Q4

Quarterly Report 2016

Central, flexible and environment friendly office properties

entra

Financial highlights

- Rental income of 506 million (437 million) in the quarter and 1,899 million (1,760 million) for 2016
- Net income from property management of 273 million (220 million) in the quarter and 1,070 million (799 million) for 2016
- Net value changes of 1,128 million (482 million) in the quarter and 2,116 million (2,235 million) for 2016
- Profit before tax of 1,475 million (717 million) in the quarter and 3,306 million (3,075 million) for 2016
- Positive net letting of 25 million in the quarter and 176 million in 2016
- Started up three and finalised three new development projects
- Proposing semi-annual dividend of 1.75 per share, corresponding to 3.45 per share for FY 2016 vs. 3.00 per share for FY 2015

Rental income

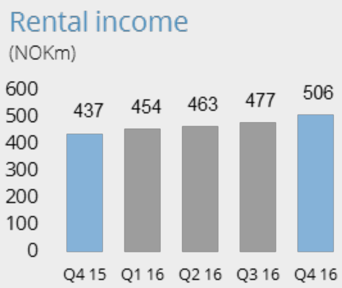
+ 16 %

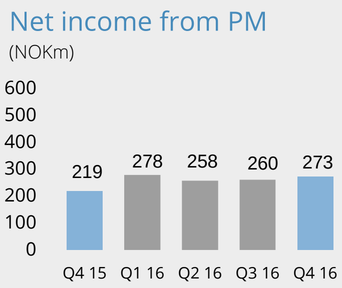
Property management

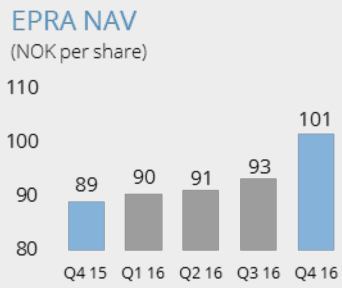
+ 24 %

EPRA NAV excl. dividend

+ 14 %







Key figures

All figures in NOK millions	Q4-16	Q4-15	2016	2015	2014	2013
Rental income	506	437	1 899	1 760	1 772	1 632
Change period-on-period	16%	-3%	8%	-1%	9%	3%
Net operating income	455	376	1 740	1 574	1 624	1 475
Change period-on-period	21%	-7%	11%	-3%	10%	3%
Net income from property management	273	220	1 070	799	774	525
Change period-on-period	24%	68%	34%	3%	47%	na
Profit before tax	1 475	717	3 306	3 075	1 377	458
Change period-on-period	106%	65%	8%	123%	201%	-43%
Profit after tax	1 316	774	2 722	2 721	1 026	466
Change period-on-period	70%	138%	0%	165%	120%	-35%
Market value of the property portfolio*	35 785	29 598	35 785	29 598	28 358	24 963
Net nominal interest-bearing debt	17 454	14 640	17 454	14 640	13 890	14 350
Loan to value*	47.6%	46.1%	47.6%	46.1%	48.4%	56.6%
Interest coverage ratio*	2.8	2.6	2.7	2.5	2.0	1.8
Number of shares	183.7	183.7	183.7	183.7	183.7	0.1

All figures in NOK per share*	Q4-16	Q4-15	2016	2015	2014	2013
EPRA Earnings	1.2	0.8	4.3	3.2	3.0	3 158
Change period-on-period	52%	na	31%	8%	na	na
EPRA NAV	101	89	101	89	76	76 998
Change period-on-period	14%	na	14%	16%	na	na
EPRA NNNAV	93	81	93	81	68	69 253
Change period-on-period	15%	na	14%	20%	na	na
Cash earnings**/***	1.5	1.2	5.8	5.0	4.1	3 833.3
Change period-on-period	22%	na	17%	21%	na	na
Dividend per share****	1.75	3.00	3.45	3.00	2.50	na
Change period-on-period	na	na	15%	20%	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.
**** In 2016 Entra ASA started with semi-annual payments of dividends. Dividends paid in 2016 of 3.45 per share constitute of dividend approved and paid in 2016 for the first half year 2016 and dividend approved not yet paid for the second half of 2016.
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

Rental income was up by 16 per cent from 437 million in Q4 2015 to 506 million in Q4 2016, and by 8 per cent from 1,760 million in 2015 to 1,899 million in 2016. The increased rental income can be explained by the factors in the below income bridge.

