3 months	800	6%	6%
4-12 months	1,500	12%	18%
1-2 years	3,160	24%	42%
2-4 years	3,063	24%	66%
4-6 years	1,713	13%	79%
>6 years	2,737	21%	100%
<b>Total</b>	<b>12,973</b>		

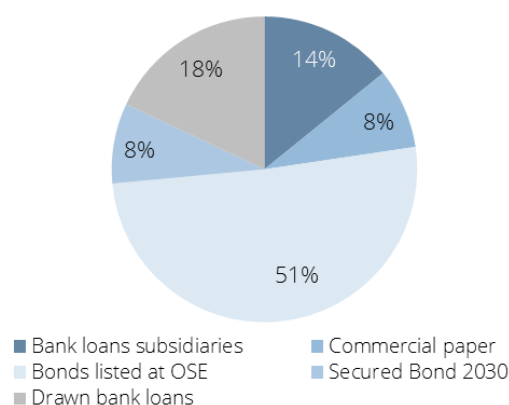
The Group's liquid assets as at 30.06.15 amounted to NOK 72 million (NOK 210 million as at 30.06.14). The Group has unutilised credit facilities totalling NOK 4,224 million as at 30.06.15 (NOK 3,426 million as at 30.06.14).

### Maturity structure unutilised credit facilities at 30.06

NOK in millions	Amount	Share
0-3 months	-	0%
4-12 months	750	18%
1-2 years	140	3%
2-4 years	1,687	40%
4-6 years	1,647	39%
>6 years	-	0%
<b>Total*</b>	<b>4,224</b>	

\*) Commitment fee is charged for undrawn credit facilities.

### Composition of interest-bearing debt at 30.06



The chart above shows the composition of interest-bearing debt. At the end of the period 68 per cent of the Group's financing was from the capital market.

60 per cent of the Group's financing was hedged at a fixed interest rate as at 30.06.15. The weighted effective maturity of the fixed rate portion was 3.5 years as at 30.06.15 (2.9 years as at 30.06.14).

The Group's average interest rate was 3.95 per cent as at 30.06.15, down from 4.66 per cent as at 31.03.15 and 4.45 per cent as of 30.06.14. The decrease in the average interest rate from Q1 2015 is mainly due to termination of old and expensive interest rate swaps with a total notional amount of NOK 2,000 million.

## Interest rate and maturity structure at 30.06

The Group's interest-bearing debt is subject to variable interest rate, including fixed rate bonds, which are swapped to variable rate. The Group manages interest rate risk by entering into floating-to-fixed interest rate swaps. The table below shows the maturity profile and contribution from floating-to-fixed interest rate swaps used for hedging purposes, as well as maturity profile for credit margins on debt.

### Interest rate and maturity structure at 30.06

The Group's average interest rate		%
Swap interest rate (net)		1.58
NIBOR on debt		1.42
Credit margin on debt		0.96
<b>Total</b>		<b>3.95</b>

	Pay fixed / receive floating swaps <sup>1</sup>		Forward starting swaps <sup>2</sup>			Average credit margin on debt	
	Amount (NOKm)	Interest rate (%)	Amount	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year	-	-	-	-		5,273	0.90
1-2 years	170	3.13	500	2.83	8	2,300	1.13
2-3 years	1,042	4.19	600	2.19	7	500	0.90
3-4 years	1,850	3.77	200	2.71	7	1,200	1.20
4-5 years	1,600	4.14				1,000	0.92
5-6 years	1,150	4.39				700	1.24
6-7 years	550	3.76				400	0.59
7-8 years	300	3.97				500	1.63
8-9 years	150	5.36				-	-
9-10 years	400	2.56				-	-
>10 years	510	5.36				1,100	0.39
<b>Total</b>	<b>7,722</b>	<b>4.06</b>				<b>12,973</b>	<b>0.96</b>
Pay fixed	7,722	4.06					
Receive float	-7,722	1.41					
<b>Swap interest rate (net)</b>		<b>2.65</b>					
<b>Hedge ratio adjusted rate<sup>3</sup> (60%)</b>		<b>1.58</b>					

<sup>1</sup>Excluding forward starting swaps.

<sup>2</sup>The table displays future starting point, notional principle amount, average fixed rate and tenor for forward starting swaps.

<sup>3</sup>Hedge ratio = outstanding notional principal amount (swaps) / nominal interest bearing debt.



## The business

### Letting situation

At the end of the second quarter the Group had an economic occupancy rate in the management portfolio of 94.6 per cent (95.2 per cent). The weighted remaining term for the Group's leases was 7.4 years for the management portfolio, and 7.6 years when the project portfolio is included.

