

4th quarter 2015 / FY 2015

Oslo, 16th February 2015



Agenda



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

Highlights in the quarter

- Rental income of 437 NOKm (449 NOKm)
- Property value changes of 403 NOKm (560 NOKm)
- Profit before tax of 717 NOKm (435 NOKm)
- Proposed dividend of NOK 3 per share (NOK 2.5)
- Acquisition of the office part of Oslo City and the development project Trondheimsporten
- Finalised the project Papirbredden 3 in Drammen



Oslo City, Oslo

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Letting and occupancy

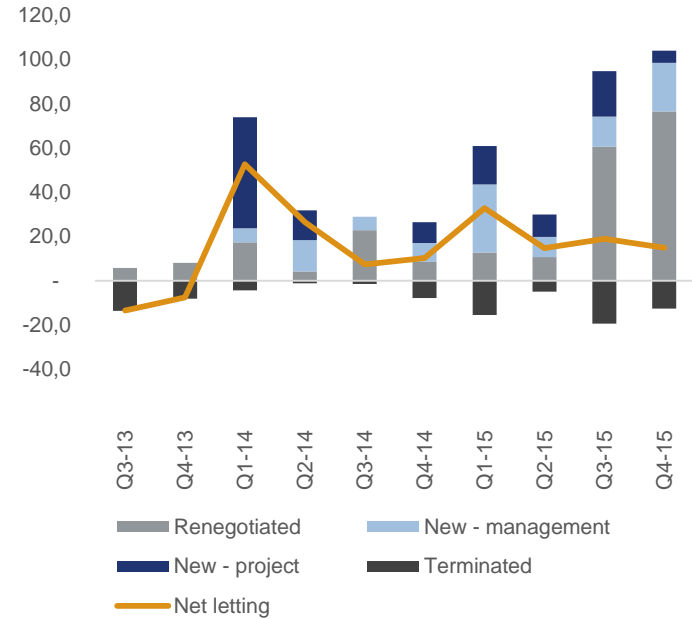


- New and renewed leases, 104 NOKm (53,000 sqm)
- Terminated contracts, 13 NOKm (2,600 sqm)
- Net letting of 15 NOKm
- Renegotiations on existing terms
- Occupancy at 95.0%, WAULT at 7.6 yrs

Largest new and renegotiated contracts

Property:	Tenant:	Sqm:	Contract:
Biskop Gunnerus gate 14, Oslo	Norway Post	9,700	Renegotiated
Biskop Gunnerus gate 14, Oslo	Norwegian National Rail Administration	7,800	Renegotiated
Lars Hilles gate 30 (MCB), Bergen	University in Bergen (DigUiB)	1,000	New
Tordenskjoldsgate 65, Kristiansand	County Social Welfare boards	1,100	New

Quarterly net letting* (Annual rent, NOKm)



*Net letting = new contracts + uplift on renegotiations – terminated contracts

Acquisition of the office part of Oslo City



- A combined shopping centre and office property of 80,500 sqm
- Prime location next to the Oslo Central Station
- Entra acquired the office part of the property and 50 % of the parking basement
- Fully let, mainly to public tenants
- Entra´s share of the transaction value: 1.65 NOKbn
 - Financed through existing debt facilities
 - Closing on 31.12.2015.
- Sectioning and demerger to be completed in 1H 2016



Oslo City, Oslo

Key figures (Entra's share):

No of sqm / parking spaces:	33,300 / 170
Occupancy / WAULT:	100 % / ~ 4 yrs
12 months rolling rent (16e):	94.7 NOKm

Acquisition of Trondheimsporten

- New-build project, centrally located in Trondheim
- 15-floor building of approx. 28,600 sqm office/education
- 77 % pre-let to public tenants on 10-year contracts
- Completion in 2H 2017
- Purchase price: 680 NOKm
 - 163 NOKm paid on closing, remaining as construction commences
- Estimated yield on cost: 6.4%



Trondheimsporten, Trondheim

Non-core properties



- Three non-core properties sold
 - Strandveien 13 in Tromsø
 - Tollbugata 2 in Bodø
 - Hans Kiersgate 1 in Drammen
- Total consideration of 183 NOKm (close to book values)
- In accordance with strategy of growth in the four largest cities and divestment of non-core assets
- Non-core assets sales near completed
 - Two smaller assets in Bodø and Skien remaining with total value < 100 NOKm



