
Central, flexible and environment friendly office properties

entra

# Financial highlights

- Rental income of 463 million (423 million) in the quarter
- Net income from property management of 258 million (110 million)
- Positive portfolio value changes of 567 million (178 million)
- Profit before tax of 790 million (661 million)
- Net letting of 83 million in the quarter
- Acquisition of 61,000 sqm property portfolio at Skøyen in Oslo
- Semi-annual dividend of 1.7 per share to be paid on October 13, 2016

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Rental income

+ 40 mill.

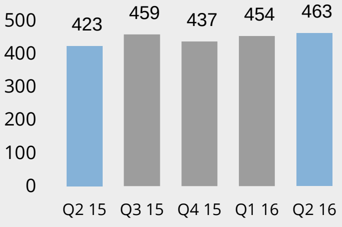
Property management

+ 147 mill.

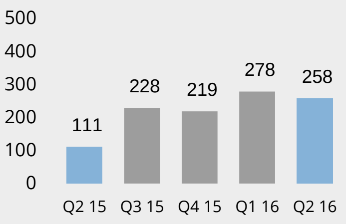
EPRA NAV excl. dividend

Up 12.5 %

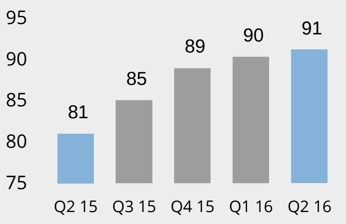
Rental income
(NOKm)




Net income from PM
(NOKm)




EPRA NAV
(NOK per share)



# Key figures

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|
| Rental income | 463 | 423 | 916 | 864 | 1 760 | 1 772 | 1 632 |
| Change period-on-period | 9% | -4% | 6% | -1% | -1% | 9% | 3% |
| Net operating income | 421 | 381 | 850 | 787 | 1 574 | 1 624 | 1 475 |
| Change period-on-period | 11% | -8% | 8% | -3% | -3% | 10% | 3% |
| Net income from property management | 258 | 110 | 536 | 321 | 799 | 774 | 525 |
| Change period-on-period | 134% | -49% | 67% | -26% | 3% | 47% | na |
| Profit before tax | 790 | 661 | 1 074 | 1 677 | 3 075 | 1 377 | 458 |
| Change period-on-period | 19% | 104% | -36% | 304% | 123% | 201% | -43% |
| Profit after tax | 603 | 506 | 824 | 1 454 | 2 721 | 1 026 | 466 |
| Change period-on-period | 19% | 107% | -43% | 362% | 165% | 120% | -35% |
| Market value of the property portfolio* | 32 047 | 28 086 | 32 047 | 28 086 | 29 598 | 28 358 | 24 963 |
| Net nominal interest-bearing debt | 15 039 | 12 901 | 15 039 | 12 901 | 14 640 | 13 890 | 14 350 |
| Loan to value* | 45.9% | 45.2% | 45.9% | 45.2% | 46.1% | 48.4% | 56.6% |
| Interest coverage ratio* | 2.7 | 2.5 | 2.7 | 2.4 | 2.5 | 2.0 | 1.8 |
| Number of shares | 183.7 | 183.7 | 183.7 | 183.7 | 183.7 | 183.7 | 0.1 |

| All figures in NOK per share* | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|
| EPRA Earnings | 1.0 | 0.9 | 2.1 | 1.6 | 3.2 | 3.0 | 3 158 |
| Change period-on-period | 20% | na | 29% | na | 8% | na | na |
| EPRA NAV | 91 | 81 | 91 | 81 | 89 | 76 | 76 998 |
| Change period-on-period | 13% | na | 13% | na | 16% | na | na |
| EPRA NNNAV | 83 | 74 | 83 | 74 | 81 | 68 | 69 253 |
| Change period-on-period | 11% | na | 11% | na | 20% | na | na |
| Cash earnings**/*** | 1.4 | 0.6 | 2.9 | 1.7 | 5.0 | 4.1 | 3 833.3 |
| Change period-on-period | 139% | na | 68% | na | 21% | na | na |
| Dividend per share | 1.7 | na | 1.7 | na | 3.0 | 2.5 | na |
| Change period-on-period | na | na | na | na | 0.2 | na | na |

Reference

* See section "Calculation of key figures and definitions"
** Cash earnings in 2015 has been adjusted by 115 million due to termination of swap contracts in Q2-2015.
The termination fee was defined as a one-off item and did not reduce cash earnings as a basis for dividend for 2015.
*** Cash earnings definition changed from Q1-16 to also include net income from property management for JVs excluding Oslo S Utvikling. See definitions.
Several of the numbers are marked as not applicable ("na") as the figures are not comparable either due to historical changes in the P&L or due to changes in the outstanding shares of Entra ASA.

# Financial developments

## Results

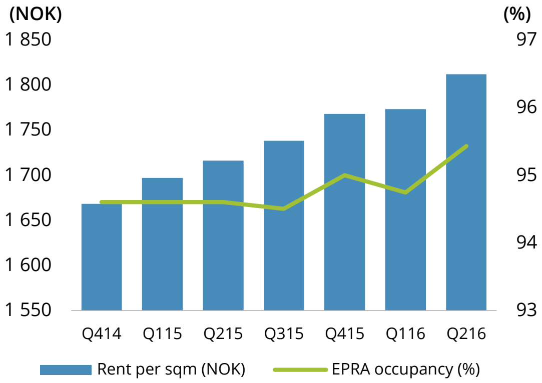
### Rental income

The Group's rental income was up by 9 per cent from 423 million to 463 million quarter on quarter and by 6 per cent from 864 million to 916 million for the first six months. The increased rental income can be explained by the factors in the below income bridge.

| All figures in NOK millions | Q215<br>Q216 | YTD 15<br>YTD 16 |
|---|---|---|
| Rental income previous period | 423 | 864 |
| Development projects | 14 | 24 |
| Acquistitions | 22 | 22 |
| Disposals | -8 | -32 |
| Like-for-like growth | 11 | 38 |
| **Rental income** | **463** | **916** |

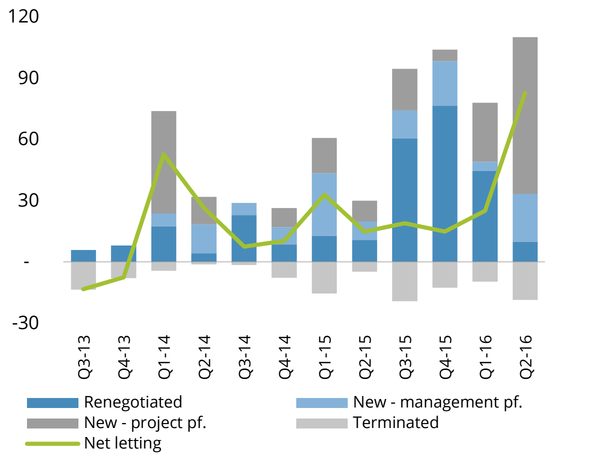
On a like-for-like basis the rental growth was 2.9 per cent compared to the same quarter last year and 5.0 per cent compared to the first half year last year, of which the annual indexation of the lease contracts constituted 2.8 per cent. The remaining growth year to date 2016 is mainly driven by income effects from high letting activity in Biskop Gunnerus gate 14 in the first quarter. Average 12 months rolling rent per square meter was 1,812 (1,716) as of 30.06.16. Near all of Entra´s lease contracts are 100 per cent linked to positive changes in CPI. The annual adjustment is mostly made on a November to November basis.

RENT (12M ROLLING) PER SQM AND EPRA OCCUPANCY




The occupancy rate increased to 95.4 per cent (94.6 per cent) as of 30.06.16. The rental value of vacant space as of 30.06.16 was approximately 85 million (95 million) on an annualised basis. Gross letting including re-negotiated contracts was 110 million in the quarter of which 77 million is attributable to letting in the project portfolio. Lease contracts with a total value of 19 million were terminated in the quarter. Net letting defined as new lease contracts plus lease-up on renegotiated contracts less terminated contracts came in at 83 million (15 million) in the quarter. For the first six months, gross letting including re-negotiated contracts was 188 million and lease contracts with a total value of 28 million was terminated. Net letting in the period came in at 108 million. The time difference between the net letting in the management portfolio in the quarter and its effect on the financial results is normally 6-12 months. Effects from letting in the project portfolio can be found in the project table under the section Investments and Divestments.

QUARTERLY NET LETTING




### Property costs

Total property costs amounted to 41 million (42 million) in the quarter and 66 million (76 million) for the first six months of 2016. Total property costs is split as follows:

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 |
|---|---|---|---|---|
| **Maintenance** | **14** | **8** | **16** | **16** |
| Tax, leasehold, insurance | 7 | 8 | 13 | 16 |
| Letting and prop. adm. | 11 | 16 | 17 | 23 |
| Direct property costs | 9 | 11 | 19 | 22 |
| **Total operating costs** | **27** | **34** | **50** | **60** |
| **Total property costs** | **41** | **42** | **66** | **76** |

## Net operating income

As a consequence of the effects explained above, net operating income came in at 421 million (381 million) in the quarter and 850 million (787 million) for the first six months of 2016.

## Other revenues and other costs

Other revenues was 54 million (27 million) in the quarter and 113 million (192 million) for the first six months of 2016. In the quarter, 36 million is related to Youngskvartalet in Oslo which is classfied as a construction contract. Year to date 2016, the revenue recognised is 74 million. Until the project is delivered to the buyer, the Group will recognise other revenue and other costs based on the completion level. Other costs associated with the project amounted to 36 million in the quarter and 74 million in the first six months.

Other revenue of 11 million (18 million), representing revenue from sales of 5 (5) appartments, was recognised in the quarter in connection with the closing and delivery of the remaining Ringstabekk portfolio in April 2016. For the first half of 2016 other revenue of 19 million (166 million) was recognised related to sale of 8 (27) appartments. Other costs recognised in the Ringstabekk project is 11 million (18 million) in the quarter and 19 million (165 million) for the first six months of 2016.