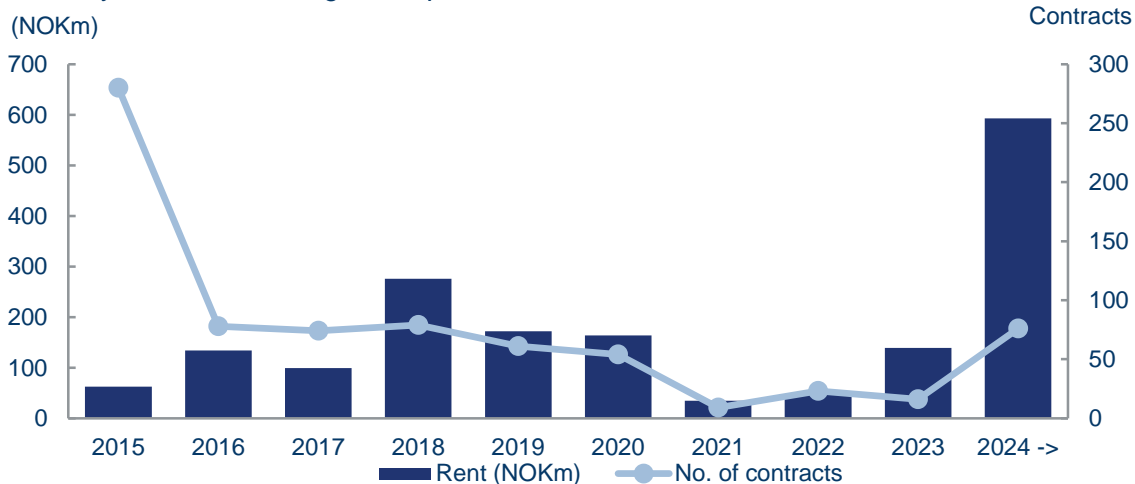
During the second quarter Entra signed new and renegotiated leases with an annual rent totalling NOK 30 million (17,725 square metres) and received notices of termination on leases with an annual rent of NOK 4.8 million (3,150 square metres). The increase in rent from the total amount of renegotiated contracts signed within the quarter was about 8.6 %.

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

- New contract for 13 years and 3,700 sqm in Fredrik Selmers vei 4 in Oslo with the Norwegian Tax Administration
- Renegotiated contract for 5 years and 4,045 sqm in Moloveien 10 in Bodø with the County Governor of Nordland
- New contract for 6 years and 950 sqm in Biskop Gunnerus gate 14 in Oslo with Evolve
- Renegotiated contract for 3 years and 820 sqm with in Fritznerns gate 12 with The Embassy of the Republic of Indonesia
- New contract for 10 years and 630 sqm in Hagegata 22 in Oslo with Oslo Municipality (Deichmanske library)

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

#### Maturity structure, management portfolio



## The property portfolio

### Key figures property portfolio at 30.06.15

Key figures at 30.06.2015	Area (sqm)	Occupancy (%)	Number of properties (#)	Wault (year)	Market value (NOKm)		12 month rolling rent (NOKm)		Net yield (%)	Market rent (NOKm)	
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
<b>Total management portfolio</b>	<b>998,690</b>	<b>94.6</b>	<b>89</b>	<b>7.4</b>	<b>26,333</b>	<b>26,368</b>	<b>1,714</b>	<b>1,716</b>	<b>6.0</b>	<b>1,741</b>	<b>1,743</b>
Project portfolio	79,486		3	11.7	1,326	16,678					
Regulated development sites	129,500		6	0.3	427	3,295					
<b>Total property portfolio</b>	<b>1,207,676</b>		<b>98</b>	<b>7.6</b>	<b>28,086</b>	<b>23,256</b>					

Ringstabekk housing project is included in market value of management portfolio at cost price of NOK 34 million. Youngsgt. 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 of ownership costs, which at 30.06 corresponds to 7.5 per cent of market rent.

## Transactions

In Q1 2015 Entra sold a portfolio of six properties in Østfold and Lillestrøm. Total property value in the transaction was

NOK 1.375 bn. Closing and settlement took place on 24 February 2015.

Property	Location	No of sqm
Kunnskapsveien 55 AS (Kunnskapsveien 55)	Kjeller / Lillestrøm	27,135
Jonas Lies gate 20 AS (Jonas Lies gate 20-28)	Lillestrøm	12,660
Vogtsgate 17 AS (Vogtsgate 17)	Moss	9,582
Prins Chr. Augustspl AS (Prins Chr. Augustspl 3-7)	Moss	5,041
Gunnar Nielsens gate 25 AS (Gunnar Nielsens gate 25)	Fredrikstad	4,370
Brochsgt 3 AS (Brochsgt 3)	Fredrikstad	4,130
<b>Total</b>		<b>62,918</b>

In addition, the sale of Skansegaten 2 AS was completed in the Q1 2015. In Q2 2015 there has been no transactions

other than Grønnegata 122 in Tromsø, that was sold in Q4 2014, but closing and settlement took place in April 2015.

## Project development

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

Project	Ownership (%)	Location	Expected completion	Project area ('000 sqm)	Occupancy %	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
<b>Group:</b>								
Akersgata 34-36	100	Oslo	Q3-2015	6,212	87.4	245	221	6.8
Papirbredden 3	60	Drammen	Q4-2015	11,354	57.7	266	187	8.1
Fredrik Selmers vei 4 (phase 2)	100	Helsfyr	Q1-2016	7,406	51.6	212	166	6.7
Gullfaks***	50	Stavanger	Q3-2016	17,934	100.0	539	363	6.7
Strømsveien 96	100	Helsfyr	Q4-2016	18,137	46.2	433	128	6.6
<b>Total Group</b>				<b>61,043</b>		<b>1,695</b>	<b>1,064</b>	
<b>Jointly controlled companies:</b>								
Sundtkvartalet	50	Oslo	Q4-2016	31,356	27.5	1,055	493	6.7
MediaCity Bergen	50	Bergen	Q3-2017	44,958	61.3	1,677	733	6.1
<b>Total Jointly controlled companies</b>				<b>76,314</b>		<b>2,733</b>	<b>1,226</b>	

\* 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

The project in Akersgata 34-36 involves both a new building and refurbishment of an existing building. In total the project will provide 6,200 square metres of offices, where Amedia will lease approx. 87 per cent. The project is on schedule, and is expecting a BREEAM Very Good classification, and energy class A for the new build. 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. The project has a planned completion date in Q4 2015. The project is owned by Papirbredden Eiendom, where Entra owns 60 per cent. The Norwegian Housing Bank will be the main tenant.