Strandveien 13, Tromsø



Tollbugaten 2, Bodø



Hans Kiersgate 1 a and b, Drammen

Finalised Papirbredden 3 in Drammen

- New-build project
- Total of 11,400 sqm
- Occupancy: 61 %
- Total project cost: 266 NOKm
- Yield on cost: 8.1%
- Passive house/Energy Class A
- Main tenant: The Norwegian State Housing Bank
- Ongoing letting processes for remaining vacant space



Papirbredden 3, Drammen

Significant new-build projects expecting start-up in 2016



Trondheimsporten, Trondheim



- New office/education building
- 28,600 sqm
- 77 % pre-let to Trondheim Municipality and the Norwegian Labour and Welfare Administration
- Zoning status: Approved
- Construction period 2016-2017
- Yield-on-cost: 6.4%

Brattørkaia 16, Trondheim



- New university building
- 8,350 sqm
- 100 % pre-let to BI Norwegian Business School / 20 yr lease
- Zoning status: Approved
- Construction period: 2017 – 2018
- Yield-on-cost: 6.4%

Tullinkvartalet, Oslo



- New university building planned for the University of Oslo, Faculty of Law
- 21,000 sqm
- Zoning status: Awaiting zoning plan approval
- Expected construction period: 2016-2019

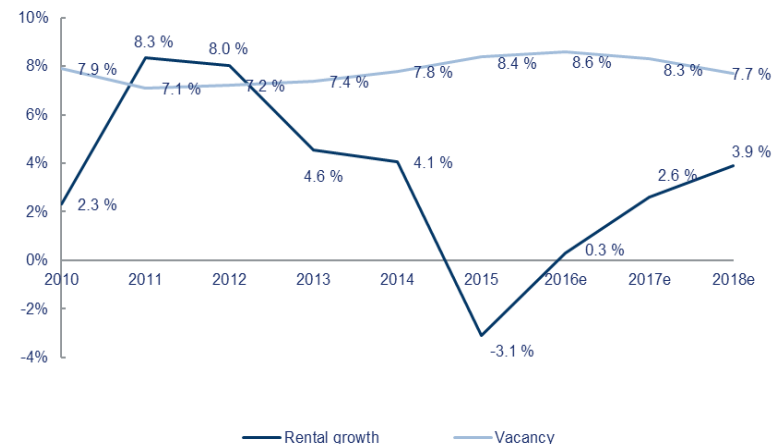
Market development

Rent and vacancy



- Increasing vacancies and decreasing rents in 2015
- Major differences between micro markets in all cities
- Negative rental growth driven mainly by the oil clusters
 - Quality buildings in central office areas are holding up well
- Oslo office vacancy expected to decrease from 2016
 - Tenant structure less influenced by the oil price decline, many capital functions and organisations
 - Limited new supply and high level of office-to-residential conversion is balancing the market

Rental growth and vacancy Oslo



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

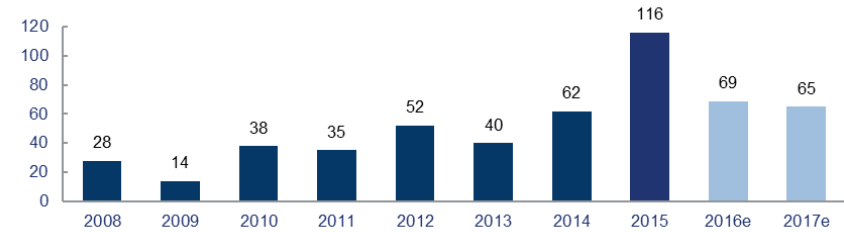
Market development

Transactions and yields

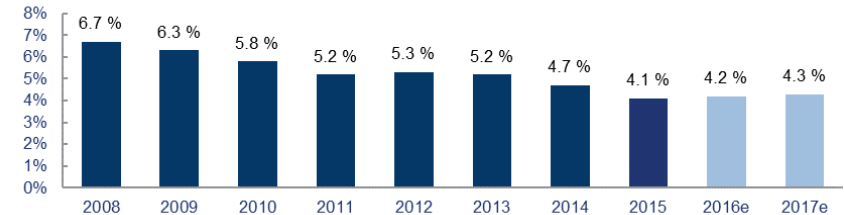


- Record high transaction volumes in the Norwegian property market in 2015
 - International investors accounting for ~ 1/3 of volume
 - Demand for investments providing yield and predictable cash flows
- Higher macro and funding uncertainty going into 2016
- Investor appetite, low total financing costs, and high CPI expected to support property valuations

Total transaction volume (NOKbn)