Other revenue also consists of income from services provided to tenants of 15 million in the quarter and 27 million in the first half year of 2016.

Other costs also consists of other property costs mainly related to depreciation and rental expenses.

## Administrative costs

Administrative costs amounted to 28 million (32 million) in the quarter and 72 million (87 million) for the first six months of 2016. The reduction is mainly a result of streamlining of the cost base and timing of activities.

## Result from associates and JVs

Entra`s share of profit from associates and JVs was 11 million (32 million) in the quarter and 19 million (42 million) year to date 2016. In the first quarter of 2016, 33 per cent of Oslo City Kjøpesenter was recognised as a jointly controlled entity. From, and including, the second quarter 2016, Entra has consolidated the office section of the property, but the parking section of which Entra owns 50 per cent will continue to be treated as a jointly controlled entity in Entra`s accounts.

Entra`s share of profit from associates and JVs is composed as follows:

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2 15 |
|---|---|---|---|---|
| Income from property management | 5 | 2 | 27 | 1 |
| Changes in market value | 12 | 19 | 5 | 22 |
| Other income and costs | -2 | 11 | -5 | 13 |
| Tax | -4 | -1 | -8 | 6 |
| **Results from associates and JVs** | **11** | **32** | **19** | **42** |

For a more detailed breakdown of the results from associates and JVs see the section on Partly owned companies.

## Net realised financials

Net realised financials amounted to 140 million (245 million) in the quarter and 273 million (394 million) for the first six months of 2016 and is composed as follows:

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 |
|---|---|---|---|---|
| Interest and other finance income | 2 | 1 | 4 | 4 |
| Interest and other finance expense | -142 | -246 | -277 | -397 |
| **Net realised financials** | **-140** | **-245** | **-273** | **-394** |

Net realised financials is reduced in the second quarter of 2016 compared to 2015 mainly due to termination of high interest rate hedging agreements with a nominal value of 2 billion that resulted in a financial expense of 115 million in the second quarter of 2015.

The net interest-bearing debt has increased by approximately 2.2 billion compared to the same quarter last year mainly due to acquisitions. Increased interest bearing debt in the period is more than offset by lower market interest rates on floating rate debt and the expiry of high interest rate hedging agreements. The average interest rate was 3.59 per cent (3.95 per cent) as at 30.06.16.

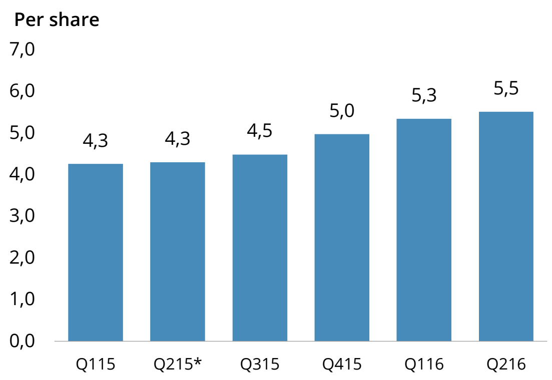
## Net income and net income from property management

Net income came in at 264 million (140 million) in the quarter and 528 million (361 million) for the first six months of 2016. When including only the income from property management in the results from JVs, the net income from property management was 258 million (110 million) in the quarter and 536 million (321 million) year to date 2016, representing a year-on-year increase of 57 per cent quarter-on-quarter and 40 per cent for the first six months of 2016.

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 |
|---|---|---|---|---|
| Net income | 264 | 140 | 528 | 361 |
| Less: | | | | |
| Value changes in associates and JVs | 12 | 19 | 5 | 22 |
| Tax from associates and JVs | -4 | -1 | -8 | 6 |
| Other income and costs | -2 | 11 | -5 | 13 |
| **Net income from property management** | **258** | **110** | **536** | **321** |

NET INCOME FROM PROPERTY MANAGEMENT PER SHARE

(Annualised, rolling 4 quarters)




* Q215 adjusted for 115 million swap termination fee.

## Value changes

The valuation of the property portfolio resulted in a net positive value change of 567 million (178 million) in the quarter and 749 million (893 million) for the first six months of 2016. In the second quarter, about 470 million of the value changes is attributable to yield compression, 42 million relates to the current project portfolio and 44 million is the result of new contracts signed in the quarter. The remaining changes are related to terminations of contracts, transactions in the quarter, estimated effect of the introduction of property tax in Oslo in 2017 and other property related changes.

For the first six months, the values changes in the property portfolio is mainly attributable to yield compression in the largest cities, value changes in the current projects portfolio and positive value changes as a result of new and renegotiated lease contracts.

Net changes in value of financial instruments was - 41 million (344 million) in the quarter and -203 million (423 million) for the first six months of 2016. The negative development is mainly explained by decreased credit margins which affects the value on the Group's fixed rate loans.

## Tax

The Group, except for certain partly owned companies with marginal tax effect, is currently not in a tax payable position due to tax loss carry forward. At year-end 2015, the tax loss carry forward for the Group was 1,272 million. The change in deferred tax was 187 million (155 million) in the quarter and 250 million (223 million) in the first half of 2016. The current tax rate is 25 per cent. However, the effective tax rate is less than 25 per cent mainly due to sales of properties without tax effect.

## Profit

Profit before tax was 790 million (661 million) in the quarter and 1,074 million (1,677 million) for the first six months of 2016. Profit after tax was 603 million (506 million) in the quarter and 824 million (1,454 million) year to date 2016 which also equals the comprehensive income for the period.

## EPRA Earnings

EPRA Earnings amounted to 191 million (160 million) in the second quarter of 2016 and 388 million (300 million) year to date 2016. The increase in EPRA earnings in the second quarter of 2016 is mainly related to increased rental income.

# Balance sheet

The Group's assets amounted to 34,874 million (30,259 million) as at 30.06.16. Of this, investment property amounted to 31,170 million (27,939 million) and investment property held for sale to 194 million (178 million). 4 properties were classified as held for sale as at 30.06.16. Intangible assets were 161 million (192 million) at the end of the quarter of which 146 million is goodwill related to Hinna Park.

Investments in associates and jointly controlled entities were 1,503 million (1,170 million). The increase is mainly related to the purchase of 50 per cent of Oslo City Parkering AS, of which Steen & Strøm AS owns the remaining part. Entra acquired at the end of 2015 33.3 per cent of Oslo City Kjøpesenter AS. The property was sectioned and demerged into three separate companies in the beginning of April 2016. From, and including, the second quarter 2016, Entra has consolidated the office section of the property, but the parking section of which Entra owns 50 per cent will continue to be treated as a jointly controlled entity in Group accounts.

Property and housing-units for sale amounted to 665 million (34 million) at the end of the quarter, mainly impacted by the reclassification of the property Gullfaks at Hinna Park following the forward sale of the property with expected delivery to the buyer in Q3 2016. At the end of the second quarter 2015 the amount comprised the housing-unit project at Ringstabekk of which the major part of the apartments were sold during 2015.

Other receivables was 272 million (119 million) at the end of June 2016. The increase compared to the second quarter 2015 was affected by capitalised construction costs of 175 million related to the property Youngskvartalet that will be delivered to the buyer in the fourth quarter of 2017. The Group held 158 million (72 million) in cash and cash equivalents at 30.06.16. In addition, the Group has 5,108 million ( 4,224 million) in unutilised credit facilities. The increase in unutilised credit facilities is mainly due to preparations for the closing of the acquisition of the Skøyen portfolio on 1 September 2016.

The Group had interest bearing debt of 15,701 million (13,396 million) as of 30.06.16. The increase is mainly explained by the acquisition of the office section of Oslo City Kjøpesenter AS for approximately 1.6 billion, the development project "Trondheimsporten" for 132 million in Q4 2015 and payment of dividends of 551 million in the second quarter of 2016.

Book equity totaled 13,625 million (12,058 million), representing an equity ratio of 39 per cent (40 per cent). Book equity per share was 74 (66). Equity per share was 91 (81) based on the EPRA NAV standard and 83 (74) based on EPRA NNNAV. Outstanding shares at 30.06.16 totalled 183.7 million (183.7 million)

## Cash flow statement

Net cash flow from operating activities came to 201 million (126 million) in the quarter and 477 million (320 million) for the first six months of 2016. The change mainly relates to higher net income from property management compared to the same quarter last year.

The net cash flow from investments was -191 million (-182 million) in the quarter and -338 million (1,244 million) for the first six months of 2016. Proceeds from property transactions of 103 million (128 million) in the quarter and 266 million (1,726 million) year to date 2016 was mainly related to the sale of the remaining Ringstabekk portfolio in the second quarter of 2016 and the sale of Strandveien 13 in Tromsø in the first quarter of 2016. In the second quarter of 2015, the amount mainly relates to the proceed from the sale of Grønnegata 122 and the sale of housing-units at Ringstabekk. In first half year of 2015, proceeds was mainly related to the sale of the six properties in Østfold and Lillestrøm with a total property value of 1,375 million.

The cash effect from upgrades of investment properties amounted to 215 million (290 million) in the quarter and 347 million (456 million) for the first six months of 2016. Investment in property and housing-units for sale of 25 million (1 million) in the quarter and 125 million (3 million) for the first half year 2016 is mainly related to investments in the property "Gullfaks" in Stavanger.

Net payments in associates and jointly controlled entities amounted to -50 million (-17 million) in the quarter and 130 million (-54 million) for the first six months of 2016 of which 161 million relates to capital increase in Entra OPF during the first six months of 2016 partly offset by repayment related to the Oslo City closing.

Net cash flow from financing acitivites was 12 million (1 million) in the quarter and -193 million (-1,689 million) year to date 2016. During the first six months of 2016 Entra has repaid bank loans of 1,984 million, net issued bond loans amounting to 2,329 million and paid dividend of 532 before witholding tax. During first half year 2015 Entra refinanced commercial bank loans of a total of 3,564 million, repaid bank loans of 4,793 million and paid dividend of 459 million.