At Hinna Park in Stavanger, precast concrete and assembling of the facade for the Gullfaks building has been completed. The 17,400 square metre office building Gullfaks is situated close to the seashore and within a short distance of public transportation and high quality residential and commercial areas. Wintershall Norway AS will lease the whole building, except for the 2<sup>nd</sup> floor and the commercial space in the 1<sup>st</sup> floor. The project, aiming for 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 is under construction. Assembling of precast concrete has

started. The ambition is to obtain BREEAM classification Excellent, a passive building with Energy class A. The project is organised through a jointly-controlled company 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.

In Lars Hilles gate 30 (MediaCity Bergen), internal demolition is the main ongoing activity, which has been completed in two out of three towers. This building comprises 45,000 square metres and will house the largest media companies in Bergen. The project will include the total renovation of the existing 35,000 square metres and an extension 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 have signed lease contracts, and the letting process for the remaining areas has started. The property will be a signature building and will be an important part of the development around Nygårdstangen in Bergen. The property is owned by the jointly controlled entity Entra OPF Utvikling AS where Entra and Oslo Pensjonsforsikring own 50 per cent each.

At Strømsveien 96 in Oslo the refurbishment of 18,000 square meters, of which 12,500 sqm office, has started. Norwegian Medicines Agency will be one of the tenants with 6,500 square metres. The project has an ambition to

obtain the classification BREEAM Very Good and will obtain energy class B. The refurbishment will be completed in December 2017.

Phase two of the project in Fredrik Selmersvei 4 has started up. The project involves completing remaining interior works on 7,400 sqm in one of the blocks, of which 3,700 sqm is let to Norwegian Tax Administration. The project will be completed in the first quarter of 2016.

The new office building in Schweigaardsgate 16 in Oslo was finalised in the quarter. The building consists of 15,500 square metres and 12,100 sqm was handed over to the tenant Statoil Fuel & Retail in the end of June 2015. Dinamo Norge will occupy another 1,500 sqm in August 2015. Letting processes are ongoing for the remaining vacant space (second floor and a small retail space on the ground floor). The project has an ambition to obtain the classification BREEAM Excellent. The building has been designed with 100 per cent LED lighting, and will obtain energy class B.

## Partly-owned companies

Papirbredden Eiendom AS and Hinna Park Eiendom AS are consolidated in the Group's financial statements and Entra OPF Utvikling AS, Oslo S Utvikling AS and Sundtkvartalet Holding 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 is ongoing, as described under the project development section above.

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 AS (since 1 February 2014). The remaining 50 per cent is owned by Camar Eiendom AS.

Hinna Park Eiendom AS owns the management properties Jåttåvågeveien 18 (Troll), Jåttåvågeveien 7 (Blokk C) and Laberget 22 (Fjordpiren) and the parking garage Gullhallen. Hinna Park Eiendom AS also owns the ongoing development project Gullfaks as described under the project development section above as well as development potential for two new office properties totalling around 29,300 sqm.

### 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 is under development and is described under the project development section above. The property Allehelgens gate 6 is fully let to Hordaland politidistrikt.

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 as described under the project development section above.

### 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 177,000 square metres above ground and approximately 70,000 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 591 million in the consolidated financial statements as at 30.06.2015.

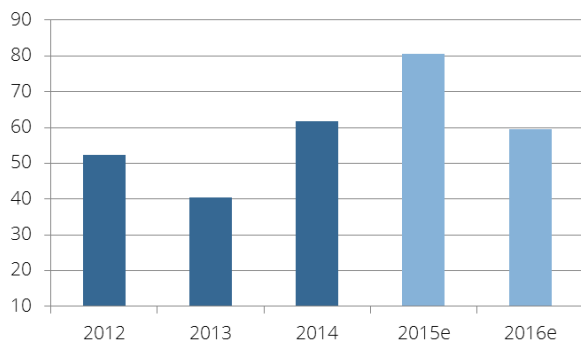
The market value of the properties and projects in OSU is estimated at approximately NOK 3.5 billion (100 per cent). Entra's ownership of 33.33 per cent gives a market value of NOK 1.2 billion. The estimate is based on corresponding principles to those used for Entra's other valuations of investment properties. Entra's share of the net asset value as at 30.06.2015 was NOK 0.8 billion after taking into account estimated latent deferred tax of 10 per cent.

## Market developments

### Transaction market

Commercial property transactions in Norway during the first six months of 2015 were approximately NOK 40-45 billion, up from around NOK 22 billion in the same period in 2014. The transaction market is active and driven by favourable financing terms and low return on alternative investments. Even though longer market interest rates are increasing somewhat yields have continued to contract during the quarter. International investors are still the largest net buyers of property in Norway. The foreign share of transaction values in the Norwegian property market was around 50 per cent in the first half of 2015 compared to around 20 percent in 2014. The interest for modern and central properties close to transportation hubs is still high. Prime yield has continued to contract in the quarter and is now down to 4.3 % according to Entra's consensus report.

### Transaction volume Norway



Source: Entra Consensus report

### Rental market

Office vacancy is increasing slightly in all of Entra's markets, due to slower economic growth and supply of new office space. In Stavanger and in oil and gas dominated areas in general, subletting is increasing due to staff reduction. Rent levels for modern and centrally located properties are however still stable.

Office vacancy in Oslo has increased to above 8 per cent. Vacancy is highest in western part of Oslo where the oil and gas companies are dominant and among older less efficient office buildings. Pressure on rents resulting from increasing vacancies is observed. However, rents for modern offices in the city centre remain stable around NOK 3,000 per square metre.

Office vacancy in Bergen is around 8 per cent. Vacancy is highest in the oil and gas intensive areas at Sandsli and Kokstad. Rents for modern offices in central Bergen remain stable around NOK 2,200 per square metre.