All figures in NOK millions	Q415 Q416	2015 2016
Rental income previous period	437	1 760
Development projects	6	46
Acquisitions	56	110
Disposals	-7	-49
Other*	-1	-27
Like-for-like growth	15	60
Rental income	**506**	**1 899**

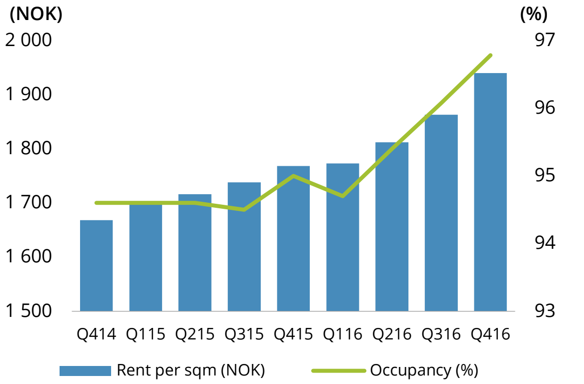
*Extraordinary lease buy-out in Q3-15 (30 mill)

The increase in rental income in the period is mainly driven by the acquisition of Oslo City and the Skøyen portfolio in 2016, partly offset by the sale of non-core properties during 2015 and 2016. The increased rental income is also related to the completion of several projects during the period, primarily Schweigaardsgate 16, Akersgata 34/36 and Grønland 53 during the second half of 2015 and the Gullfaks building in August 2016.

On a like-for-like basis the rental growth was 4.1 per cent, compared to both the same quarter last year and compared to 2015. The annual indexation of the lease contracts constituted 2.8 per cent. The remaining growth is mainly driven by income effects from increased occupancy in the Oslo portfolio.

Average 12 months rolling rent per square meter was 1,940 (1,768) as of 31.12.16. The increase is mainly related to portfolio rotations towards more high quality assets, hereunder the acquisitions of Oslo City and the Skøyen portfolio combined with divestments of non-core properties. 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.

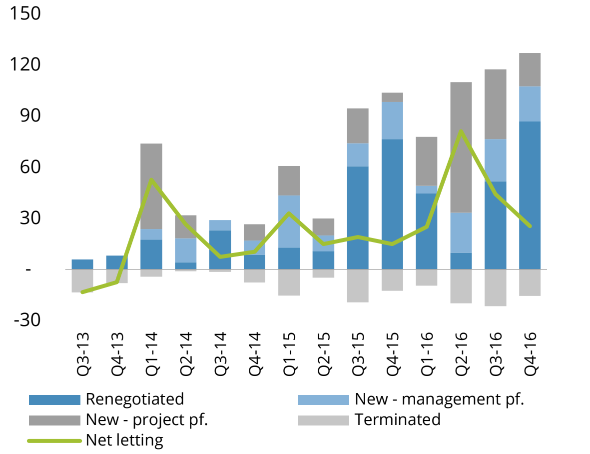
RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



The occupancy rate increased to 96.8 per cent (95 per cent) as of 31.12.16. The rental value of vacant space as of 31.12.16 was approximately 66 million (88 million) on an annualised basis.

Gross letting including re-negotiated contracts was 127 million in the quarter of which 19 million is attributable to letting in the project portfolio. Lease contracts with an annual lease of 16 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 25 million (19 million) in the quarter. For 2016, gross letting including re-negotiated contracts was 434 million and lease contracts with a total value of 67 million was terminated. Net letting in the period came in at 176 million. The time difference between the net letting in the management portfolio 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 52 million (61 million) in the fourth quarter and 159 million (185 million) for 2016 as a whole. Total property costs is split as follows:

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Maintenance	20	23	50	56
Tax, leasehold, insurance	5	7	30	35
Letting and prop. adm.	11	14	38	42
Direct property costs	15	16	42	52
Total property costs	52	61	159	185

Net operating income

As a consequence of the effects explained above, net operating income came in at 455 million (376 million) in the quarter and 1,740 million (1,574 million) for the financial year 2016.

