

1st quarter 2016

Oslo, 28 April 2016



Agenda

Highlights in the quarter

Operations and market

Financial update

Closing remarks

Q&A

Highlights in the quarter



Langkaia 1, Oslo

- Rental income of 454 million (440 million)
- Net income from property management of 278 million (210 million)
- Positive portfolio value changes of 182 million (716 million)
- Profit before tax of 284 million (1 016 million)
- Net letting of approximately 25 million
- Two new projects started, one renovation project completed

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Letting and occupancy

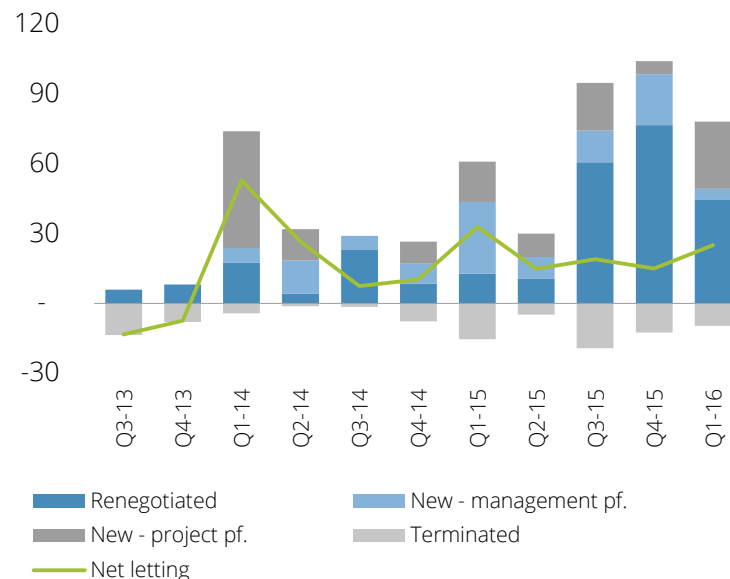
- New and renewed leases, 78 mill (38 000 sqm)
- Terminated contracts, 10 mill (3 700 sqm)
- Net letting of 25 mill
- Uplifts on renegotiations of 3.3 %
- Occupancy at 94.7 %, WAULT at 7.5 yrs

Largest new and renegotiated contracts

Property	Tenant	Sqm	Contract
Brattørkaia 16, Trondheim	BI Norwegian Business School	8 300	New
Cort Adelers gt 30, Oslo	Oslo Municipality Education Authority	4 800	New
Kjørbo, Sandvika	Norconsult	7 700	Renegotiated
Akersgata 51	SATS Norge AS	3 000	Renegotiated

Quarterly net letting*

Annual rent, NOKm



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

Start-up of two new projects in the quarter

Trondheimsporten, Trondheim



- New office/education building
- 28 600 sqm
- 77 % pre-let to public tenants
- Total project cost: 680 mill
- Construction period 2016-2017
- Yield-on-cost: 6.4%

Cort Adelers gate 30, Oslo



- Renovation of school/office building
- 4 700 sqm
- 100 % pre-let to Oslo Municipality Education Authority / 10 yr lease
- Total project cost: 162 mill
- Construction period: 2016
- Yield-on-cost: 6.3%

Finalised project in Fredrik Selmers vei 4 in Oslo



Fredrik Selmersvei 4, Oslo

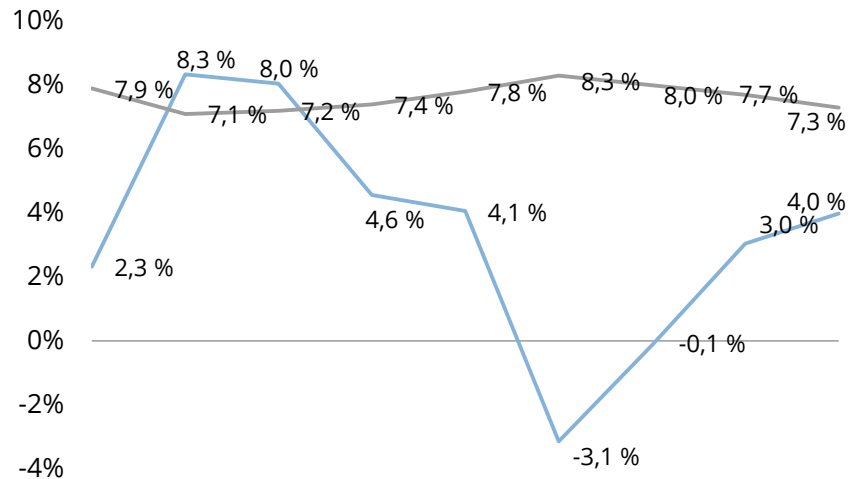
- Completing remaining interior works in one block
- 7 400 sqm
- Total project cost: NOK 212 mill
- Yield on cost: 6.7 %
- 52 % let to Norwegian Tax Administration
- Ongoing letting processes for vacant space