In Trondheim, office vacancy is around 7 per cent. Rent levels outside the city centre are slightly down, while rent levels of modern office premises in central Trondheim remain unchanged. Modern centrally located premises in Trondheim obtain rents of approximately NOK 2,000 per square metre.

Office vacancy in Stavanger has increased to above 9 per cent. The vacancy is highest in the oil and gas dominated Forus area. The rent level for high standard, modern office premises located in the city centre and at Hinna Park is slightly down to around NOK 2,000 - 2,300 per square metre.

### Market data Oslo

	2012	2013	2014	2015e	2016e	2017e
Vacancy (%)*	7.2	7.4	7.8	8.5	8.5	8.2
Rental price (NOK/sqm)**	2,780	2,907	3,025	2,995	3,033	3,120
Prime yield (%)*	5.3	5.2	4.7	4.4	4.3	-

\* Oslo, including Lysaker and Fornebu

\*\* High quality offices in Oslo

Source: Entra Consensus report

## Organisation and HSE

At 30 June 2015 the Group had 162 employees, of whom 15 are employed in Hinna Park AS.

During the quarter there were zero 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 to avoid 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 3.6 as at the end of the period, down from 5.8 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

There has been no significant events after the balance sheet date.

## Shareholder information

The 10 largest shareholders as registered in the VPS on 30 June 2015 were as follows:

Shareholder	Shareholding (%)
Norwegian Ministry of Trade, Industry and Fisheries	49.89
Geveran Trading	7.7
Folketrygdfondet	5.5
Danske Invest Norske	2.1
State Street Bank (Nominee)	1.9
The Bank of New York (Nominee)	1.8
JP Morgan Clearing (Nominee)	1.7
JP Morgan Bank Luxemburg (Nominee)	1.3
Danske Invest Norske	1.2
Citibank (Nominee)	1.1
<b>SUM 10 LARGEST SHAREHOLDERS (VPS 30.06.15)</b>	<b>74.1</b>

## Outlook

A weaker macro-economic development is expected in Norway. The current economic situation with lower oil prices is leading to higher unemployment and increased uncertainty.

Office vacancies have increased slightly despite the relatively low volume of new buildings being completed. Sub markets with a high level of oil sector exposure are experiencing increasing vacancies and pressure on rents. Entra is in a relatively good position having long lease contracts with solid tenants and a low exposure towards the oil sector.

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. Rent levels are expected to decrease slightly in 2015 but to see a positive trend from 2016.

Entra is experiencing a favourable credit market environment with high willingness to lend and low interest rates combined with attractive and stable credit margins. Entra expects these market conditions to continue.

Property investors seek quality properties with good locations and/ or long and secure cash flows. International investors have been particularly active in the Norwegian market so far in 2015 driving transaction volumes record high.

The yield compression that has been observed throughout the last quarters is expected to level out in the second half of 2015. For Entra's portfolio this should imply continued positive value development, albeit at a slower pace.

Oslo, 13 July 2015

The Board of Entra ASA



## Financial statements

## Statement of comprehensive income

All figures in NOK millions	Q2-15	Q2-14	YTD Q2-15	YTD Q2-14	2014
Rental income	423	442	864	875	1,772
Other operating revenue	27	60	192	72	225
<b>Total operating revenue</b>	<b>450</b>	<b>502</b>	<b>1,056</b>	<b>948</b>	<b>1,997</b>
Repairs & maintenance	8	12	16	19	52
Operating costs	34	15	60	42	96
Other property costs	22	58	180	66	223
Administrative owner costs	32	54	87	115	227
<b>Total operating costs</b>	<b>97</b>	<b>140</b>	<b>343</b>	<b>242</b>	<b>598</b>
<b>Net income from property management</b>	<b>353</b>	<b>363</b>	<b>713</b>	<b>706</b>	<b>1,399</b>
Changes in value from investment properties	178	268	893	270	1,195
Share of profit from associates and jointly controlled entities	32	10	42	27	36
<b>Operating profit</b>	<b>563</b>	<b>640</b>	<b>1,648</b>	<b>1,003</b>	<b>2,629</b>
Interest and other finance income	1	8	4	11	21
Interest and other finance expense	-246	-168	-397	-329	-666
<b>Net realised financials</b>	<b>-245</b>	<b>-160</b>	<b>-394</b>	<b>-318</b>	<b>-645</b>
Unrealised changes in value of financial instruments	344	-157	423	-271	-607
<b>Net financials</b>	<b>98</b>	<b>-317</b>	<b>29</b>	<b>-588</b>	<b>-1,252</b>
<b>Profit before tax</b>	<b>661</b>	<b>324</b>	<b>1,677</b>	<b>415</b>	<b>1,377</b>
Tax payable	-	-	-	-	-
Change in deferred tax	-155	-79	-223	-100	-351
<b>Profit for period/year</b>	<b>506</b>	<b>245</b>	<b>1,454</b>	<b>315</b>	<b>1,026</b>
Actuarial gains and losses, net of tax	-	-	-	-	-26
<b>Total comprehensive income for the period/year</b>	<b>506</b>	<b>245</b>	<b>1,454</b>	<b>315</b>	<b>1,000</b>
<b>Profit attributable to:</b>					
Equity holders of the Company	495	233	1,431	300	1,027
Non-controlling interest	11	12	23	15	-1
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company	495	233	1,431	300	1,001
Non-controlling interest	11	12	23	15	-1