Other revenues and other costs

Other revenues was 766 million (27 million) in the quarter and 950 million (240 million) in 2016. In the quarter, 637 million was related to the sale of the Gullfaks building in Stavanger which was classified as property and housing-units for sale. The same amount was recognised for 2016. Other costs associated with the sale of the Gullfaks building amounted to 583 million.

In addition, other revenue of 99 million in the quarter was related to Youngskvartalet in Oslo which is classified as a construction contract. In 2016, the revenue recognised was 222 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 99 million in the quarter and 220 million in 2016.

In the 2016 other revenue of 19 million (184 million) was recognised related to sale of 5 (31) apartments at Ringstadbekk in Bærum. Other costs recognised in the Ringstabekk project was 20 million (185 million) in 2016. The remaining part of the Ringstadbekk project was sold in April 2016.

Other revenue also consists of income from services provided to tenants of 27 million in the quarter and 65 million in 2016.

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

Administrative costs

Administrative costs amounted to 42 million (45 million) in the quarter and 152 million (168 million) in 2016. The reduction is mainly a result of streamlining of the cost base.

Result from associates and JVs

Entra`s share of profit from associates and JVs was 74 million (16 million) in the quarter and 150 million (44 million) in 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. The parking section in Oslo City, of which Entra owned 50 per cent, was treated as a jointly controlled entity in Entra`s accounts until Entra´s share of the company was demerged into a wholly owned subsidiary of Entra at the end of the third quarter of 2016.

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

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Income from property management	0	1	30	3
Changes in market value	67	19	109	46
Tax	-16	-5	-34	-17
Other income and costs	22	0	45	12
Results from associates and JVs	**74**	**16**	**150**	**44**

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 153 million (112 million) in the quarter and 572 million (625 million) in 2016 and is composed as follows:

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Interest and other financial income	8	13	14	19
Interest and other financial cost	-161	-125	-586	-645
Net realised financials	**-153**	**-112**	**-572**	**-625**

Net realised financials has increased in the fourth quarter of 2016 compared to 2015 mainly due to increased interest bearing debt of approximately 3 billion compared to the same quarter last year, following the acquisition of the Oslo City and Skøyen properties. The increase in net realised financial is somewhat offset by lower interest rates on floating rate debt (Nibor).

The average interest rate was 3.48 per cent (3.69 per cent) as at 31.12.16.

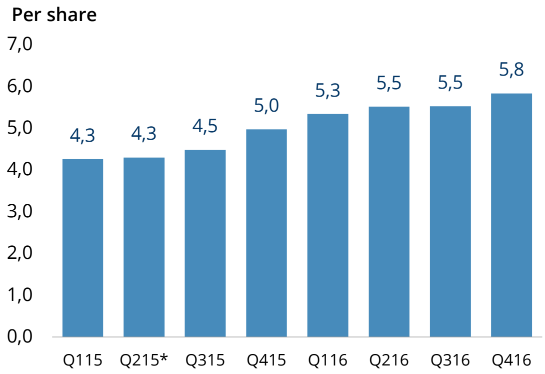
Net income and net income from property management

Net income came in at 347 million (235 million) in the quarter and 1,190 million (840 million) for 2016. When including only the income from property management in the results from JVs, the net income from property management was 273 million (220 million) in the quarter and 1,070 million (799 million) for 2016, representing a year-on-year increase of 24 per cent in the quarter and 34 per cent for 2016.