Prime yield Oslo

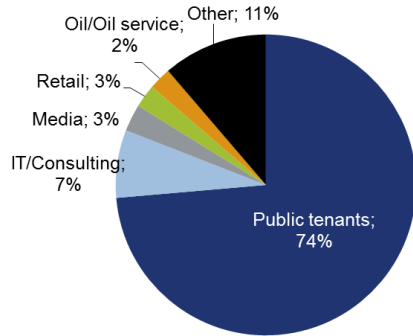


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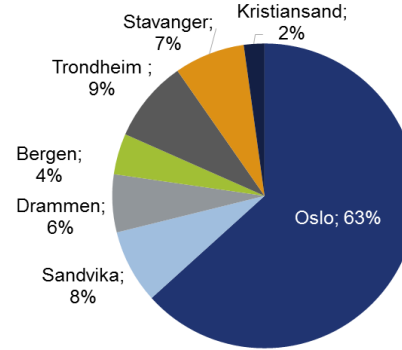
Entra has limited exposure towards oil related segments



Limited tenant exposure towards oil sector*



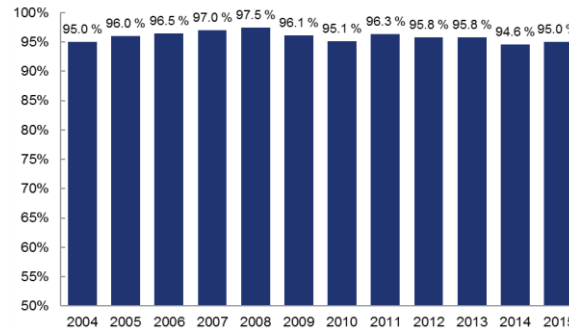
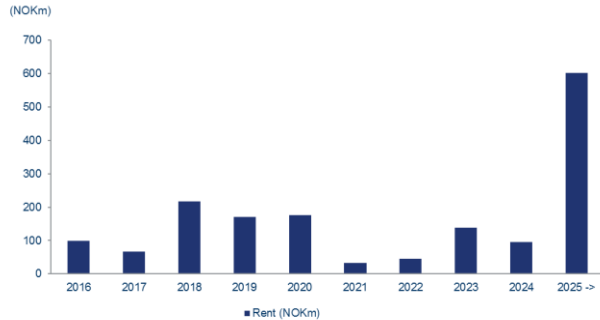
Limited geographic exposure towards oil clusters**



Long leases and staggered maturity profile

Track record of consistently high occupancy rates

Maturity structure, management portfolio



RESPONSIBLE | AMBITIOUS | HANDS-ON

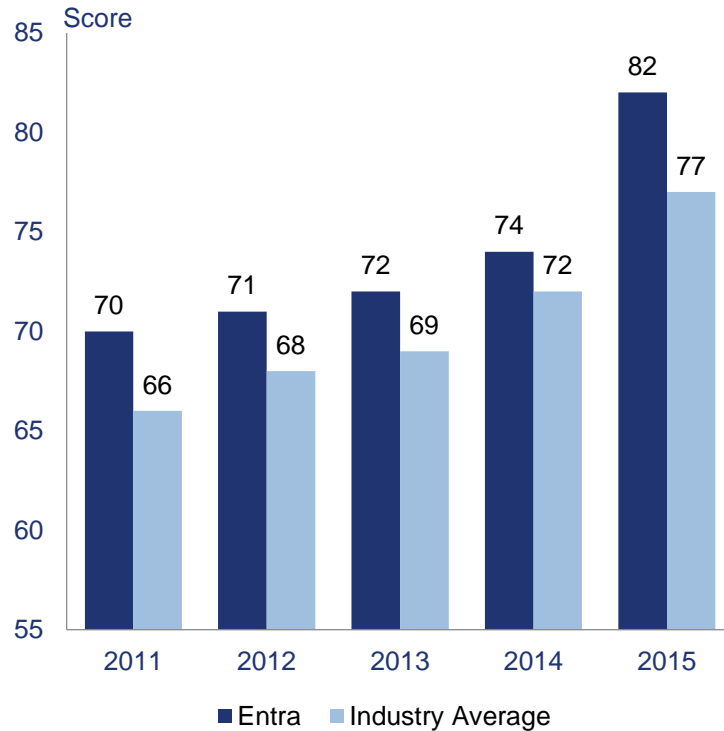
* % of annual rent
 ** % of property value