## Balance sheet

All figures in NOK millions	30.06.15	30.06.14	31.12.14
<b>NON-CURRENT ASSETS</b>			
Goodwill	146	146	146
Other intangible assets	46	31	34
<b>Total intangible assets</b>	<b>192</b>	<b>177</b>	<b>180</b>
Investment property	27,939	26,361	26,679
Property used by owner	7	7	7
Other operating assets	24	31	34
<b>Total property, plant &amp; equipment</b>	<b>27,971</b>	<b>26,399</b>	<b>26,721</b>
Investments in associates and jointly controlled entities	1,170	1,001	1,074
Loan to associates and jointly controlled entities	0	-	62
Financial derivatives	425	328	550
Other long-term receivables	61	43	49
<b>Total financial assets</b>	<b>1,657</b>	<b>1,372</b>	<b>1,736</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>29,820</b>	<b>27,949</b>	<b>28,637</b>
<b>CURRENT ASSETS</b>			
Housing-units for sale	34	275	197
Trade receivables	36	46	45
Other receivables	119	354	222
<b>Total current receivables</b>	<b>189</b>	<b>675</b>	<b>464</b>
Cash and bank deposits	72	210	198
<b>TOTAL CURRENT ASSETS</b>	<b>261</b>	<b>885</b>	<b>662</b>
Investment property held for sale	178	275	1,551
<b>TOTAL ASSETS</b>	<b>30,259</b>	<b>29,109</b>	<b>30,850</b>

All figures in NOK millions	30.06.15	30.06.14	31.12.14
<b>EQUITY</b>			
Paid-in equity	3,739	1,729	3,739
Retained earnings	8,010	6,338	7,039
Non-controlling interests	309	387	286
<b>TOTAL EQUITY</b>	<b>12,058</b>	<b>8,454</b>	<b>11,064</b>
<b>LIABILITIES</b>			
Interest-bearing debt	11,084	12,792	11,826
Pension liability	82	57	82
Deferred tax liability	3,178	2,757	2,984
Financial derivatives	941	1,033	1,353
Other liabilities	138	161	129
<b>Total non-current liabilities</b>	<b>15,423</b>	<b>16,800</b>	<b>16,373</b>
Trade payables and other payables	378	815	521
Interest-bearing debt	2,312	2,964	2,821
Tenants prepayments and provisions	87	77	70
<b>Total current liabilities</b>	<b>2,777</b>	<b>3,855</b>	<b>3,412</b>
<b>TOTAL LIABILITIES</b>	<b>18,200</b>	<b>20,655</b>	<b>19,786</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,259</b>	<b>29,109</b>	<b>30,850</b>

## Consolidated statement of changes in equity

All figures in NOK millions	Share capital	Other paid-in capital	Other equity	Non-controlling interest	Total equity
<b>Equity 31.12.2013</b>	<b>142</b>	<b>1,587</b>	<b>6,287</b>	<b>115</b>	<b>8,131</b>
Profit for the year			1,027	-1	1,026
Other comprehensive income			-26		-26
Capital increase	42	2,658			2,700
Share issue costs net of tax		-40			-40
Dividend paid		-650	-250		-900
Additions with non-controlling interests				257	257
Repaid paid-in capital non-controlling interests				-85	-85
<b>Equity 31.12.2014</b>	<b>184</b>	<b>3,556</b>	<b>7,039</b>	<b>286</b>	<b>11,064</b>
Profit for period			1,431	23	1,454
Other comprehensive income					-
Dividend paid			-459		-459
Acquired own shares - employee saving scheme	-0	-6	-1		-7
Sold own shares - employee saving scheme	0	6	0		6
<b>Equity 30.06.2015</b>	<b>184</b>	<b>3,556</b>	<b>8,010</b>	<b>309</b>	<b>12,058</b>

## Consolidated statement of cash flows

All figures in NOK millions	Q2-15	Q2-14	YTD Q2-15	YTD Q2-14	2014
Profit before tax	661	324	1,677	415	1,377
Net expensed interest and fees on loans from financial institutions	133	172	278	323	695
Interest and fees paid on loans from financial institutions	-148	-194	-306	-349	-740
Share of profit from associates and jointly controlled entities	-32	-10	-42	-27	-36
Depreciation and amortisation	2	4	12	9	16
Change in market value investment properties	-178	-268	-893	-270	-1,200
Change in market value financial instruments	-344	157	-423	271	607
Change in working capital	31	-7	17	-16	-52
<b>Net cash flow from operating activities</b>	<b>126</b>	<b>179</b>	<b>320</b>	<b>354</b>	<b>668</b>
Proceeds from sales of investment properties, companies and housing-units	128	-0	1,726	191	511
Purchase of business net of cash	-	-32	-	-219	-213
Purchase of investment properties	-	-	-	-	-287
Cost of upgrades of investment properties	-290	-277	-456	-537	-1,106
Investment in housing units for sale	-1	-45	-3	-96	-154
Purchase of intangible assets and other plant and equipment	-2	-5	-16	-10	-40
Net payment financial assets	-	-	-16	-	-
Net repayment of loans to associates and jointly controlled entities	-	-	62	-	-62
Net payments in associates and jointly controlled entities	-17	125	-54	125	115
Dividends from associates and jointly controlled entities	-	30	-	30	80
<b>Net cash flow from investment activities</b>	<b>-182</b>	<b>-205</b>	<b>1,244</b>	<b>-515</b>	<b>-1,157</b>
Proceeds interest-bearing debt	2,714	2,610	3,564	5,580	11,910
Repayment interest-bearing debt	-2,253	-2,593	-4,793	-5,386	-13,086
Proceeds from/repayment of equity	-	-	-	-	2,645
Dividends paid	-459	-	-459	-	-960
<b>Net cash flow from financing activities</b>	<b>1</b>	<b>17</b>	<b>-1,689</b>	<b>194</b>	<b>510</b>
Change in cash and cash equivalents	-54	-9	-125	32	21
Cash and cash equivalents at beginning of period	127	219	198	177	177
<b>Cash and cash equivalents at end of period</b>	<b>73</b>	<b>210</b>	<b>73</b>	<b>210</b>	<b>198</b>

## 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.

Except for the accounting principle applied for the newly introduced employee share-based saving scheme, 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 2014.