Market development

Rent and vacancy

- Positive signs in the Oslo market
 - Oslo office vacancy has peaked at ~ 8.3 %, expected to drop to around 8.0 % by year-end
 - Limited new supply + high level of office-to-residential conversion expected to continue to drive down vacancy
 - Expected to fuel new rental growth from 2017
- Sub markets with high level of oil sector exposure still experience increasing vacancies and pressure on rents
- Entra is in a good position having long lease contracts with solid tenants and a low exposure towards oil clusters

Rental growth and vacancy Oslo



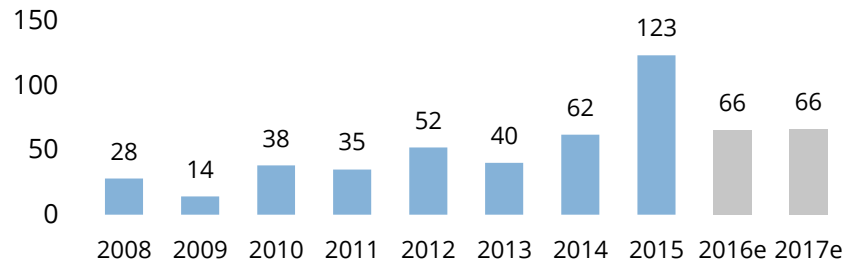
Source: Entra consensus report, average of estimates from leading market specialists in Norwegian market.

Market development

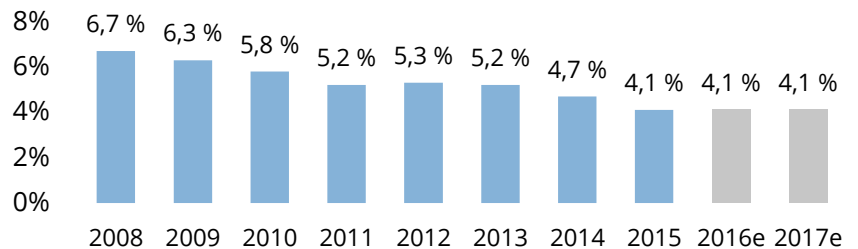
Transactions and yields

- Low transaction levels so far in 2016, however still;
 - Solid investor demand
 - Credit markets have started to improve
 - Attractive yield gap
- Significant yield compression behind us but prime yield expected to remain at low levels

Total transaction volume (NOKbn)



Prime yield Oslo



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

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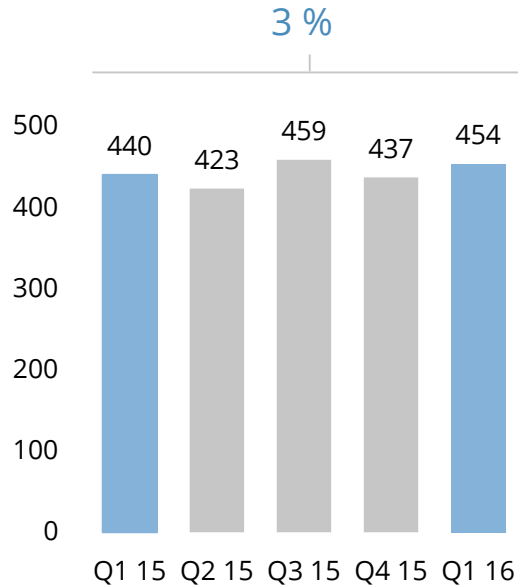
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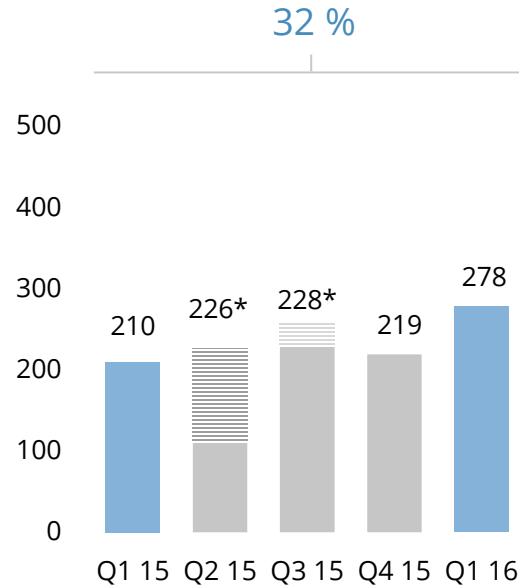
Q&A