The net change in cash and cash equivalents was 22 million (-54 million) in the quarter and -54 million (-125 million) for the first six months of 2016.

# Financing

During the second quarter, Entra has refinanced commercial paper loans for a total of 900 million. Entra´s total bank debt was reduced by 1,783 million, mainly due to new bond issues, which amounted to 2,400 millon in the quarter. During the quarter, Entra has refinanced a bank credit facility of 1,000 million into a new 3-year revolving credit facility.

## Interest bearing debt and maturity structure

As at 30.06.16, net interest-bearing nominal debt after deduction of liquid assets of 158 million was 15,039 million.

The average remaining term of the Group's debt portfolio was 4.8 years at 30.06.16 (4.9 years as at 30.06.15). The calculation takes into account that available long-term credit facilities can replace short-term debt.

Entra's financing is mainly based on negative pledge of the Group´s assets, which enables a broad and flexible financing mix. Entra's financing structure includes bank loans, bonds and commercial papers. At the end of the period, 71 per cent of the Group's financing was from the capital market.

## Maturity profile and composition interest bearing debt

| Maturity profile | 0-1 yrs | 1-2 yrs | 2-3 yrs | 3-4 yrs | 4+ yrs | Total |
|---|---|---|---|---|---|---|
| Commercial paper (NOKm) | 1 900 | 0 | 0 | 0 | 0 | 1 900 |
| Bonds (NOKm) | 1 029 | 500 | 1 200 | 1 700 | 4 400 | 8 829 |
| Bank loans (NOKm) | 900 | 70 | 1 189 | 760 | 1 549 | 4 467 |
| **Total (NOKm)** | **3 829** | **570** | **2 389** | **2 460** | **5 949** | **15 196** |
| Commercial paper (%) | 50 | 0 | 0 | 0 | 0 | 13 |
| Bonds (%) | 27 | 88 | 50 | 69 | 74 | 58 |
| Bank loans (%) | 24 | 12 | 50 | 31 | 26 | 29 |
| **Total (%)** | | | | | | **100** |
| | | | | | | |
| **Unutilised credit facilities (NOKm)** | **0** | **1 780** | **11** | **1 740** | **1 577** | **5 108** |
| Unutilised credit facilities (%) | 0 | 35 | 0 | 34 | 31 | 100 |

| Sources of financing | NOKm | % |
|---|---|---|
| Bonds listed at OSE | 7 729 | 51 |
| Secured bond 2030 Entra | 1 100 | 7 |
| Bank loans Entra | 2 410 | 16 |
| Bank loans subsidiaries | 2 057 | 14 |
| Commercial paper | 1 900 | 13 |
| **Total** | **15 196** | **100** |

## Financing policy and status

| All figures in NOK millions | 30.06.2016 | Target |
|---|---|---|
| Loan-to-value (LTV) | 45.9 | Approx. 50% |
| Interest coverage ratio (ICR) | 2.7 | Min. 1.65x |
| Debt maturities <12 months | 25% | Max 30% |
| Maturity of hedges <12 months | 42% | Max 50% |
| Average time to maturity (hedges) | 3.7 | 2-6 years |
| Financing commitments next 12m | 133% | Min. 100% |
| Average time to maturity (debt) | 4.8 | Min. 3 years |

## Interest rates and maturity structure

The average interest rate of the debt portfolio was 3.59 per cent as at 30.06.16. 58 per cent of the Group's financing was hedged at a fixed interest rate as at 30.06.16, with a weighted maturity of 3.7 years.

The Group manages interest rate risk mainly by entering into floating-to-fixed interest rate swaps. The table below shows the maturity profile and contribution from fixed rate instruments, as well as maturity profile for credit margins on debt.

| The Group's average interest rate | % |
|---|---|
| NIBOR on debt | 1.01 |
| Net interest rate | 1.57 |
| Credit margin on debt | 1.01 |
| **Total** | **3.59** |

| | Pay fixed / receive floating swaps[1] | | Forward starting swaps[2] | | | Average credit margin | |
|---|---|---|---|---|---|---|---|
| | Amount (NOKm) | Interest rate (%) | Amount | Interest rate (%) | Tenor (years) | Amount (NOKm) | Credit margin (%) |
| <1 year | 170 | 3.13 | 500 | 2.83 | 8 | 6 646 | 1.05 |
| 1-2 years | 1 042 | 4.19 | 500 | 2.17 | 7 | 1 250 | 0.96 |
| 2-3 years | 1 850 | 3.77 | 1500 | 2.25 | 7 | 1 200 | 1.20 |
| 3-4 years | 1 600 | 4.14 | | | | 1 700 | 0.96 |
| 4-5 years | 1 150 | 4.39 | | | | 1 700 | 1.14 |
| 5-6 years | 550 | 3.76 | | | | 400 | 0.59 |
| 6-7 years | 1 000 | 2.16 | | | | 1 200 | 1.31 |
| 7-8 years | 150 | 5.36 | | | | | |
| 8-9 years | 400 | 2.56 | | | | | |
| 9-10 years | | | | | | | |
| >10 years | 510 | 5.36 | | | | 1 100 | 0.39 |
| **Total** | **8 422** | **3.84** | **2 500** | **2.33** | | **15 196** | **1.01** |

| | | |
|---|---|---|
| Pay fixed | 8 422 | 3.84 |
| Receive float | -8 422 | 0.91 |
| **Net interest rate** | | **2.83** |
| **Hedge ratio adjusted rate[3]** | | **1.57** |

[1]Excluding forward starting swaps.

[2]The table displays future starting point, notional principle amount, average fixed rate and tenor for forward starting swaps.

[3]Hedge ratio = outstanding amount (fixed rate instruments) / nominal interest bearing debt.

# The property portfolio

Entra owns and manages 96 buildings with a total area of approximately 1.25 million square metres. As of 30.06.16, the property portfolio had a market value of around 32 billion. The occupancy rate was 95.4 per cent (94.6 per cent). The weighted average unexpired terms for the Group's leases was 7.1 years (7.4) for the management portfolio and 7.4 years (7.6) when the project portfolio is included. The public sector represents approximately 73 per cent of the total customer portfolio. Entra's strategic areas of concentration are Oslo and the surrounding region, Bergen, Stavanger and Trondheim. Entra has its head office in Oslo.

Entra´s properties are valued by two external appraisers (Akershus Eiendom and DTZ) on a quarterly basis. The market value of the portfolio in Entra´s balance sheet is based on the average of the two external appraiser's valuation of each individual property. Valuation of the management portfolio is performed on a property-by-property basis, using individual DCF models and taking into account the property's current characteristics combined with the external valuer's estimated return requirements and expectations on future market development. The market value is defined as the external valuer's estimated transaction value of the individual properties on valuation date. The project portfolio is valued based on the same principles, but with deduction for remaining investments and risk on valuation date. The land and development portfolio is valued based on actually zoned land.

As of 30.06.16, the portfolio was valued at 32.0 billion (28.1 billion).

Year-on-year, the portfolio net yield is reduced from 6.0 per cent to 5.6 per cent. 12 months rolling rent has increased from 1,716 to 1,812 per square meter whereas the market rent has increased from 1,743 to 1,806 per square meter.

| | Number | Area | Occupancy | Wault | Market value | | 12 months rolling rent | | Net yield | Market rent | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | (#) | (sqm) | (%) | (year) | (NOKm) | (NOK/sqm) | (NOKm) | (NOK/sqm) | (%) | (NOKm) | (NOK/sqm) |
| Oslo | 39 | 551 184 | 95.9 | 6.5 | 19 736 | 35 806 | 1 175 | 2 132 | 5.5 | 1 174 | 2 129 |
| Trondheim | 9 | 117 187 | 98.2 | 6.2 | 2 467 | 21 048 | 176 | 1 499 | 6.4 | 166 | 1 415 |
| Sandvika | 9 | 94 594 | 90.4 | 10.2 | 2 118 | 22 389 | 118 | 1 247 | 5.1 | 121 | 1 281 |
| Stavanger | 6 | 79 194 | 93.6 | 9.7 | 2 053 | 25 928 | 134 | 1 689 | 6.0 | 135 | 1 702 |
| Drammen | 8 | 70 516 | 92.8 | 8.8 | 1 861 | 26 388 | 113 | 1 605 | 5.7 | 106 | 1 506 |
| Bergen | 6 | 57 119 | 98.8 | 5.2 | 1 236 | 21 643 | 83 | 1 455 | 6.0 | 93 | 1 623 |
| Kristiansand | 7 | 45 158 | 92.6 | 8.5 | 620 | 13 727 | 51 | 1 139 | 7.3 | 49 | 1 093 |
| Other | 2 | 9 823 | 79.1 | 4.0 | 74 | 7 523 | 6 | 658 | 7.6 | 7 | 667 |
| **Management portfolio** | **86** | **1 024 776** | **95.4** | **7.1** | **30 164** | **29 435** | **1 857** | **1 812** | **5.6** | **1 850** | **1 806** |
| Project portfolio | 6 | 97 412 | | 13.9 | 1 437 | 14 749 | | | | | |
| Development sites | 4 | 120 911 | | 0.7 | 446 | 3 688 | | | | | |
| **Property portfolio** | **96** | **1 243 098** | | **7.4** | **32 047** | **25 780** | | | | | |

Youngsgt. 7-9 is included in market value of the management portfolio at sales price of 60 million.
The calculation of net yield is based on the valuers' assumption of ownership costs, which at 30.06 corresponds to 8.4 per cent of market rent.