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Net income	347	235	1 190	840
Less:				
Value changes in associates and JVs	67	19	109	46
Tax from associates and JVs	-16	-5	-34	-17
Other income and costs	22	0	45	12
Net income from property management	**273**	**220**	**1 070**	**799**

NET INCOME FROM PROPERTY MANAGEMENT PER SHARE

(Annualised, rolling 4 quarters)



* Q215 adjusted for 115 million swap termination fee.

Value changes

Net value changes amounted to 1,128 million (482 million) in the quarter and 2,116 million (2,235 million) for 2016.

The valuation of the property portfolio resulted in a net positive value change of 868 million (403 million) in the quarter and 1,991 million (1,818 million) for the financial year 2016. In the fourth quarter, about 461 million relates to the ongoing project portfolio, mainly explained by improved occupancy, increased project area and reduced risk as each project is moving towards completion. For the management portfolio, about 165 million of the value changes is attributable to yield compression and 192 million is the result of new contracts signed in the quarter. The remaining changes are related to terminations of contracts, transactions in the quarter and other property related changes. For 2016 in total, about 565 million relates to the project portfolio, while 911 million of the value changes is driven by yield compression in the largest cities and 413 million is a result of new and renegotiated lease contracts.

Net changes in the value of financial instruments was 260 million (79 million) in the quarter and 125 million (417 million) for 2016. The positive development in the quarter is mainly explained by higher market interest rates and reduced time to maturity on high interest rate swaps, partly offset by a negative contribution related to decreasing credit margins on existing fixed rate debt.

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 2016, the tax loss carry forward for the Group was 953 million. The change in deferred tax was -155 million (57 million) in the quarter and -580 million (-354 million) in 2016. The change in deferred tax was positively impacted by 160 million as a result of change in the corporate income tax (CIT) from 25 per cent in 2016 to 24 per cent from 1 January 2017. However, the effective tax rate is less than the CIT mainly due to sales of properties without tax effect.

Profit

Profit before tax was 1,475 million (717 million) in the quarter and 3,306 million (3,075 million) for 2016. Profit after tax was 1,316 million (774 million) in the quarter and 2,722 million (2,721 million) in 2016. In the quarter the comprehensive income after tax was 1,319 million (800 million) and 2,705 million (2,750 million) in 2016 due to actuarial gain on the Groups pension benefit scheme.

EPRA Earnings

EPRA Earnings amounted to 221 million (145 million) in the fourth quarter of 2016 and 784 million (597 million) in 2016. The increase in EPRA earnings in the fourth quarter of 2016 is mainly related to increased rental income.

EPRA Earnings net of tax amounted to 249 million (211 million) in the fourth quarter and 1,000 million (832 million) in 2016.

Further information about the EPRA Earnings calculations can be found on page 30.

Balance sheet

The Group's assets amounted to 38,890 million (33,618 million) as at 31.12.16. Of this, investment property amounted to 35,629 million (28,823 million) and investment property held for sale to 168 million (165 million). 4 properties were classified as held for sale as at 31.12.16. Intangible assets were 124 million (161 million) at the end of 2016 of which 109 million is goodwill related to Hinna Park in Stavanger. The goodwill in Hinna Park was as previously announced amortised by 37 million in the quarter due to sale of the property Gullfaks.

Investments in associates and jointly controlled entities were 1,561 million (2,789 million). The decrease is mainly attributable to the establishment of Oslo City Kontor AS and Oslo City Parkering 2 AS as 100 per cent owned companies subsequent to demergers realised in 2016, partly offset by an increase of 284 million related to capital increase in the jointly controlled entity Entra OPF that develop MediaCity Bergen, as this company is funded only by equity.

Property and housing-units for sale amounted to 0 (589 million) at 31.12.16, impacted by sale of Gullfaks at Hinna Park and the Ringstabekk project.

Other receivables was 476 million (206 million) at the end of December 2016. The increase compared to the fourth quarter 2015 was affected by capitalised construction costs of 219 million, of which 99 million is capitalised in the fourth quarter of 2016, related to the property Youngskvartalet that will be delivered to the buyer in the fourth quarter of 2017.