Sales of shares to employees in the share saving scheme are reported in accordance with IFRS 2 "Share-based payments". The recognised discount is calculated as the difference between market price and purchase price at the time of purchase, taking into account the agreed lock-in period for the shares. The effect of the agreed lock-in period is calculated as the value of a put option using the Black-Scholes model. The discount is recognised as payroll expenses at the time of allocation. The assumptions relating to volatility are based on the actual fluctuations in the price of Entra's shares.

The financial reporting covers Entra ASA, subsidiaries, associated companies and jointly controlled entities. The interim financial statements have not been audited.

### 2. Segment information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance. The accounting policies of the reportable segments are the same as for the Group's accounting policies. The Group reports its business 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.

Segment information is reported to the group management team and to the CEO, which are the Group's highest decision-making authority.

Costs related to staff and support functions for the operating segments and group eliminations are included in the segment Group.

## Operating segments Q2-2015

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	199	104	71	49	-	423
Other operating revenue	1	19	5	1	1	27
<b>Total operating revenue</b>	<b>200</b>	<b>123</b>	<b>76</b>	<b>50</b>	<b>1</b>	<b>450</b>
Repairs & maintenance	4	1	2	1	-	7
Operating costs	11	10	10	4	1	35
Other property costs	2	18	-	-	2	22
Administrative owner costs	-	-	-	-	32	32
<b>Total operating costs</b>	<b>16</b>	<b>29</b>	<b>11</b>	<b>5</b>	<b>36</b>	<b>97</b>
<b>Net income from property management</b>	<b>185</b>	<b>94</b>	<b>65</b>	<b>45</b>	<b>-35</b>	<b>353</b>
<b>Carrying amount of investment property</b>						
Investment property	14,385	6,498	4,451	2,605		27,939
Investment property held for sale	-	-	28	150		178

## Operating segments Q2-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	197	122	74	50	-	442
Other operating revenue	2	51	1	1	6	60
<b>Total operating revenue</b>	<b>199</b>	<b>172</b>	<b>75</b>	<b>50</b>	<b>6</b>	<b>503</b>
Repairs & maintenance	8	1	2	1	0	12
Operating costs	7	2	-0	5	1	15
Other property costs	4	49	0	0	5	58
Administrative owner costs	4	3	6	2	40	54
<b>Total operating costs</b>	<b>23</b>	<b>55</b>	<b>8</b>	<b>8</b>	<b>45</b>	<b>140</b>
<b>Net income from property management</b>	<b>176</b>	<b>117</b>	<b>67</b>	<b>42</b>	<b>-39</b>	<b>363</b>
<b>Carrying amount of investment property</b>						
Investment property	12,464	7,024	4,243	2,630		26,361
Investment property held for sale	100	-	114	61		275

## Operating segments YTD Q2-2015

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group Consolidated	
Rental income	396	224	141	102	-	864
Other operating revenue	16	161	12	3	1	192
<b>Total operating revenue</b>	<b>412</b>	<b>385</b>	<b>153</b>	<b>106</b>	<b>1</b>	<b>1,056</b>
Repairs & maintenance	7	3	4	2	-	16
Operating costs	18	16	16	10	1	60
Other property costs	2	166	1	1	11	180
Administrative owner costs	3	2	2	2	77	87
<b>Total operating costs</b>	<b>29</b>	<b>187</b>	<b>23</b>	<b>15</b>	<b>89</b>	<b>343</b>
<b>Net income from property management</b>	<b>383</b>	<b>197</b>	<b>130</b>	<b>91</b>	<b>-88</b>	<b>713</b>
<b>Carrying amount of investment property</b>						
Investment property	14,385	6,498	4,451	2,605		27,939
Investment property held for sale	-	-	28	150		178

## Operating segments YTD Q2-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group Consolidated	
Rental income	391	242	140	102	-	875
Other operating revenue	6	53	5	2	7	72
<b>Total operating revenue</b>	<b>397</b>	<b>294</b>	<b>146</b>	<b>104</b>	<b>7</b>	<b>948</b>
Repairs & maintenance	11	3	3	2	-	19
Operating costs	16	8	7	10	1	42
Other property costs	7	49	1	1	8	66
Administrative owner costs	7	7	13	3	85	115
<b>Total operating costs</b>	<b>42</b>	<b>67</b>	<b>24</b>	<b>16</b>	<b>94</b>	<b>242</b>
<b>Net income from property management</b>	<b>355</b>	<b>227</b>	<b>122</b>	<b>89</b>	<b>-87</b>	<b>706</b>
<b>Carrying amount of investment property</b>						
Investment property	12,464	7,024	4,243	2,630		26,361
Investment property held for sale	100	-	114	61		275



## Operating segments 2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	781	502	285	204	-	1,772
Other operating revenue	7	184	26	7	2	225
<b>Total operating revenue</b>	<b>788</b>	<b>686</b>	<b>311</b>	<b>211</b>	<b>2</b>	<b>1,997</b>
Repairs & maintenance	25	14	10	4	-	52
Operating costs	31	25	21	18	0	96
Other property costs	18	187	1	2	15	223
Administrative owner costs	14	13	26	7	166	227
<b>Total operating costs</b>	<b>89</b>	<b>240</b>	<b>58</b>	<b>30</b>	<b>182</b>	<b>598</b>
<b>Net income from property management</b>	<b>700</b>	<b>446</b>	<b>253</b>	<b>181</b>	<b>-180</b>	<b>1,399</b>