## Reconciliation of investment properties to property market value

The below table reconciles the individual balance sheet items to the property market value presented above.

| All figures in NOK millions | Q2-16 | Q2-15 | 2015 |
|---|---|---|---|
| Investment property | 31 170 | 27 939 | 28 823 |
| Investment properties held for sale | 194 | 178 | 165 |
| Properties and housing-units held for sale | 690 | 34 | 617 |
| Other | -7 | -66 | -7 |
| **Property market value** | **32 047** | **28 086** | **29 599** |

## Letting activity

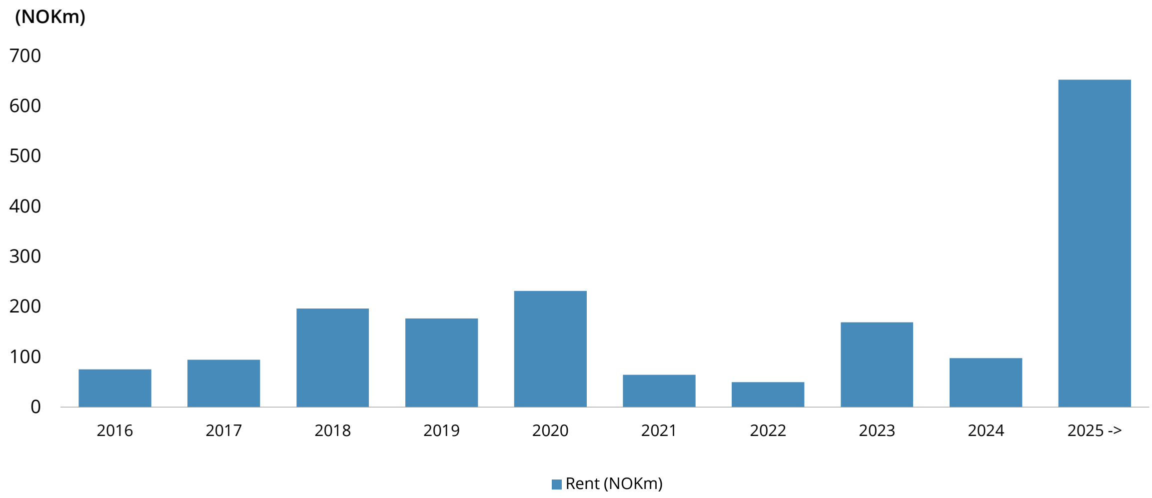
During the second quarter, Entra signed new and renegotiated leases with an annual rent totalling 110 million (37,000 square metres) and received notices of termination on leases with an annual rent of 18 million (8,000 square metres). The increase in rent from the total amount of renegotiated contracts signed within the quarter was 10.3 per cent. Net letting was 83 million in the quarter. Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts.

For the first six months, new and re-negotiated contracts amounted to an annual rent of 188 million (76,000 square metres), while contracts with an annual rent of 28 million (12,000 metres) was terminated. Net letting in the first six months was 108 million.

Large contracts signed in the quarter (> 20 million in total value):

- New lease contract for 25 years and 20,000 sqm. at Tullinkvartalet in Oslo with the University of Oslo
- New lease contract for 10 years and 1,700 sqm. in Sundtkvartalet in Oslo with Norwegian Food Safety Authority
- New lease contract for 7.4 years and 1,700 sqm. in Langkaia 1 in Oslo with Hurtigruten
- New lease contract for 5 years and 2,100 sqm. in Langkaia 1 in Oslo with The Norwegian Defence Estates Agency
- Renegotiated contract for 9.3 years and 3,250 sqm. in Langkaia 1 in Oslo with Bisnode Norge

MATURITY PROFILE OF THE MANAGEMENT PORTFOLIO:



# Investments and divestments

Entra has invested 209 million in the portfolio of investment properties in the second quarter. In addition, Entra has invested 142 million through its non-consolidated jointly controlled entities (284 million on a 100 per cent basis). For the first six months, Entra has invested 417 million in the portfolio of investment properties, and 272 million through its non-consolidated jointly controlled entities (544 million on a 100 per cent basis).

## Project development

The portfolio of ongoing project with a total investment exceeding 50 million is presented below. The below description also includes projects in jointly controlled entities not consolidated in the financial accounts, except projects in Oslo S Utvikling.

| | 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 | 294 | 6.6 |
| Cort Adelers gate 30 | 100 | Oslo | Dec-16 | 4 700 | 100 | 162 | 110 | 6.3 |
| Powerhouse Kjørbo, block 3 | 100 | Sandvika | Jul-17 | 4 200 | 54 | 144 | 75 | 5.6 |
| Trondheimsporten | 100 | Trondheim | Nov-17 | 28 600 | 77 | 680 | 284 | 6.4 |
| **Total Group** | | | | **55 600** | | **1 419** | **762** | |
| **Jointly controlled companies:** | | | | | | | | |
| Sundtkvartalet | 50 | Oslo | Dec-16 | 31 300 | 49 | 1 055 | 837 | 6.7 |
| MediaCity Bergen | 50 | Bergen | Aug-17 | 45 000 | 69 | 1 677 | 1 243 | 6.1 |
| **Total Jointly controlled companies** | | | | **76 300** | | **2 733** | **2 080** | |
| **Forward sold property projects:** | | | | | | | | |
| Gullfaks*** | 50 | Stavanger | Aug-16 | 17 900 | 100 | 539 | 531 | 6.7 |
| **Total Forward sold projects** | | | | **17 900** | | **539** | **531** | |

* 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

## Status ongoing project

At Strømsveien 96 in Oslo, the refurbishment of 18,100 square metres (12,500 sqm offices) is ongoing. Assembling of the facade and internal work are main activities in the period. The Norwegian Medicines Agency will be one of the tenants, letting approximately 6,500 square metres. The project aims to obtain a BREEAM Very Good classification and will obtain energy class B. The refurbishment will be completed in December 2016.

Cort Adelersgate 30 in Oslo will be refurbished during 2016. Entra has signed a 10 year lease contract with the Oslo Municipality Education Authority for 4,750 sqm and the building is fully let. Main activities in the period have been technical rooms and work on technical installations.

In December 2015, Entra purchased the development project "Trondheimsporten", a new-build project centrally located in Holtermanns veg 70 in Trondheim. When finalised, the property will be a 15-floor building of approx. 28,600 sqm. office/education and parking. The property is 77 per cent pre-let to Trondheim municipality and the Norwegian Labour and Welfare Administration on 10-year contracts. The tenants have options to let the remaining areas in the building. Construction started in January 2016.  The building is expected to be finalised during the third quarter of 2017 with a BREEAM Very Good classification. In the second quarter, there has been construction work in basement levels.

In April, construction work started at the third building block at Kjørbo (Powerhouse Kjørbo, Block  3) in Sandvika. The project is a refurbishment of 4,200 sqm and is 54 per cent pre-let to Asplan Viak. The project is designed as a Powerhouse and the aim is to achieve BREEAM Excellent classification.

In Sundtkvartalet in Oslo, a new, environmentally leading office building of approximately 31,300 square metres is under construction. Construction of the facade and internal works is currently ongoing. The ambition is to obtain a BREEAM Excellent classification, a passive house with energy class A. The project is organised through a joint venture where Skanska and Entra own 50 per cent each. Skanska is the building contractor and has also signed a lease for approximately 8,000 square metres in the new property. A new lease contract with Norwegian Food Safety Authority (Mattilsynet) for 1,700 sqm and 10 years has been signed in the quarter.

In Lars Hilles gate 30 in Bergen (Media City Bergen), internal work is the main ongoing activity as well as work on technical rooms in basement levels. The project includes total renovation of approximately 35,000 square metres and an extension of approximately 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, technology, education and research companies/organisations. The largest media companies such as TV2, NRK, Bergensavisen, Bergens Tidene, the Media Faculty of Bergen University, and Vizrt have signed lease contracts. The property is 50 per cent owned by Entra through Entra OPF.

In July 2015, Wintershall exercised its option to acquire the property project Gullfaks in Stavanger when finalised in August 2016. Gullfaks is a 17,900 sqm office building under construction at Hinna Park in Stavanger. The transaction also includes part of an underground car park. The property is 50 per cent owned by Entra through Hinna Park Eiendom AS.

Youngskvartalet in Oslo involves both a new building and refurbishment of an existing building. The project consists of 9,400 sqm and will be finalised in Q4 2017. The project is forward sold to Industri Energi as part of a larger transaction that took place in 2012 where Entra booked a total value gain of 134 million. When finalised, Entra will deliver the project at cost plus a project management fee. Total project cost (incl. land) is approximately 340 million.

# Transactions

Entra actively seeks to improve the quality of its property portfolio through a disciplined strategy of acquisitions and divestments. Entra focuses on acquisition of large properties and projects in specific areas within our four core markets; Oslo, Bergen, Trondheim and Stavanger. Target areas include areas in the city centers and selected clusters and communication hubs outside the city centers, allowing Entra to offer rental opportunities at a price range that fits its customer base. Entra's experience, financial strength and knowledge of its tenants makes the company well positioned to make acquisitions that meet these acquisition criteria. Also, Entra actively divests smaller properties and properties outside its core markets. The acquisition and divestment strategy is flexible, allowing Entra to respond to market opportunities as they arise.

During Q2 2016 Entra has signed an agreement to buy three high quality office properties at Skøyen in Oslo from Norwegian Property ASA. The portfolio comprise about 61,000 sqm gross area, of which around 43,100 sqm office and 2,700 sqm retail. Total transaction price is approximately 2.5 billion and closing is expected to take place on 1 September 2016.

Entra has also acquired a land plot in Lars Hilles gate 25 in Bergen for 53 million. Current zoning allows a new-build of approximately 5,800 sqm but Entra has an ambition to increase this to a new office building of around 10,000 sqm.

In accordance with the strategy to divest non-core assets, Entra has sold the properties Kalfarveien 31 in Bergen, Fritzners gate 12 in Oslo and Telemarksgata 11 in Skien during the quarter for a total consideration of 149 million. The properties will be delivered to the buyers later in 2016.