The Group held 243 million (212 million) in cash and cash equivalents at 31.12.16. In addition, the Group has 3,830 million (3,435 million) in unutilised credit facilities.

The Group had interest bearing debt of 18,113 million (15,205 million) as of 31.12.16. The increase is mainly explained the acquisition, the acquisition of Skøyen portfolio for approximately 2.5 billion and payment of dividend of 863 million during the financial year 2016. In addition, the jointly controlled entity Hinna Park Eiendom AS has paid 70 million to the non-controlling interest of the Group.

Book equity totaled 15,124 million (13,354 million), representing an equity ratio of 39 per cent (40 per cent). Book equity per share was 82 (73). Equity per share was 101 (89) based on the EPRA NAV standard and 93 (81) based on EPRA NNNAV. Outstanding shares at 31.12.16 totalled 183.7 million (183.7 million)

Cash flow statement

Net cash flow from operating activities came to 359 million (265 million) in the quarter and 1,079 million (850 million) in 2016. The change mainly relates to higher net income from property management.

The net cash flow from investments was 88 million (-2,062 million) in the quarter and -2,972 million (-1,010 million) for 2016. Proceeds from property transactions of 692 million (52 million) in the quarter and 1,021 million (1,792 million) in 2016 was mainly related to the property transactions as described under "Transactions" on page 15 of this report

Purchase of investment properties of 11 million (-132 million) relates to pro contra adjustments to transactions closed in 2016. In the fourth quarter last year it was related to the purchase of Trondheimsporten. For the year 2016 purchase of investments properties amounted to 2,536 million (-132 million) and relates to the acquisition of the Skøyen portfolio in Oslo and the land plot Lars Hillesgate 25 in Bergen.

The cash effect from upgrades of investment properties amounted to -462 million (-238 million) in the quarter and -1,001 million (-911 million) in 2016.

Investment in property and housing units for sale of -55 million (-50 million) in the quarter and -233 million (-82 million) is mainly related to investments in the property "Gullfaks" in Stavanger that was sold with closing in November 2016 and Youngskvartalet in Oslo.

Net payments in associates and jointly controlled entities amounted to -81 million (-1,652 million) in the quarter and -253 million (-1,720 million) in 2016 of which 47 million relates to capital increase in Entra OPF in the fourth quarter and 284 million of the year 2016 partly offset by repayment related to the Oslo City closing.

Net cash flow from financing activities was -372 million (1,851 million) in the quarter and 1,923 million (174 million) in 2016.

Net proceeds of interest bearing debt was 11 million (1,851 million in the quarter and 2,858 million (634 million) in 2016. During the quarter Entra has had a net repayment of bank loans and certificates of 107 million and 300 million, respectively, and issued bond loans of 400 million. In 2016 Entra has had a net repayment of 1,083 million and 200 million in bank loans and certificates , respectively, and net issued bond loans of repaid bond loans of 4,129 million.

Dividends paid amounts to 382 million (0) in the fourth quarter of 2016 and 933 million (459 million) in 2016. In the quarter dividend of 312 million was paid to the shareholders of the Group. In addition, Hinna Park Eiendom AS which is consolidated in the Group accounts, has paid out a dividend of 140 million to the owners of which Entra ASA has received 50 per cent (net 70 million) in Q4 2016. During 2016 Entra has paid out a total of NOK 4.7 per share/864 million to its shareholders (NOK 3 per share/551 million for FY 2015 and NOK 1.7 per share/312 million for the first half of 2016).

The net change in cash and cash equivalents was 55 million (54 million) in the quarter and 31 million (14 million) for 2016

Financing

During the fourth quarter, Entra's total interest bearing nominal debt decreased by 7 million to 17,697 million. The change in interest bearing debt was composed by a bond issue of 400 million and a reduction of bank debt and commercial paper financing by 107 million and 300 million, respectively.

During the quarter, Entra reopened a fixed rate bond (maturity 02.06.2023) with 400 million. Entra has also refinanced commercial paper loans for a total of 1.000 million.