Customer satisfaction and energy consumption

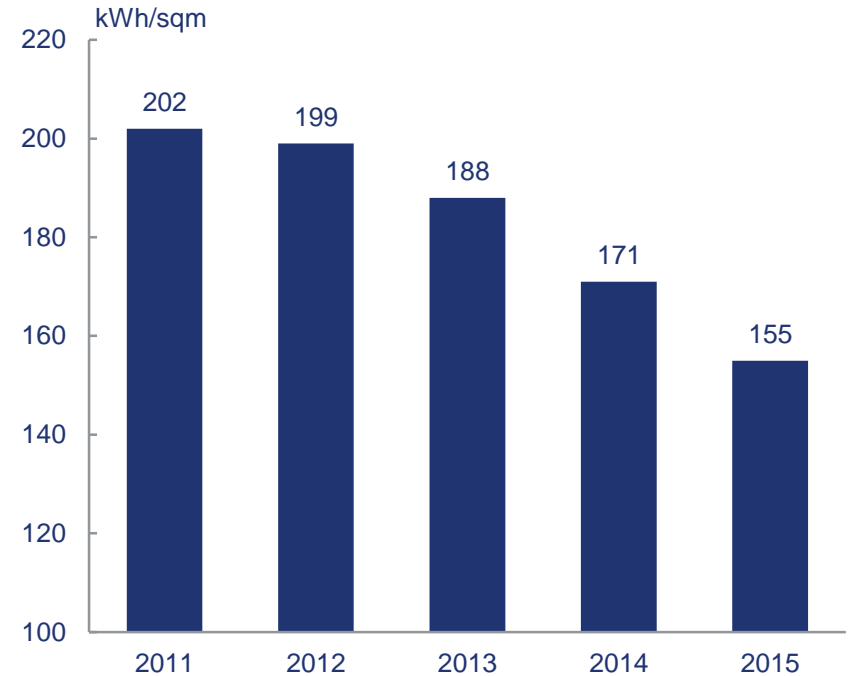


- Key performance indicators

Customer satisfaction (score)*



Energy consumption in portfolio (kWh/sqm)



* Source: Norsk leietakerindeks

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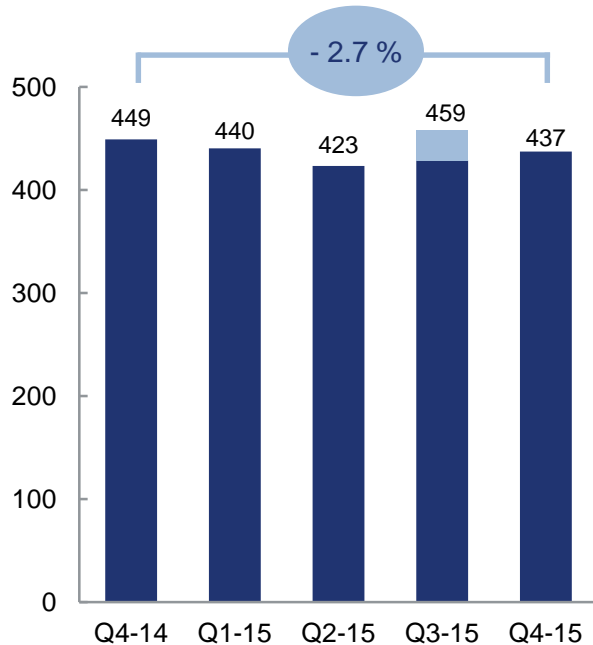


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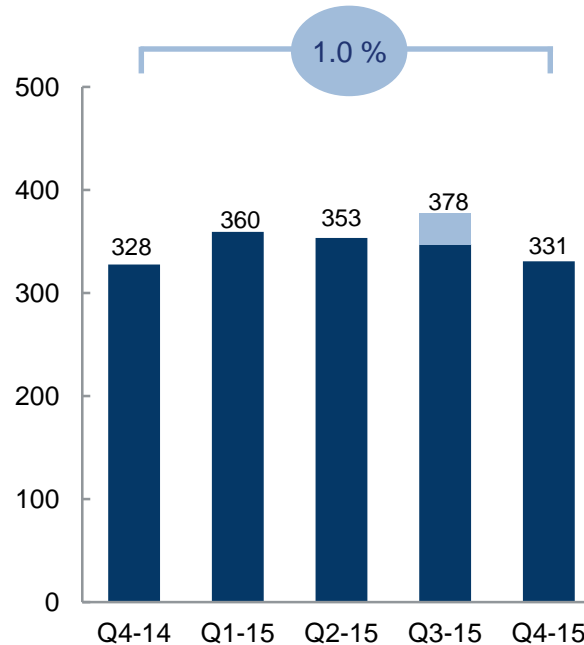
Key financials