## Transactions in 2015 and YTD 2016

| Purchased properties | Area | Transaction quarter | No of sqm | Transaction value (NOKm) | Closing date |
|---|---|---|---|---|---|
| Skøyen portfolio (three properties) | Oslo | Q2 2016 | 61 000 | 2 529 | 01.09.2016 |
| Land plot, Lars Hillesgate 25 | Bergen | Q2 2016 | na | 53 | tbd |
| Office part of Oslo City* | Oslo | Q4 2015 | 40 250 | 1 650 | 31.12.2015 |
| Trondheimsporten | Trondheim | Q4 2015 | 28 600 | 163 | 18.12.2015 |
| **Sum** | | | **129 850** | **4 395** | |

| Sold properties | | Transaction quarter | No of sqm | Transaction value (NOKm) | Closing date |
|---|---|---|---|---|---|
| Kalfarveien 31 | Bergen | Q2 2016 | 8,440 | 85 | 30.09.2016 |
| Fritznersgate 12 | Oslo | Q2 2016 | 824 | 53 | 15.09.2016 |
| Telemarksgata 11 | Skien | Q2 2016 | 4 300 | 11 | 01.07.2016 |
| Ringstabekk AS** | Bærum | Q1 2016 | 5 570 | 114 | 06.04.2016 |
| Strandveien 13, Tromsø | Tromsø | Q4 2015 | 11 560 | 158 | 28.01.2016 |
| Tollbugata 2, Bodø | Bodø | Q4 2015 | 940 | 14 | 01.12.2015 |
| Hans Kiersgate 1 b and c | Drammen | Q4 2015 | 2 230 | 11 | 30.10.2015 |
| Kirkegata 2 B | Arendal | Q3 2015 | 5 800 | 33 | 30.09.2015 |
| Gullfaks, Hinna Park (forward sale) | Stavanger | Q3 2015 | 17 900 | Est. 700 | Q3 2016 |
| Keysersgate 15 | Oslo | Q1 2015 | 315 | 16 | 01.03.2015 |
| Portfolio of six properties | Moss, Skien, Lillestrøm | Q1 2015 | 62 918 | 1 375 | 24.02.2015 |
| Grønnegaten 122 | Tromsø | Q4 2014 | 6 600 | 72 | 07.04.2015 |
| Skansegaten 2 | Stavanger | Q4 2014 | 4 379 | 110 | 09.01.2015 |
| **Sum** | | | **123 336** | **2 752** | |

* Included 50 per cent of parking basement

** Commercial areas included in number of sqm (residential not included)

# Partly owned companies

Entra selectively gains access to development projects through its shareholding in subsidiaries with non-controlling interests and jointly controlled entities. Entra's ownership interests currently include the following companies:

## Papirbredden Eiendom AS (60 %)

Entra and Drammen Municipality own Papirbredden Eiendom AS. The company owns six office properties and development potential for one new office property of around 39,000 sqm in Drammen.

## Hinna Park Eiendom AS (50 %)

Entra and Camar Eiendom AS own Hinna Park Eiendom AS. The company owns three office properties and development potential for two new office properties totalling around 29,300 sqm. The company also owns the ongoing development project Gullfaks which has been forward sold to Wintershall.

## Entra OPF Utvikling AS (50 %)

Entra and Oslo Pensjonsforsikring (OPF) own Entra OPF Utvikling AS. The company owns two properties in Bergen of which one is the project property MediaCity Bergen in Lars Hilles gate 30. According to the agreement between Entra and Oslo Pensjonsforsikring, Entra OPF Utvikling AS is not to be financed with debt, any capital requirements are thus to be financed with equity contributions from the owners.

## Sundtkvartalet Holding AS (50 %)

Entra and Skanska Commercial Development Norway Holding AS own Sundtkvartalet Holding AS. The company will build a new office building of approximately 31,000 square meters as described under the project development section above.

## Oslo S Utvikling AS "OSU" (33.33 %)

OSU is a property development company that is undertaking the development of parts of the city district Bjørvika in Oslo. Entra's share of the market value of the properties and projects in OSU is estimated at approximately 1.3 billion as of 30.06.16. The estimate is based on valuations from two external appraisers. Entra's share of the net asset value as at 30.06.16 was 0.6 billion after taking into account estimated latent deferred tax of 10 per cent.

## Oslo City Parkering AS (50 %)

Entra and Steen & Strøm AS own Oslo City Parkering AS. The company owns the parking basement of the property Oslo City.

## Financial figures for the first six months of 2016 for partly owned entities and JVs (based on 100 % ownership)

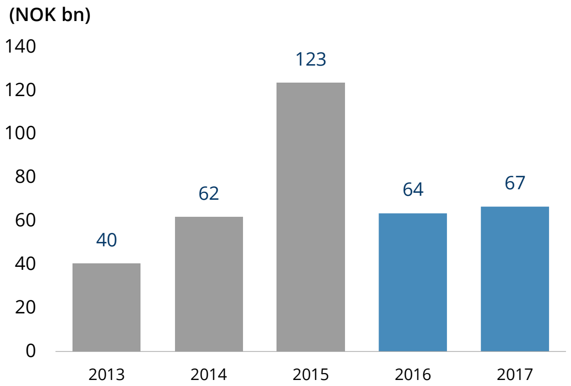
| All figures in NOK millions | Papirbredden Eiendom AS | Hinna Park Eiendom AS | Sum consolidated companies | Entra OPF Utvikling AS | Sundtkvartalet Holding AS | Oslo S Utvikling AS | Oslo City Parkering AS | Other | Sum associated companies & JVs |
|---|---|---|---|---|---|---|---|---|---|
| Share of ownership (%) | 60 | 50 | | 50 | 50 | 33 | 50 | | |
| Rental income | 46 | 37 | 83 | 10 | 0 | 43 | 8 | | 61 |
| Net operating income | 45 | 32 | 77 | 6 | -1 | 43 | 7 | | 55 |
| Net income | 28 | 14 | 42 | 5 | -2 | -41 | 7 | | -31 |
| Changes in value of investment properties | 145 | -36 | 109 | 20 | -15 | 0 | 5 | | 10 |
| Changes in value of financial instruments | -2 | -1 | -4 | 0 | 0 | 21 | 0 | | 21 |
| Profit before tax | 171 | -24 | 147 | 25 | -17 | -20 | 12 | 0 | 0 |
| Tax | -43 | 6 | -37 | -6 | 4 | 5 | -3 | 0 | 0 |
| **Profit for period/year** | **128** | **-18** | **110** | **19** | **-13** | **-15** | **9** | **0** | **0** |
| *Non-controlling interests* | 51 | -9 | 42 | | | | | | |
| *Entras share of profit* | | | | 9 | -6 | -5 | 5 | 16 | 19 |
| *Book value* | | | | 663 | 151 | 535 | 147 | 7 | 1 503 |
| **Market value properties** | **1 623** | **1 737** | **3 360** | **1 387** | **993** | **3 964** | **295** | | **6 639** |
| *Entras share of market value properties* | 974 | 868 | 1 842 | 693 | 496 | 1 322 | 147 | | 2 659 |

# Market development

Transaction volumes in 2016 have decreased with around 50 per cent compared to the same period in 2015 and is now down at more normalised levels compared to previous years. The high volumes in 2015 were driven by low interest rates, demand from foreign investors and several large portfolios being offered in the market. In 2016, there have been significantly fewer acquisition targets available, and, in addition, a tighter and more selective financing market

Prime yield is now down at 4 per cent, representing a reduction of about 10 bp since Q1-16. Prime yield is expected to remain at current historically low levels in the years to come according to Entra's consensus report.

TRANSACTION VOLUME NORWAY




Source: Entra Consensus report

Office vacancy in Oslo is expected to drop from 8.3 per cent in Q4 2015 to around 8 per cent by the end of 2016 according to Entra´s consensus report. The expected decrease in vacancy is explained by increasing employment, office to residential conversion and general low construction activity in 2016-17. There has been high activity in the letting market this spring. Rents for modern offices in the city centre remains stable at around 3,000 per square meter. Rent levels are expected to rise by 2-3 per cent in 2017-18 according to Entra´s consensus report.

In Bergen, Stavanger and Trondheim, the office vacancy seems to be levelling out at about 10 per cent. The negative impact from reduced activity in the oil and gas industry seems to be flattening out.

In Bergen, the office vacancy is mainly related to properties situated around the oil and gas intensive office areas at Kokstad / Sandsli / Flesland. In the city centre, low vacancy levels has led to relatively stable rents. Stavanger is still experiencing downward pressure on rent levels. In Trondheim, modern offices located in or near by city centre, are attractive and rents are stable. Outside the city centre, rent levels are experiencing downward pressure and the office vacancy is increasing due to high new building activity.

Overall, Entra is in a relatively good position having long lease contracts with solid tenants and a low exposure towards the oil and gas sector. Modern offices located near public transportation are attractive and obtain solid rents compared to premises located in less central areas.

## Market data Oslo

| | 2013 | 2014 | 2015 | 2016e | 2017e | 2018e |
|---|---|---|---|---|---|---|
| Vacancy Oslo and Bærum (%) | 7.4 | 7.8 | 8.4 | 8.0 | 7.5 | 7.1 |
| Rent per sqm, high standard Oslo office | 2 907 | 3 025 | 2 935 | 2 941 | 3 033 | 3 105 |
| Prime yield (%) | 5.2 | 4.7 | 4.1 | 4.0 | 4.0 | na |

Source: Entra Consensus report

# Other information

## Organisation and HSE

At 30.06.16, the Group had 161 employees. During the quarter, there were no injuries that caused absence from work. Entra has a continuous HSE focus 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 3.9 (4.0) at the end of the period.

## Risk and risk management

The Group is exposed to financial risk through its 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 interest rate 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.

Business and strategic risks include the possible impact on the Group's operations of political decisions, regulations and significant unforeseen non-recurring events. Due to political changes in the city council in Oslo in 2015, Entra will be exposed to property tax on all its properties in Oslo, effective from 2017.