Key financials

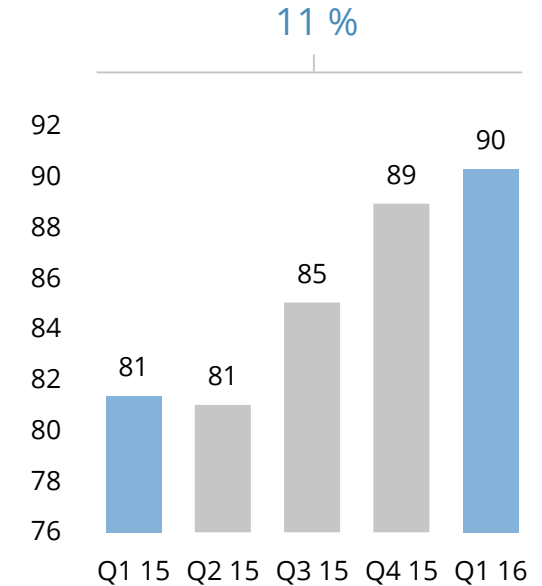
Rental income (NOKm)



Net income from property management (NOKm)



EPRA NAV (NOKbn / NOK per share)



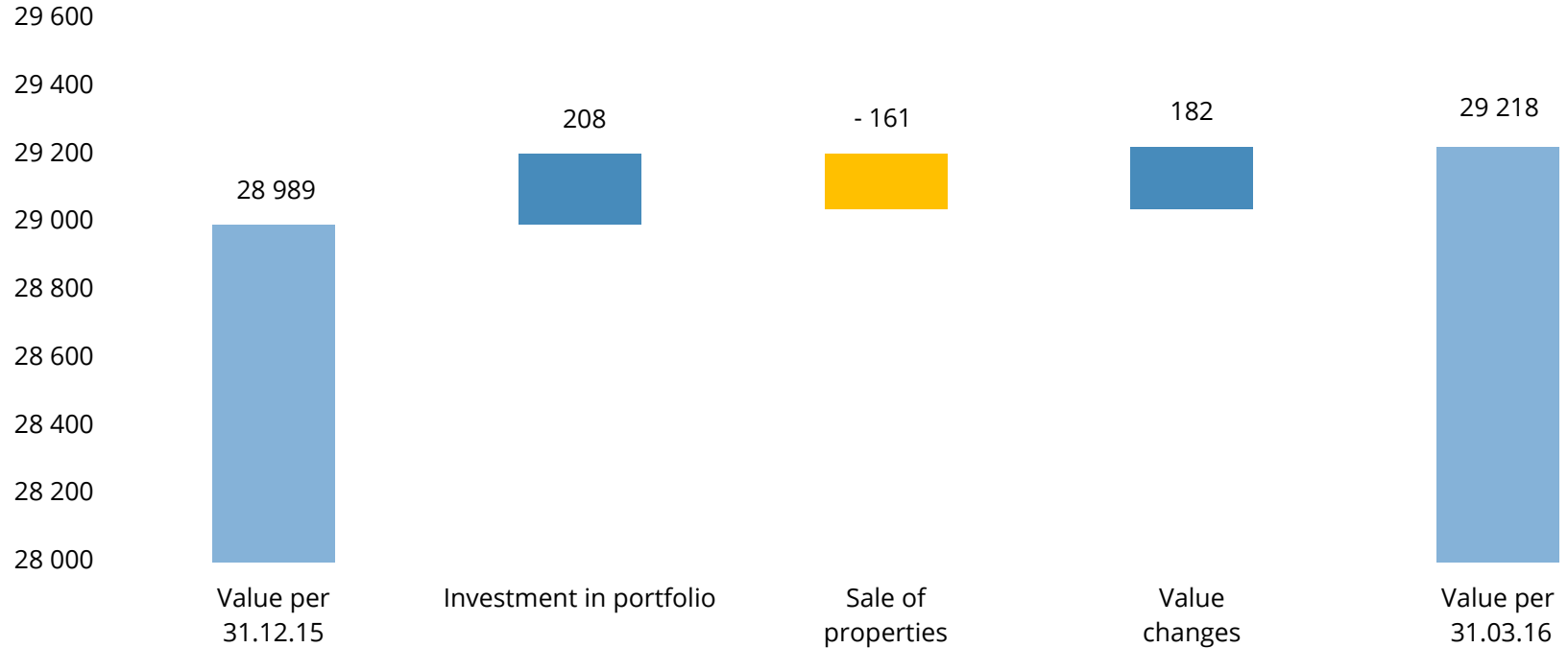
* Q215 adjusted for cost related to termination of swaps (115m), actually reported number was 111m