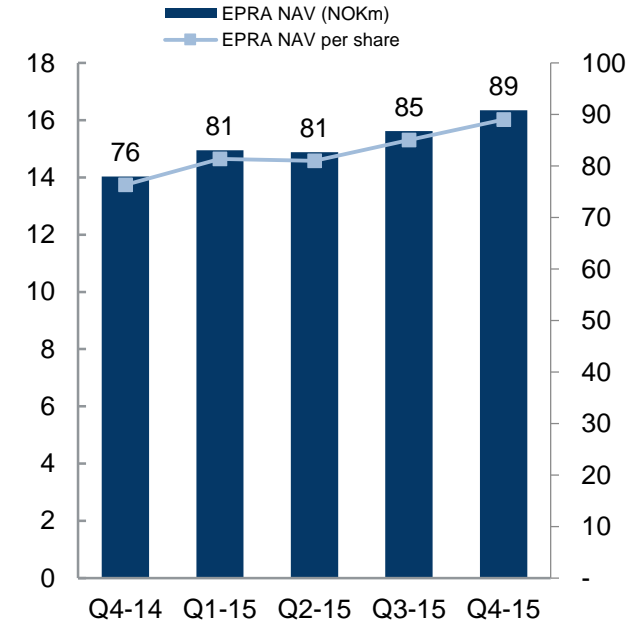
Rental income (NOKm)



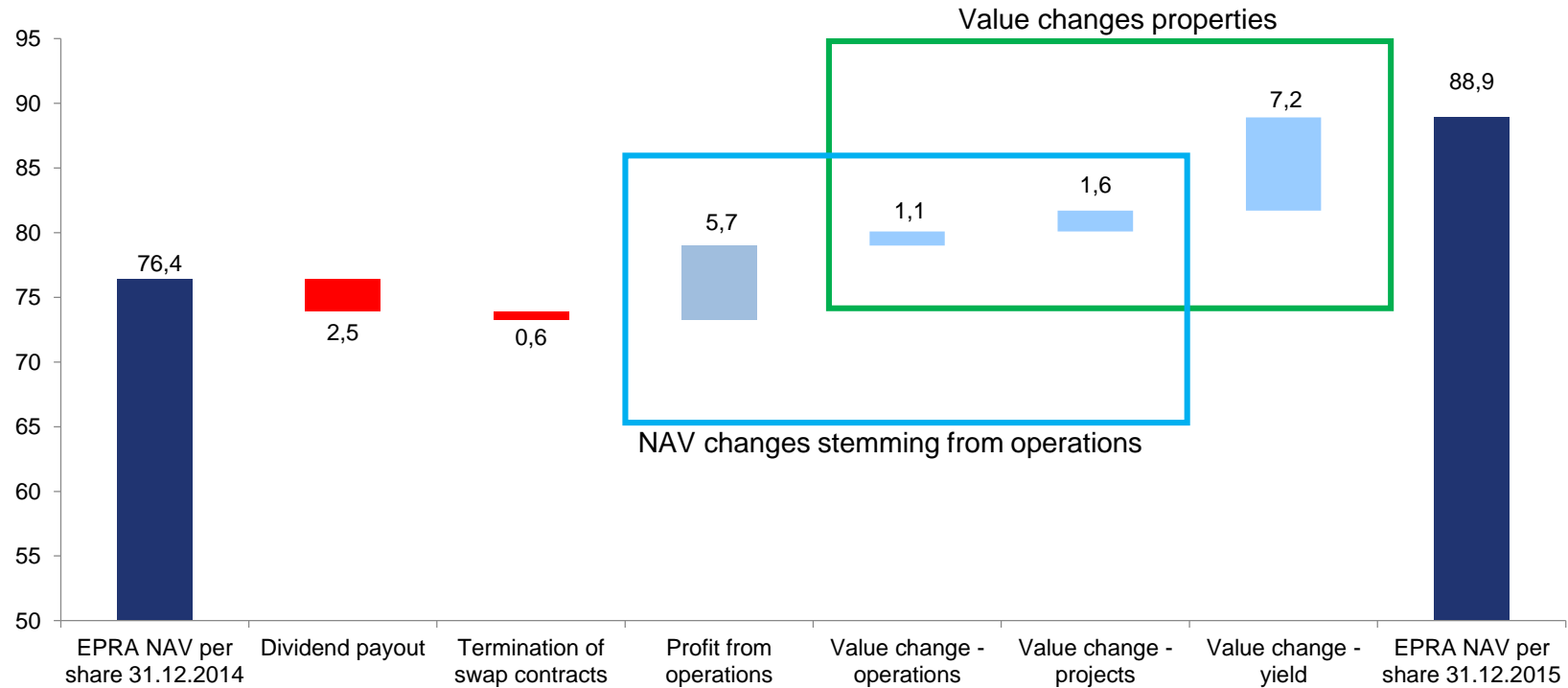
Net income from property management (NOKm)