Entra carries out major upgrading and development projects involving risks in relation to deadlines and costs.

## Events after the balance sheet date

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

## Share and shareholder information

Entra's share capital is NOK 183,732,461 divided into 183,732,461 shares, each with a par value of NOK 1 per share. Entra has one class of shares and all shares provide equal rights, including the right to any dividends.

As of 30.06.16, Entra had 5,519 shareholders. Norwegian investors held 70 per cent of the share capital and foreign investors 30 per cent. The 10 largest shareholders as of 30.06.16 were:

| Shareholder | % holding |
|---|---|
| Norwegian Ministry of Trade, Industry and Fisheries | 49.7 |
| Geveran Trading | 7.7 |
| Folketrygdfondet | 7.6 |
| Danske Invest Norske | 2.1 |
| State Street Bank (Nominee) | 2.0 |
| JP Morgan Bank Luxemburg (Nominee) | 1.7 |
| The Bank of New York (Nominee) | 1.4 |
| Danske Invest Norske | 1.1 |
| State Street Bank (Nominee) | 1.0 |
| The Bank of New York (Nominee) | 0.9 |
| **SUM 10 LARGEST SHAREHOLDERS** | **75.2** |

# Outlook

The Norwegian economy is still influenced by a weaker macroeconomic development and general uncertainty even though one recently has seen positive development in certain key macro indicators. Brexit is causing general uncertainty but it is to early to predict how or even if Brexit will impact the Norwegian commercial real estate market and economy in general.

The downturn in the oil sector and related industries has primarily had a negative impact in the southern and western part of Norway, and 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 low exposure to the geographical areas being hit by the downturn, long lease contracts with solid tenants and a low exposure towards the oil sector.

In Oslo, that constitutes more than 60 per cent of Entra's revenues, we expect vacancy levels to have peaked and to see a falling trend going forward as net new office space coming into the market during 2016 and 2017 is marginal due to low new building activity and high conversion from commercial to residential buildings. The slight decrease in market rent levels in previous quarters has flattened out, and we expect a positive trend from 2017.

Modern offices located near public transportation are attractive and obtain solid rents compared to premises located in less central areas.

The good credit availability and historically low market interest rates for all maturities has continued. The volatility and uncertainty in the financial markets is high, but Entra, with its strong balance sheet and predictable cash flow, is in a very good position to secure favourable financing also going forward.

Property investors seek quality properties with good locations and long and secure cash flows. The yield compression in the Norwegian market is expected to level out. However, Entra's portfolio with a healthy mix of attractive properties and value enhancing development projects should provide a continued positive value development, albeit at a significantly slower pace.

With its flexible properties in attractive locations, strong tenant base with long lease contracts, exciting project pipeline and solid financial position, the Board believe that Entra is well positioned for the future.

Oslo, 13 July 2016

The Board of Entra ASA

# Financial statements

## Statement of comprehensive income

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 | 2015 |
|---|---|---|---|---|---|
| Rental income | 463 | 423 | 916 | 864 | 1 760 |
| Repairs & maintenance | -14 | -8 | -16 | -16 | -56 |
| Operating costs | -27 | -34 | -50 | -60 | -129 |
| **Net operating income** | 421 | 381 | 850 | 787 | 1 574 |
| | | | | | |
| Other revenue | 54 | 27 | 113 | 192 | 240 |
| Other costs | -55 | -22 | -109 | -180 | -224 |
| Administrative costs | -28 | -32 | -72 | -87 | -168 |
| Share of profit from associates and JVs | 11 | 32 | 19 | 42 | 44 |
| Net realised financials | -140 | -245 | -273 | -394 | -625 |
| **Net income** | **264** | **140** | **528** | **361** | **840** |
| **- of which net income from property management** | **258** | **110** | **536** | **321** | **799** |
| | | | | | |
| Changes in value of investment properties | 567 | 178 | 749 | 893 | 1 818 |
| Changes in value of financial instruments | -41 | 344 | -203 | 423 | 417 |
| **Profit before tax** | **790** | **661** | **1 074** | **1 677** | **3 075** |
| | | | | | |
| Tax payable | 0 | 0 | 0 | 0 | 0 |
| Change in deferred tax | -187 | -155 | -250 | -223 | -354 |
| **Profit for period/year** | **603** | **506** | **824** | **1 454** | **2 721** |
| | | | | | |
| Actuarial gains and losses, net of tax | 0 | 0 | 0 | 0 | 39 |
| Change in deferred tax on comprehensive income | 0 | 0 | 0 | 0 | -10 |
| **Total comprehensive income for the period/year** | 603 | 506 | 824 | 1 454 | 2 750 |
| | | | | | |
| **Profit attributable to:** | | | | | |
| Equity holders of the Company | 559 | 495 | 782 | 1 431 | 2 648 |
| Non-controlling interest | 44 | 11 | 42 | 23 | 73 |
| | | | | | |
| **Total comprehensive income attributable to:** | | | | | |
| Equity holders of the Company | 559 | 495 | 782 | 1 431 | 2 677 |
| Non-controlling interest | 44 | 11 | 42 | 23 | 73 |

# Balance sheet

| All figures in NOK millions | 30.06.2016 | 30.06.2015 | 31.12.2015 |
|---|---|---|---|
| Intangible assets | 161 | 192 | 161 |
| Investment property | 31 170 | 27 939 | 28 823 |
| Other operating assets | 27 | 31 | 35 |
| Investments in associates and JVs | 1 503 | 1 170 | 2 789 |
| Financial derivatives | 640 | 425 | 530 |
| Long-term receivables | 69 | 61 | 53 |
| **Total non-current assets** | **33 570** | **29 820** | **32 391** |
| | | | |
| Property and housing-units for sale | 665 | 34 | 589 |
| Investment property held for sale | 194 | 178 | 165 |
| Trade receivables | 15 | 36 | 56 |
| Other receivables | 272 | 119 | 206 |
| Cash and bank deposits | 158 | 72 | 212 |
| **Total current assets** | **1 304** | **439** | **1 227** |
| **Total assets** | **34 874** | **30 259** | **33 619** |
| | | | |
| Shareholders equity | 13 224 | 11 749 | 12 995 |
| Non-controlling interests | 401 | 309 | 359 |
| **Total equity** | **13 625** | **12 058** | **13 354** |
| | | | |
| Interest-bearing debt | 11 849 | 11 084 | 12 083 |
| Deferred tax liability | 3 572 | 3 178 | 3 324 |
| Financial derivatives | 1 283 | 941 | 1 121 |
| Other non-current liabilities | 230 | 220 | 237 |
| **Total non-current liabilities** | **16 935** | **15 423** | **16 764** |
| | | | |
| Interest-bearing debt | 3 852 | 2 312 | 3 123 |
| Trade payables | 255 | 285 | 142 |
| Other current liabilities | 207 | 180 | 236 |
| **Total current liabilities** | **4 314** | **2 777** | **3 501** |
| **Total liabilities** | **21 249** | **18 200** | **20 265** |
| **Total equity and liabilities** | **34 874** | **30 259** | **33 619** |

# Consolidated statement of changes in equity

| All figures in NOK millions | Share capital | Other paid-in capital | Retained earnings | Non-controlling interest | Total equity |
|---|---|---|---|---|---|
| **Equity 31.12.2014** | **184** | **3 556** | **7 039** | **286** | **11 064** |
| Profit for the year | | | 2 648 | 73 | 2 721 |
| Other comprehensive income | | | 28 | | 28 |
| Dividend paid | | | -459 | | -459 |
| Acquired own shares - employee saving scheme | 0 | -6 | -1 | | -7 |
| Sold own shares - employee saving scheme | 0 | 6 | 0 | | 6 |
| **Equity 31.12.2015** | **184** | **3 556** | **9 255** | **359** | **13 354** |
| Profit for period | | | 782 | 42 | 824 |
| Other comprehensive income | | | | | 0 |
| Dividend paid | | | -551 | | -551 |
| Net equity effect of employee share saving scheme | | | -1 | | -1 |
| Net equity effect of LTI share program | | | 0 | | 0 |
| **Equity 30.06.2016** | **184** | **3 556** | **9 485** | **401** | **13 625** |

# Consolidated statement of cash flows

| All figures in NOK millions | Q2 16 | Q2 15 | YTD Q2 16 | YTD Q2 15 | 2015 |
|---|---|---|---|---|---|
| Profit before tax | 790 | 661 | 1 074 | 1 677 | 3 075 |
| Income tax paid | 0 | 0 | 0 | 0 | 0 |
| Net expensed interest and fees on loans | 141 | 133 | 273 | 278 | 645 |
| Net interest and fees paid on loans | -152 | -148 | -279 | -306 | -584 |
| Share of profit from associates and jointly controlled entities | -11 | -32 | -19 | -42 | -44 |
| Depreciation and amortisation | 2 | 2 | 5 | 12 | 18 |
| Changes in value of investment properties | -567 | -178 | -749 | -893 | -1 818 |
| Changes in value of financial instruments | 41 | -344 | 203 | -423 | -417 |
| Change in working capital | -43 | 31 | -31 | 17 | -26 |
| **Net cash flow from operating activities** | **201** | **126** | **477** | **320** | **850** |
| Proceeds from property transactions | 103 | 128 | 266 | 1 726 | 1 792 |
| Purchase of investment properties | 1 | 0 | 1 | 0 | -132 |
| Upgrades of investment properties | -215 | -290 | -347 | -456 | -911 |
| Investment in property and housing-units for sale | -25 | -1 | -125 | -3 | -82 |
| Purchase of intangible and other operating assets | -4 | -2 | -6 | -16 | -41 |
| Net payment financial assets | 0 | 0 | 5 | -16 | -30 |
| Net repayment of loans to associates and JVs | 0 | 0 | 0 | 62 | 62 |
| Net payments in associates and JVs | -50 | -17 | -130 | -54 | -1 720 |
| Dividends from associates and JVs | 0 | 0 | 0 | 0 | 51 |
| **Net cash flow from investment activities** | **-191** | **-182** | **-338** | **1 244** | **-1 010** |
| Proceeds interest-bearing debt | 4 576 | 2 714 | 8 093 | 3 564 | 19 126 |
| Repayment interest-bearing debt | -4 030 | -2 253 | -7 753 | -4 793 | -18 492 |
| Proceeds from/repayment of equity | -1 | 0 | -1 | 0 | -1 |
| Dividends paid | -532 | -459 | -532 | -459 | -459 |
| **Net cash flow from financing activities** | **12** | **1** | **-193** | **-1 689** | **174** |
| Change in cash and cash equivalents | 22 | -54 | -54 | -125 | 14 |
| Cash and cash equivalents at beginning of period | 136 | 127 | 212 | 198 | 198 |
| **Cash and cash equivalents at end of period** | **158** | **73** | **158** | **73** | **212** |

## NOTE 1 – ACCOUNTING PRINCIPLES

The results for the period have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting principles that have been used in the preparation of the interim financial statements are in conformity with the principles used in preparation of the annual financial statements for 2015.