### Carrying amount of investment property

Investment property	13,704	6,172	4,291	2,512		26,679
Investment property held for sale	-	1,193	110	248		1,551

## 3. Investment properties

All figures in NOK millions	Q2-15	Q2-14	YTD Q2-15	YTD Q2-14	31.12.14
Closing balance previous period	27,705	26,207	28,230	24,818	24,818
Purchase of investment property	-	-	-	1,293	1,581
Investment in the property portfolio	298	268	460	544	1,077
Capitalised borrowing costs	10	8	19	17	37
Sale of investment property	-73	-114	-1,485	-306	-477
Changes in value from operational lease	21	-6	22	-6	36
Changes in value from investment properties	156	274	871	276	1,158
<b>Closing balance</b>	<b>28,118</b>	<b>26,637</b>	<b>28,118</b>	<b>26,637</b>	<b>28,230</b>
Investment property held for sale	178	275	178	275	1,551
<b>Investment property</b>	<b>27,939</b>	<b>26,361</b>	<b>27,939</b>	<b>26,361</b>	<b>26,679</b>

Investment properties held for sale include the properties Strandveien 13 in Tromsø and Kirkegaten 2B in Arendal.

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 701 million as at the end of the second quarter of 2015. The Group records quarterly a negative value change on the property as the maturity date of the lease approaches.

#### 4. Contingencies

Entra is currently involved in legal or arbitration proceedings or disputes with Norwegian Datasenter Group AS, Greenfield Property AS, Evry ASA/Evry AS, Skanska Norge AS and Caverion Norge AS. Refer to the annual report 2014 for further explanations regarding these proceedings.

The hearing of the dispute with Norwegian Datasenter Group AS and Greenfield Property AS took place in Oslo District Court in January 2015 and Entra prevailed on all counts. The judgment has been appealed by the counterparty and will take place in October this year.

The hearing of the dispute with Evry ASA/Evry AS took place in Oslo District Court in February 2015 and Evry ASA/Evry AS prevailed. Entra disagree with the verdict and the ruling has been appealed.

The hearing of the dispute with Skanska took place in Gulating Court of Appeal and Entra prevailed on all counts. Entra is as such awarded a compensation of approximately NOK 14 million. The appeal deadline to the Supreme Court expires in September 2015.

Entra has not made any provision for the claims as the Group considers it not probable that an outflow of resources involving economic benefits will be required to settle the obligation.

#### 5. Share saving scheme employees

The Board of Entra ASA has decided to establish a share saving scheme in 2015, offering all employees, including management, the opportunity to purchase shares in Entra ASA at a 20 per cent discount. The shares are subject to two-year lock-in period. The purchase price in the employee offering is calculated as the average share price the last 30 days (VWAP) until and including 29 May 2015 less a 20 per cent discount. Total subscription amounted to NOK 4.9 million after discount.

Entra has acquired in Q2-15 a total of 83,129 of its own shares. The total amount paid to acquire the shares was NOK 6.1 million. All shares were sold to the employees in connection with the share saving scheme to employees in June 2015. The Group has expensed NOK 0.5 million in the income statement.

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

The valuation methods and principles are unchanged in the quarter. See the annual financial statements for 2014 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	30.06.15	30.06.14	31.12.14
<b>Assets measured at fair value</b>			
Assets measured at fair value with change over the result			
- Investment property	27,939	26,361	26,679
- Investment property held for sale	178	275	1,551
- Derivatives	425	328	550
Financial assets held for sale			
- Equity instruments	1	1	1
<b>Total</b>	<b>28,543</b>	<b>26,965</b>	<b>28,781</b>
<b>Liabilities measured at fair value</b>			
Financial liabilities measured at fair value with change over the result			
- Derivatives	941	1,033	1,353
- Bonds	4,122	4,312	3,859
- Commercial paper	1,100	1,800	1,350
<b>Total</b>	<b>6,164</b>	<b>7,146</b>	<b>6,561</b>

## 7. Sales of property portfolio

The Group has completed a sale of a portfolio of six properties in Østfold and Lillestrøm with a total property value of NOK 1,375 billion in the first quarter of 2015. Closing and settlement took place at 24 February 2015. All properties involved are located in the Greater Oslo region.

Key figures for the property portfolio in total are listed below:

All figures in NOK millions	2013	2014
Total income	101	103
Property costs	7	6
Net income from property management	94	97
Book value as of 31.12	1,163	1,189

The properties were sold as sales of shares and thus the transaction was tax exempted.

## 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 2015 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, 13 July 2015

Siri Hatlen  
*Chair*

Martin Mæland  
*Deputy Chair*

Kjell Bjordal  
*Board member*

Ingrid Tjøsvold  
*Board member*

Arthur Sletteberg  
*Board member*

Birthe Smedsrud Skeid  
*Board member*

Frode Halvorsen  
*Board member*

Arve Regland  
*Chief executive*

## Calculation of key figures and definitions

### Reconciliation of investment properties to property market value

All figures in NOK millions	Q2-15	Q2-14	31.12.14
Investment property	27,939	26,361	26,679
Investment properties held for sale	178	275	1,551
Properties for use of the group	7	8	9
Housing units held for sale	34	275	197
Prepaid VAT compensation	-73	-89	-78
<b>Property market value</b>	<b>28,086</b>	<b>26,832</b>	<b>28,358</b>