* Q315 adjusted for extraordinary rental income in relation to Berner buyout (30m), actually reported number was 258m

Results


All figures in NOK millions	Q1 16	Q1 15	2015
Rental income	454	440	1 760
Repairs & maintenance	-2	-8	-56
Operating costs	-22	-26	-129
Net operating income	429	406	1 574
Other revenue	58	166	240
Other costs	-54	-159	-224
Administrative costs	-44	-54	-168
Share of profit from associates and JVs	8	10	44
Net realised financials	-133	-149	-625
Net income	265	221	840
- of which net income from property management	278	210	799
Changes in value of investment properties	182	716	1 818
Changes in value of financial instruments	-162	79	417
Profit before tax	284	1 016	3 075
Tax payable	0	0	0
Change in deferred tax	-63	-68	-354
Profit for period/year	221	948	2 721

Investment property value development



In addition Entra has invested 130 NOKm through its non-consolidated J/Vs (260 NOKm on a 100 % basis)

Project Portfolio

	Ownership (%)	Location	Expected completion	Project area ('000 sqm)	Occupancy (%)	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
Group:								
Strømsveien 96	100	Oslo	Dec-16	18 100	46	433	215	6.6
Cort Adlersgate 30	100	Oslo	Dec-16	4 700	100	162	97	6.3
Trondheimsporten	100	Trondheim	Nov-17	28 600	77	680	220	6.4
Total Group				51 400		1 275	532	
Jointly controlled companies:								
Sundtkvartalet	50	Oslo	Dec-16	31 300	45	1 055	710	6.7
MediaCity Bergen	50	Bergen	Aug-17	45 000	69 	1 677	1 086	6.1
Total Jointly controlled companies				76 300		2 733	1 797	
Forward sold property projects:								
Gullfaks ***	50	Stavanger	Aug-16	17 900	100	539	505	6.7
Total Forward sold projects								

* 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 per cent let due to a rental guarantee included in the purchase transaction of Hinna Park AS

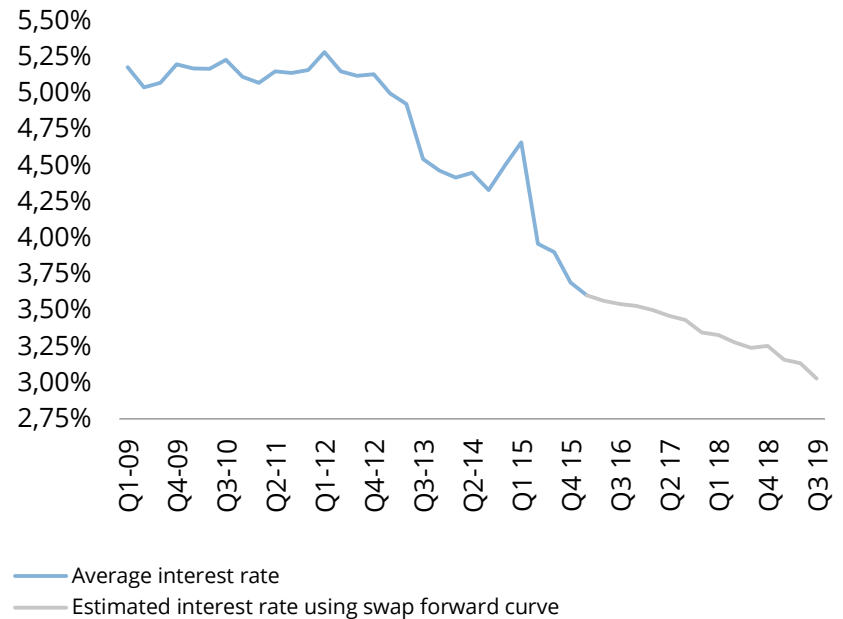
Balance sheet

All figures in NOK millions	31.03.2016	31.03.2015	31.12.2015
Book value of property portfolio	29 070	27 406	28 823
Investments in associates and JVs	2 877	1 122	2 789
Financial derivatives	634	537	530
Other assets	1 346	794	1 265
Cash and bank deposits	136	127	212
Total assets	34 063	29 986	33 619
Total equity	13 575	12 012	13 354
Interest-bearing debt	15 096	12 943	15 205
Deferred tax liability	3 380	3 025	3 324
Financial derivatives	1 295	1 274	1 121
Other liabilities	717	733	615
Total non-current liabilities	34 063	29 986	33 619