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

In the first quarter of 2016 the Group did some changes to how the profit and loss statement is presented in order to better reflect the underlying operational results and to a greater extent be harmonised with how peer companies and equity analysts present their figures. The major changes are:

- Stating a Net operating income (from property management)
- Including Net realised financials in Net Income /Net income from property management
- Including profit from associated and JVs in Net income
- Establishing "Net income from property management" as Net income minus values changes and tax from associates and JVs and profit from the jointly controlled entity Oslo S Utvikling.

In addition, some changes in the balance sheet have been done in order to improve the presentation.

## NOTE 2 – SEGMENT INFORMATION

The Group is organised into two geographic units: Oslo and Regional Cities. These units are supported by a Letting and Business Development division and a Development and Technology division. In addition, Entra has group and support functions within accounting and finance, legal, procurement, communication and HR.

Each of the geographic units are organised and monitored by management teams in seven geographic areas: Oslo, Trondheim, Sandvika, Stavanger, Drammen, Bergen and Kristiansand.

The geographic units do not have their own profit responsibility. The geographical units are instead followed up on economical and non-economical key figures ("key performance indicators"). These key performance indicators are reported and analysed by geographic area to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance. Hence, the Group report their segment information based upon these seven geographic areas.

# Operating segments Q2–16:

| | Number | Area | Occupancy | Wault | Market value | | 12 months rolling rent | | Net yield | Market rent | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | (#) | (sqm) | (%) | (year) | (NOKm) | (NOK/sqm) | (NOKm) | (NOK/sqm) | (%) | (NOKm) | (NOK/sqm) |
| Oslo | 39 | 551 184 | 95.9 | 6.5 | 19 736 | 35 806 | 1 175 | 2 132 | 5.5 | 1 174 | 2 129 |
| Trondheim | 9 | 117 187 | 98.2 | 6.2 | 2 467 | 21 048 | 176 | 1 499 | 6.4 | 166 | 1 415 |
| Sandvika | 9 | 94 594 | 90.4 | 10.2 | 2 118 | 22 389 | 118 | 1 247 | 5.1 | 121 | 1 281 |
| Stavanger | 6 | 79 194 | 93.6 | 9.7 | 2 053 | 25 928 | 134 | 1 689 | 6.0 | 135 | 1 702 |
| Drammen | 8 | 70 516 | 92.8 | 8.8 | 1 861 | 26 388 | 113 | 1 605 | 5.7 | 106 | 1 506 |
| Bergen | 6 | 57 119 | 98.8 | 5.2 | 1 236 | 21 643 | 83 | 1 455 | 6.0 | 93 | 1 623 |
| Kristiansand | 7 | 45 158 | 92.6 | 8.5 | 620 | 13 727 | 51 | 1 139 | 7.3 | 49 | 1 093 |
| Other | 2 | 9 823 | 79.1 | 4.0 | 74 | 7 523 | 6 | 658 | 7.6 | 7 | 667 |
| **Management portfolio** | **86** | **1 024 776** | **95.4** | **7.1** | **30 164** | **29 435** | **1 857** | **1 812** | **5.6** | **1 850** | **1 806** |
| Project portfolio | 6 | 97 412 | | 13.9 | 1 437 | 14 749 | | | | | |
| Development sites | 4 | 120 911 | | 0.7 | 446 | 3 688 | | | | | |
| **Property portfolio** | **96** | **1 243 098** | | **7.4** | **32 047** | **25 780** | | | | | |

Youngsgt. 7-9 is included in market value of the management portfolio at sales price of 60 million.
The calculation of net yield is based on the valuers' assumption of ownership costs, which at 30.06 corresponds to 8.4 per cent of market rent.

# Operating segments Q2–15:

| | Number | Area | Occupancy | Wault | Market value | | 12 months rolling rent | | Net yield | Market rent | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | (#) | (sqm) | (%) | (year) | (NOKm) | (NOK/sqm) | (NOKm) | (NOK/sqm) | (%) | (NOKm) | (NOK/sqm) |
| Oslo | 37 | 507 648 | 94.9 | 6.8 | 16 507 | 32 518 | 1 026 | 2 021 | 5.8 | 1 050 | 2 067 |
| Sandvika | 10 | 101 031 | 89.3 | 11.4 | 2 071 | 20 501 | 128 | 1 264 | 5.7 | 135 | 1 339 |
| Drammen | 8 | 61 757 | 98.9 | 9.0 | 1 368 | 22 154 | 92 | 1 482 | 6.2 | 83 | 1 351 |
| Bergen | 6 | 57 089 | 99.1 | 5.1 | 1 143 | 20 015 | 84 | 1 469 | 6.5 | 91 | 1 599 |
| Trondheim | 9 | 117 182 | 95.6 | 6.9 | 2 337 | 19 947 | 168 | 1 432 | 6.4 | 165 | 1 407 |
| Stavanger | 6 | 79 814 | 91.8 | 9.0 | 2 050 | 25 690 | 136 | 1 710 | 6.2 | 136 | 1 700 |
| Kristiansand | 8 | 46 034 | 90.0 | 9.4 | 588 | 12 778 | 48 | 1 043 | 7.1 | 48 | 1 047 |
| Other | 5 | 28 135 | 94.8 | 5.3 | 268 | 9 518 | 33 | 1 165 | 10.7 | 33 | 1 169 |
| **Management portfolio** | **89** | **998 690** | **94.6** | **7.4** | **26 333** | **26 368** | **1 714** | **1 716** | **6.0** | **1 741** | **1 743** |
| Project portfolio | 3 | 79 486 | | 11.7 | 1 326 | 16 678 | | | | | |
| Development sites | 6 | 129 500 | | 0.3 | 427 | 3 295 | | | | | |
| **Property portfolio** | **98** | **1 207 676** | | **7.6** | **28 086** | **23 256** | | | | | |

Ringstabekk housing project is included in market value of management portfolio at cost price of 34 million. Youngsgt. 7-9 is included in market value of the management portfolio at sales price of 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.

## NOTE 3 – INVESTMENT PROPERTIES

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 | 2015 |
|---|---|---|---|---|---|
| Closing balance previous period | 29 218 | 27 705 | 28 989 | 28 230 | 28 230 |
| Purchase of investment property | 1 459 | 0 | 1 459 | 0 | 213 |
| Investment in the property portfolio | 209 | 298 | 417 | 460 | 807 |
| Capitalised borrowing costs | 2 | 10 | 3 | 19 | 22 |
| Sale of investment property | -90 | -73 | -252 | -1 485 | -1 548 |
| Reclassified to property and housing-units for sale | 0 | 0 | 0 | 0 | -493 |
| Reclassified to construction contracts | 0 | 0 | 0 | 0 | -60 |
| Changes in value of operational lease | -11 | 21 | 5 | 22 | -59 |
| Changes in value of investment properties | 578 | 156 | 743 | 871 | 1 877 |
| **Closing balance** | **31 364** | **28 118** | **31 364** | **28 118** | **28 989** |
| Investment property held for sale | 194 | 178 | 194 | 178 | 165 |
| **Investment property** | **31 170** | **27 939** | **31 170** | **27 939** | **28 823** |

Investment properties held for sale include the properties Telemarksgata 11/Lundegata 4 in Skien, Molovegen 10 in Bodø, Kalfarveien 31 in Bergen and Fritzners gate 12 in Oslo. During the second quarter of 2016 Entra has sold the properties Kalfarveien 31, Fritzners gate 12 and Telemarksgata 11. The properties are classified as held for sale until delivery to the buyers later in 2016.

Sale of investment properties relates to the sale of the property Strandveien 13 in Tromsø and Ringstabekkveien 105 in Bærum.

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 666 million (701 million) at the end of the second quarter of 2016. The Group records quarterly a negative value change on the property as the maturity date of the lease approaches.

## NOTE 4 – CONTINGENCIES

Entra is currently involved in legal arbitration proceedings or disputes with Norwegian Datasenter Group AS/ Greenfield Property AS and Evry ASA.

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 the hearing of the dispute will take place in February 2017.

The hearing of the dispute with Evry ASA AS took place in Oslo District Court in February 2015 and Evry ASA prevailed. Entra disagrees with the verdict and the ruling has been appealed. The hearing of the dispute will take place in October 2016.

Entra has not made any provision for the claims as the Group considers it not probable that an outflow of resources will be required.

## NOTE 5 –SHARE SAVING SCHEME EMPLOYEES

The Board of Entra ASA has decided to continue the share saving scheme in 2016, 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 2016 less a 20 per cent discount. Total subscription amounted to 7.5 million (4.9 million) after discount.