EPRA NAV (NOKbn / NOK per share)



EPRA NAV development Q4 14 - Q4 15

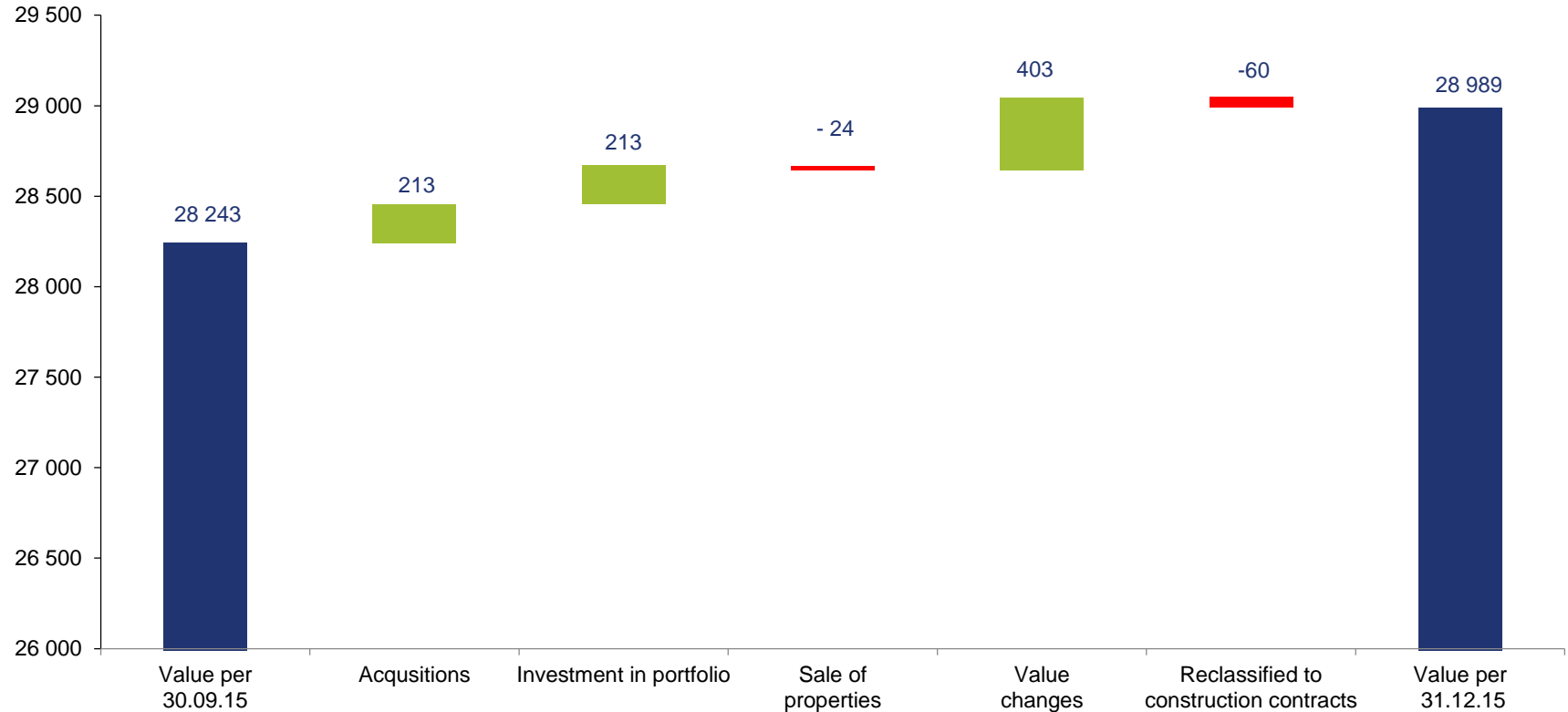


Results



All figures in NOKm	Q4-15	Q4-14	2015	2014
Rental income	437	449	1,760	1,772
Other operating revenue	27	113	240	225
Total operating revenue	465	562	1,999	1,997
Repairs and maintenance	23	21	56	52
Operating costs	38	25	129	96
Other property costs	27	124	224	223
Administrative owner costs	45	64	168	227
Total operating costs	134	234	578	598
Net income from property management	331	328	1,421	1,399
Changes in value from investment properties	403	560	1,818	1,195
Share of profit from associates and jointly controlled entities	16	-6	44	36
Operating profit	750	881	3,284	2,629
Net realised financials	-112	-155	-625	-645
Unrealised changes in value of financial instruments	79	-292	417	-607
Net financials	-33	-447	-209	-1,252
Profit before tax	717	435	3,075	1,377
Tax payable	0	0	0	0
Profit after tax	774	326	2,721	1,026


Investment property value development



- In addition Entra has invested 85 NOKm through its non-consolidated J/Vs (170 NOKm on a 100 % basis)
- Entra has also acquired 33,3 % of Oslo City Kjøpesenter AS for 1.65 NOKbn

Project Portfolio



Property	Ownership (%)	Location	Expected Completion	Project area ('000 sqm)	Occupancy (%)	Est. total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost** (%)
Group:								
Fredrik Selmers vei 4 (phase 2)	100	Oslo	Jan-16	7 400	52	212	183	6,7
Strømsveien 96	100	Oslo	Dec-16	18 100	46	433	162	6,6
Total Group				25 500		645	346	