Financing activity Q1 2016

- Net decrease in bank debt of 200 mill
- Refinanced commercial paper loans for 1 300 bn
- Average interest rate at 3.6% as of 31.03.16

Development in average interest rate 2010 – 2019e



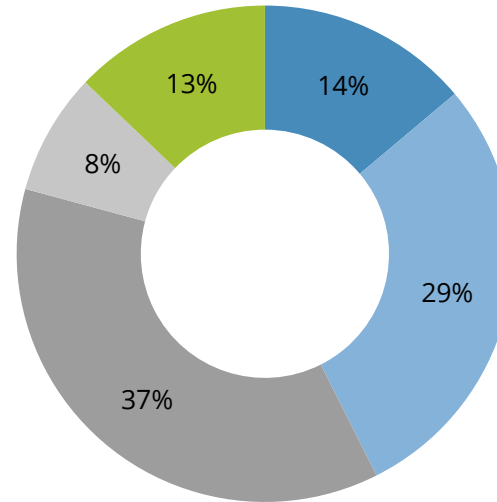
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Key debt metrics as of 31.03.16

Interest bearing nominal debt	14 650 mill
Unutilised credit facilities	3 631 mill
Loan-to-value	45.2 %
Weighted average maturity	4.3 yrs
Average interest rate	3.6 %
Share at fixed rate	55 %
Average maturity of interest rate hedges	3.6 yrs

Composition of interest bearing debt

100% = 14 650 NOKm



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

Dividend information

- Board proposal to AGM 28.04.16:
 - Dividend of NOK 3 per share for 2015
 - Semi annual-dividend payments going forward
 - First time in autumn of 2016
 - One-time effect: Higher dividend payment in 2016
- Revised basis for dividend calculation as result of new P&L structure:

60 % of Cash Earnings defined as Net income from property management less payable tax.

Rental income
Repairs & maintenance
Operating costs

Net operating income

Other revenue
Other costs
Administrative costs
Share of profit from associates and JVs
Net realised financials

Net income

- of which net income from property management

Changes in value of investment properties
Changes in value of financial instruments

Profit before tax

Tax payable
Change in deferred tax

Profit for period/year

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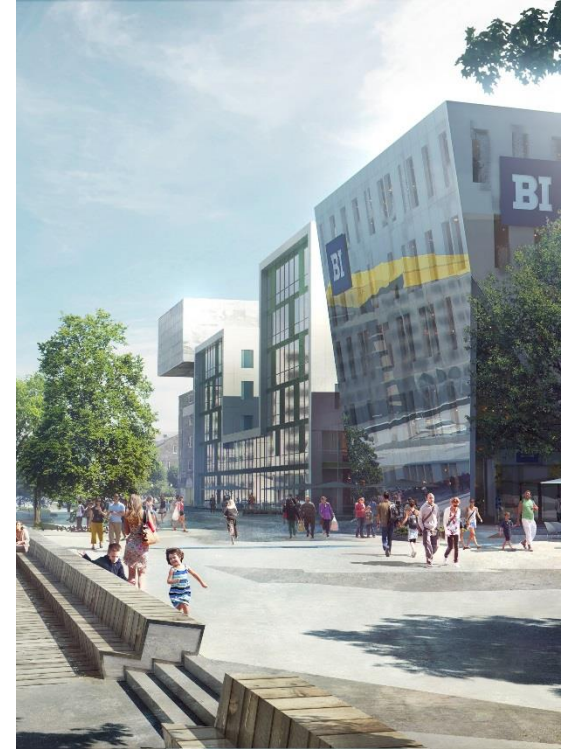
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- Solid income growth from current portfolio going forward
 - Acquisitions (Oslo City) and project portfolio
 - Significant growth in income from JVs from 2017
 - Scalable cost base and lower interest costs
 - Expecting to maintain high portfolio occupancy levels
- Improving market sentiment
 - Falling Oslo vacancy and higher activity in the letting market
 - Improving credit market environment
- Key priorities going forward
 - Letting
 - Growth through development projects and acquisitions, supported by strong balance sheet



Brattørkaia, Trondheim

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Next event
2nd quarter results
July 14, 2016

For more information see www.entra.no/investor-relations