Entra has in Q2-16 acquired a total of 120 050 (83 129) of its own shares. The total amount paid to acquire the shares was 9,5 million (6.1 million). All shares were sold to the employees in connection with the share saving scheme to employees in June 2016. The Group has expensed 0.8 million (0.5 million) in the income statement and 1.2 million (0.8 million) against retained earnings in the second quarter of 2016.

## NOTE 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 2015 for further information. Set out below is a summary of assets and liabilities measured at fair value divided between the different valuation hierarchies set out in IFRS 7.

With the exception of equity capital instruments of 0.6 million (level 3) all assets and liabilities are level 2. Investment properties of 29,070 million are classified at level 3.

| All figures in NOK millions | 30.06.2016 | 30.06.2015 | 31.12.2015 |
|---|---|---|---|
| **Assets measured at fair value:** | | | |
| Assets measured at fair value with change over the result | | | |
| - Investment property | 31 170 | 27 939 | 28 823 |
| - Investment property held for sale | 194 | 178 | 165 |
| - Derivatives | 640 | 425 | 530 |
| Financial assets held for sale | | | |
| - Equity instruments | 1 | 1 | 1 |
| **Total** | **32 005** | **28 543** | **29 520** |
| **Liabilities measured at fair value:** | | | |
| Financial liabilitites measured at fair value with change over the result | | | |
| - Derivatives | 1 283 | 941 | 1 121 |
| - Bonds | 4 905 | 4 122 | 4 054 |
| - Commercial paper | 1 900 | 1 100 | 1 900 |
| **Total** | **8 088** | **6 164** | **7 075** |

## 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 2016 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 2016

Siri Hatlen
*Chair*

Kjell Bjordal
*Deputy chair*

Widar Salbuvik
*Board member*

Katarina Staaf
*Board member*

Arthur Sletteberg
*Board member*

Cathrine Vaar Austheim
*Board member*

Hans Petter Skogstad
*Board member*

Arve Regland
*Chief executive*

# CALCULATION OF KEY FIGURES AND DEFINITIONS

## DEBT RATIO (LTV)

| All figures in NOK millions | Q2-16 | Q2-15 | 2015 |
|---|---|---|---|
| Net nominal interest-bearing debt | 15 039 | 12 901 | 14 640 |
| Total market value of the property portfolio | 32 740 | 28 526 | 31 777 |
| Market value of the property portfolio | 32 047 | 28 086 | 29 598 |
| Share of Entra OPF Utvikling (50%) | 693 | 440 | 525 |
| Share of Oslo City Kjøpesenter AS (33,3%) | 0 | 0 | 1 654 |
| **Debt ratio (LTV) %** | **45.9** | **45.2** | **46.1** |

## INTEREST COVERAGE RATIO (ICR)

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 | 2015 |
|---|---|---|---|---|---|
| Net income | 264 | 140 | 528 | 361 | 840 |
| Depreciation | 2 | 3 | 5 | 13 | 18 |
| Results from associates and joint ventures | -11 | -32 | -19 | -42 | -44 |
| Net realised financials | 140 | 245 | 273 | 394 | 625 |
| **EBITDA adjusted** | **395** | **356** | **788** | **725** | **1 440** |
| **Share of EBITDA Entra OPF Utvikling** | 1 | 2 | 2 | 3 | 5 |
| **EBITDA adjusted for share of Entra OPF Utvikling** | **396** | **358** | **790** | **728** | **1 444** |
| Interest cost | 133 | 140 | 269 | 291 | 548 |
| Other finance expense | 15 | 4 | 19 | 12 | 24 |
| **Applicable net interest cost** | **148** | **144** | **288** | **303** | **572** |
| **Interest Coverage Ratio (ICR)** | **2.7** | **2.5** | **2.7** | **2.4** | **2.5** |

## NET ASSET VALUE – EPRA NAV AND EPRA NNNAV

| All figures in NOK millions | Q2-16 | Q2-15 | 2015 |
|---|---|---|---|
| **Total equity** | **13 625** | **12 058** | **13 354** |
| Less: Non-controlling interests | 401 | 309 | 359 |
| **NAV per financial statement** | **13 224** | **11 749** | **12 995** |
| | | | |
| Add: Adjustment to property portfolio | 27 | 0 | 89 |
| Add: Revaluation of investments made in the JV | 121 | 201 | 118 |
| Add: Net market value on financial derivatives | 643 | 516 | 591 |
| Add: Deferred tax arising on revaluation moments | 2 734 | 2 419 | 2 550 |
| **EPRA NAV** | **16 748** | **14 886** | **16 342** |
| | | | |
| Market value on property portfolio | 32 047 | 28 086 | 29 598 |
| Tax value on property portfolio | 12 775 | 12 708 | 12 476 |
| Basis for calculation of tax on gain on sale | 19 271 | 15 378 | 17 122 |
| **Less: Market value of tax on gain on sale (5% tax rate)** | **964** | **769** | **856** |
| | | | |
| Net market value on financial derivatives | 643 | 516 | 591 |
| Tax expense on realised financial derivatives* | 161 | 139 | 148 |
| **Less: Net result from realisation of financial derivatives** | **482** | **377** | **443** |
| | | | |
| Book value of interest bearing debt | 15 701 | 13 396 | 15 205 |
| Nominal value of interest bearing debt | 15 196 | 12 973 | 14 851 |
| Basis for calculation of tax on realisation of interest-bearing debt | 505 | 422 | 354 |
| **Less: Market value of tax on realisation*** | **126** | **114** | **89** |
| | | | |
| **EPRA NNNAV** | **15 176** | **13 626** | **14 954** |

** 25 per cent from Q4 2015, 27 per cent previous periods*

## EPRA EARNINGS

| All figures in NOK millions | Q2-16 | Q2-15 | YTD Q2-16 | YTD Q2-15 | 2015 |
|---|---|---|---|---|---|
| Profit for period/year - Earnings per IFRS income statement | 603 | 506 | 824 | 1 454 | 2 721 |
| | | | | | |
| **Add:** | | | | | |
| Changes in value of investment properties | -567 | -178 | -749 | -893 | -1 818 |
| Tax on changes in value of investment properties* | 142 | 48 | 187 | 241 | 491 |
| Reversal of deferred tax arising from sales of properties (tax excempted) | 1 | -7 | -6 | -215 | -218 |
| Changes in value of financial instruments | 41 | -344 | 203 | -423 | -417 |
| Tax on changes in value of financial instruments* | -10 | 93 | -51 | 114 | 112 |
| Profit or losses on disposal of inventory in Oslo S Utvikling | -2 | -13 | -4 | -20 | -25 |
| Share of profit jointly controlled entities – fair value adjustments | -9 | -22 | -4 | -29 | -34 |
| Non-controlling interests of subsidiaries | -7 | -8 | -13 | -14 | -25 |
| Significant one-off items | 0 | 84 | 0 | 84 | 62 |
| Change in tax rate | 0 | 0 | 0 | 0 | -252 |
| **EPRA earnings** | **191** | **160** | **388** | **300** | **597** |

** 25 per cent from Q1 2016, 27 per cent previous periods*

# Definitions

| | |
|---|---|
| 12 months rolling rent | - The contractual rent of the management properties of the Group for the next 12 months as of a certain date, adjusted for (i) signed new contracts and contracts expiring during such period, (ii) contract based CPI adjustments based on Independent Appraisers' CPI estimates and (iii) the Independent Appraisers' estimates of letting of current and future vacant areas. |
| Cash Earnings | - Net income from property management less tax payable |
| Contractual rent | - Annual cash rental income being received as of relevant date |
| EPRA Earnings | - Net income after tax excluding value changes on investment properties, unrealised changes in the market value of financial derivatives and gains/losses on the sale of properties and their associated tax effects. All adjustments are also made for jointly controlled entities. EPRA earnings are intended to give an indication of the underlying development in the property portfolio |
| EPRA NAV | - Net asset value adjusted to include market value of all properties in the portfolio and interest-bearing debt, and to exclude certain items not expected to crystallise in a long-term investment property business model such as e.g. financial derivatives and deferred tax on the market value of investment properties. The objective with EPRA NAV is to demonstrate the fair value of net assets given a long-term investment horizon |
| EPRA NNNAV | - EPRA NNNAV 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 NNNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised |
| Gross yield | - 12 months rolling rent divided by the market value of the management portfolio |
| Interest Coverage Ratio ("ICR") | - Net income from property management excluding depreciation and amortisation for the Group including Entra OPF, divided by net interest on interest-bearing nominal debt and fees and commitment fees related to investment activities |
| Independent Appraisers | - Akershus Eiendom and DTZ |
| Land and dev. properties | - Property / plots of land with planning permission for development |
| Like-for-like | - The percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio. The figure is thus adjusted for purchases and sales of properties and active projects |
| Loan-to-value ("LTV") | - Net nominal value of interest-bearing liabilities divided by the market value of the property portfolio and the market value of the jointly controlled entities Entra OPF Utvikling and Oslo City Kjøpesenter AS |
| Management properties | - Properties that are actively managed by the company |
| Market rent | - The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the Independent Appraisers |
| Market value of portfolio | - The market value of all the properties owned by the parent company and subsidiaries, regardless of their classification for accounting purposes. Does not include the market value of properties in associates and jointly controlled entities |
| Net rent | - 12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group |
| Net letting | - Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts. |
| Net yield | - Net rent divided by the market value of the management properties of the Group |
| Occupancy (EPRA) | - 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 |
| Period-on-period | - Comparison between one period and the equivalent period the previous year |
| Property portfolio | - 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 |
| Project properties | - Properties where it has been decided to start construction of a new building and/or renovation |
| Total area | - Total area including the area of management properties, project properties and land / development properties |
| WAULT | - Weighted Average Unexpired Lease Term measured as the remaining contractual rent 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 |

# Other information

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## Financial calendar

| | |
|---|---|
| Third quarter 2016 | 01.11.2016 |
| Fourth quarter 2016 | 14.02.2017 |

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