Jointly controlled companies:								
Sundtkvartalet	50	Oslo	Dec-16	31 300	45	1 055	616	6,7
MediaCity Bergen	50	Bergen	Aug-17	45 000	67 	1 677	941	6,1
Total Jointly controlled companies				76 300		2 733	1 556	
Forward sold property projects:								
Gullfaks***	50	Stavanger	Aug-16	17 900	100	539	456	6,7
Total Forward sold projects				17 900		539	456	

* 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



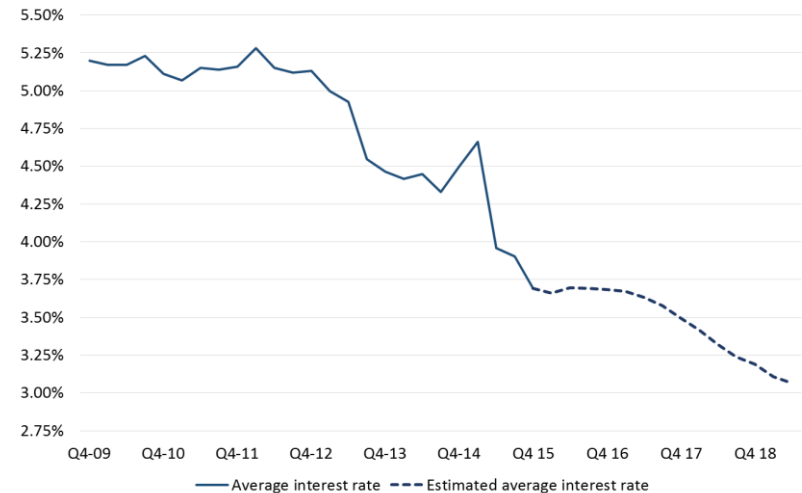
All figures in NOKm	31.12.2015	31.12.14
Intangible assets	161	180
Book value of property portfolio	29,585	28,434
Associated companies	2,789	1,137
Financial derivatives	530	550
Other current assets	342	350
Cash and cash equivalents	212	198
Total assets	33,619	30,850
Equity	13,354	11,064
Interest bearing debt	15,205	14,647
Deferred tax	3,324	2,984
Financial derivatives	1,121	1,353
Other liabilities	615	802
Total equity and liabilities	33,619	30,850

Financing activity Q4 2015



- Net increase in debt of 1.9 NOKbn
 - 1.2 NOKbn bond
 - + 1.3 NOKbn commercial paper (net)
 - + 1.8 NOKbn bank debt
- Secured net revolving credit facilities of 0.5 NOKbn
- Entered into a total of 1.6 NOKbn of 10 year interest rate swaps during 2015
- Average interest rate at 3.7% as of 31.12.15

Development in average interest rate 2010 – 2018e



- Changes in average interest rate is caused by expiration of interest rate swaps and start of forward swaps already entered into.
- Assumptions (2016-2018):
 - Stable debt level
 - All debt re-financed at existing terms
 - NIBOR forward curve