### Interest coverage ratio (ICR)

All figures in NOK millions	Q2-15	Q2-14	YTD Q2-15	YTD Q2-14	2014
Net income from property management	353	363	713	706	1399
Depreciation	3	4	13	9	18
<b>EBITDA adjusted</b>	<b>356</b>	<b>367</b>	<b>725</b>	<b>714</b>	<b>1418</b>
Share of EBITDA Entra OPF Utvikling	2	3	3	14	16
<b>EBITDA adjusted for share of Entra OPF Utvikling</b>	<b>358</b>	<b>370</b>	<b>728</b>	<b>729</b>	<b>1434</b>
Interest cost	140	151	291	338	682
Other finance expense	4	8	12	8	19
<b>Applicable net interest cost</b>	<b>144</b>	<b>159</b>	<b>303</b>	<b>346</b>	<b>701</b>
<b>Interest Coverage Ratio (ICR)</b>	<b>2.5</b>	<b>2.3</b>	<b>2.4</b>	<b>2.1</b>	<b>2.0</b>

### Debt ratio (LTV)

All figures in NOK millions	Q2-15	Q2-14	2014
Net nominal interest-bearing debt	12,901	15,223	13,890
Total market value of the property portfolio	28,526	27,198	28,720
Market value of the property portfolio	28,086	26,832	28,358
Share of Entra OPF Utvikling (50%)	440	366	362
<b>Debt ratio (LTV) %</b>	<b>45.2</b>	<b>56.0</b>	<b>48.4</b>

## Net asset value - EPRA NAV and EPRA NNAV

All figures in NOK millions	Q2-15	Q2-14	2014
Book value of investment properties	28,118	26,637	28,230
Net interest-bearing debt	13,324	15,545	14,449
Other debt-like items	2,736	2,637	2,718
<b>Total equity</b>	<b>12,058</b>	<b>8,454</b>	<b>11,064</b>
Less: Non-controlling interests	309	387	286
<b>NAV per financial statement</b>	<b>11,749</b>	<b>8,067</b>	<b>10,778</b>
Add: Adjustment to property portfolio	0	2	2
Add: Revaluation of investments made in the JV	202	295	194
Add: Net market value on financial derivatives	516	705	803
Add: Deferred tax arising on revaluation moments	2,419	2,263	2,252
<b>EPRA NAV</b>	<b>14,886</b>	<b>11,332</b>	<b>14,029</b>
Market value on property portfolio	28,086	26,832	28,358
Tax value on property portfolio	12,708	13,334	13,124
Basis for calculation of tax on gain on sale	15,378	13,498	15,234
<b>Less: Market value of tax on gain on sale (5% tax rate)</b>	<b>769</b>	<b>675</b>	<b>762</b>
Net market value on financial derivatives	516	705	803
Tax expense on realised net financial derivatives (27% tax rate)	139	190	217
<b>Less: Net result from realisation of financial derivatives</b>	<b>377</b>	<b>515</b>	<b>586</b>
Book value of interest bearing debt	13,396	15,755	14,647
Nominal value of interest bearing debt	12,973	15,432	14,088
Basis for calculation of tax on realisation of interest bearing debt	422	323	559
<b>Less: Market value of tax on realisation (27% tax rate)</b>	<b>114</b>	<b>87</b>	<b>151</b>
<b>EPRA NNAV</b>	<b>13,626</b>	<b>10,055</b>	<b>12,531</b>

## EPRA Earnings

All figures in NOK millions	Q2-15	Q2-14	YTD Q2-15	YTD Q2-14	2014
Profit for period/year - Earnings per IFRS income statement	506	245	1,454	315	1,026
<b>Add:</b>					
Change in value from investment property	-178	-268	-893	-270	-1,195
Tax on changes in value of investment property (27% tax rate)	48	72	241	73	323
Reversal of deferred tax arising from sales of properties (tax exempted)	-7	-	-215		
Unrealised changes in value of financial instruments	-344	157	-423	271	607
Tax on unrealised changes in value of fin. instr. (27% tax rate)	93	-42	114	-73	-164
Profit or losses on disposal of inventory in Oslo S Utvikling AS	-13	-8	-20	-14	-23
Share of profit jointly controlled entities - fair value adjustments	-22	-6	-29	-6	6
Non-controlling interests of subsidiaries	-8	-7	-14	-10	-24
<b>EPRA earnings</b>	<b>76</b>	<b>143</b>	<b>216</b>	<b>285</b>	<b>555</b>

## Definitions

<b>12 months rolling rent</b>	- 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.
<b>Cash earnings</b>	- Result from property management less net realised financials and payable tax.
<b>Contractual rent</b>	- Annual cash rental income being received as of relevant date
<b>EPRA Earnings</b>	- 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
<b>EPRA NAV</b>	- 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
<b>EPRA NNAV</b>	- 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
<b>Gross yield</b>	- 12 months rolling rent divided by the market value of the management portfolio
<b>Independent Appraisers</b>	- Akershus Eiendom and DTZ
<b>Land and development properties</b>	- Property / plots of land with planning permission for development
<b>Like-for-like</b>	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
<b>Loan-to-value ("LTV")</b>	- 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
<b>Management properties</b>	- Properties that are actively managed by the company
<b>Market rent</b>	- 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
<b>Market value of property portfolio</b>	- 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
<b>Net rent</b>	- 12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group
<b>Net yield</b>	- Net rent divided by the market value of the management properties of the Group
<b>Occupancy</b>	- 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
<b>Project properties</b>	- Properties where it has been decided to start construction of a new building and/or renovation
<b>Interest Coverage Ratio ("ICR")</b>	- 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
<b>Total area</b>	- Total area including the area of management properties, project properties and land / development properties
<b>WAULT</b>	- 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





ENTRA ASA  
Biskop Gunnerus' gate 14 | Postboks 52 Økern | 0508 Oslo  
[entra.no](http://entra.no)