Financial update

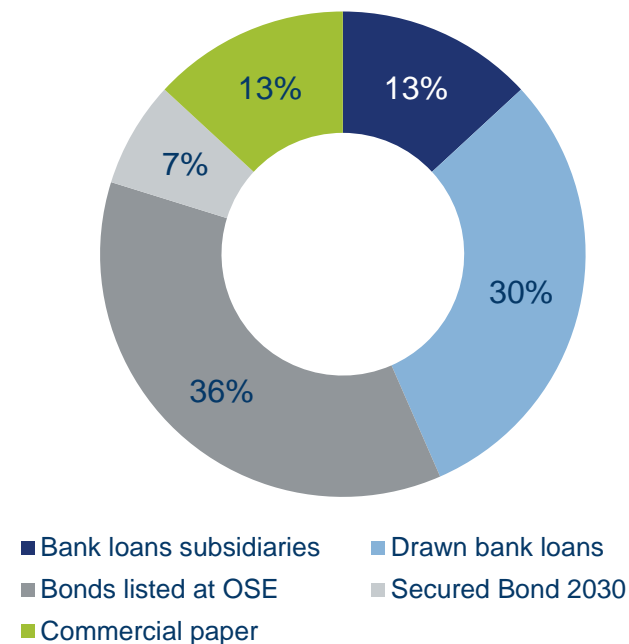


Key debt metrics as of 31.12.15

Interest bearing nominal debt	14,851 NOKm
Unutilised credit facilities	3,435 NOKm
Loan-to-value	46.1 %
Weighted average maturity	4.4 yrs
Average interest rate	3.7 %
Share at fixed rate	54 %
Average maturity of interest rate hedges	3.6 yrs

Composition of interest bearing debt

100% = 14,851 NOKm



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2015 at a glance – Delivering on our strategy



Profitable growth



Customer satisfaction



Environmental leadership

- ✓ 17 % NAV growth (ex dividend)
- ✓ 6 % rental growth (ex divestments)
- ✓ EBIT margin from 79 % to 81 %
- ✓ 76 bp reduction in avg. interest rate
- ✓ New /renewed leases of 300 NOKm
- ✓ Net letting of 82 NOKm
- ✓ Occupancy from 94.6 % to 95.0 %
- ✓ Record high customer satisfaction
- ✓ 9 % reduction in portfolio energy consumption
- ✓ Ambitious CSR strategy
- ✓ CDP score of 97B vs industry average of 87C

Closing remarks



- Solid financial year 2015
 - Profit before tax of 3.1 NOKbn vs 1.4 NOKbn in 2014
 - Proposed dividend of NOK 3 per share (+ 20 % on 2014)
- Competing well under tougher market conditions, proving the quality of assets and business model
 - Flexible properties in attractive locations
 - Strong tenant base with long lease contracts
 - Solid financial position
- Back on growth track
 - Non-core asset sales near completed
 - Two large acquisitions in Q4 15
 - Pipeline of exciting ongoing and future projects

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The property portfolio



	Area (sqm)	Occupancy (%)	Number of properties (#)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 month rolling rent (NOKm) (NOK/sqm)		Net yield (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	514,532	95.8	38	7.1	17,533	34,076	1,068	2,076	5.6	1,062	2,065
Sandvika	100,047	90.1	10	10.7	2,170	21,693	127	1,274	5.4	127	1,274
Drammen	70,814	89.7	7	9.1	1,701	24,024	107	1,514	5.9	104	1,466
Bergen	57,119	99.4	6	5.4	1,202	21,042	85	1,492	6.3	92	1,605
Trondheim	117,186	96.7	9	6.6	2,408	20,546	178	1,516	6.6	165	1,408
Stavanger	78,921	93.8	6	10.2	2,075	26,290	138	1,750	6.2	131	1,661
Kristiansand	45,158	93.4	8	9.1	608	13,464	50	1,110	7.2	48	1,069
Other	21,384	90.7	3	6.8	228	10,650	23	1,090	8.9	25	1,181
Total management portfolio	1,005,162	95.0	87	7.6	27,925	27,782	1,777	1,768	5.9	1,755	1,746
Project portfolio	95,103		3	14.9	1,228	12,909					
Regulated development sites	129,711		6	0.2	446	3,436					
Total property portfolio	1,229,976		96	7.8	29,598	24,064					

Ringstabekk housing project is included in market value of management portfolio at cost price of NOK 19 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 31.12 corresponds to 8.1 per cent of market rent.