Interest bearing debt and maturity structure

As at 31.12.16, net interest-bearing nominal debt after deduction of liquid assets of 243 million was 17,454 million.

The average remaining term of the Group's debt portfolio was 4.4 years at 31.12.16 (4.4 years as at 31.12.15). 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, 70 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)	1 700	-	-	-	-	1 700
Bonds (NOKm)	1 529	1 200	1 700	700	5 500	10 629
Bank loans (NOKm)	111	750	1 660	2 142	705	5 368
Total (NOKm)	**3 340**	**1 950**	**3 360**	**2 842**	**6 205**	**17 697**
Commercial paper (%)	51	-	-	-	-	10
Bonds (%)	46	62	51	25	89	60
Bank loans (%)	3	38	49	75	11	30
Total (%)						**100**
Unutilised credit facilities (NOKm)	**1 800**	**-**	**840**	**1 190**	**-**	**3 830**
Unutilised credit facilities (%)	47	-	22	31	-	100

Sources of financing	NOKm	%
Bonds	10 629	60
Bank loans	5 368	30
Commercial paper	1 700	10
Total	**17 697**	**100**

Financing policy and status

All figures in NOK millions	31.12.2016	Target
Loan-to-value (LTV)	47.6	Approx. 50%
Interest coverage ratio (ICR)	2.7	Min. 1.65x
Debt maturities <12 months	19%	Max 30%
Maturity of hedges <12 months	47%	Max 50%
Average time to maturity (hedges)	3.6	2-6 years
Financing commitments next 12m	117%	Min. 100%
Average time to maturity (debt)	4.4	Min. 3 years

Interest rates and maturity structure

The average interest rate of the debt portfolio was 3.48 per cent as at 31.12.16. 53 per cent of the Group's financing was hedged at a fixed interest rate as at 31.12.16, with a weighted maturity of 3.6 years.

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

The Group's total debt in millions:	**17 697**
The Group's average interest rate[1]	**3.48%**

	Fixed rate instruments[2]		Forward starting swaps[3]			Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year	82	3.04				7 027	1.07
1-2 years	1 700	3.78	1 300	2.30	7	1 950	1.12
2-3 years	1 650	4.12	1 800	1.90	7	1 700	0.96
3-4 years	1 700	4.05				1 520	1.16
4-5 years	650	4.65				1 000	1.05
5-6 years	750	2.07				800	0.78
6-7 years	1 450	2.21				2 600	1.09
7-8 years	900	2.71				-	
8-9 years	-					-	
9-10 years	110	4.36				-	
>10 years	400	5.63				1 100	0.39
Total	**9 392**	**3.55**	**3 100**	**2.07**		**17 697**	**1.02**

[1]Average reference rate (nibor) is 1.24 per cent as of the reporting date.

[2]Excluding forward starting swaps and credit margins on fixed rate bonds (credit margins are displayed in the table to the right).

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

The property portfolio

Entra´s management portfolio consists of 85 buildings with a total area of approximately 1.1 million square metres. As of 31.12.16, the management portfolio had a market value of around 33.9 billion. The occupancy rate was 96.8 per cent (95.0 per cent). The weighted average unexpired terms for the Group's leases was 7.0 years (7.6) for the management portfolio and 7.7 years (7.8) when the project portfolio is included. The public sector represents approximately 70 per cent of the total customer portfolio. The entire property portfolio consists of 94 properties with a market value of about 35.8 billion. Entra focuses the portfolio on the major cities in Norway; 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 Cushman & Wakefield Realkapital) 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 appraisers' estimated return requirements and expectations on future market development. The market value is defined as the external appraisers' 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 specific project risk on valuation date. The land and development portfolio is valued based on actually zoned land.

Year-on-year, the portfolio net yield is reduced from 5.9 per cent to 5.7 per cent. 12 months rolling rent has increased from 1,768 to 1,940 per square meter, whereas the market rent has increased from 1,746 to 1,906 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	40	622 910	97.4	6.4	23 266	37 350	1 394	2 238	5.5	1 392	2 235
Trondheim	9	115 227	98.2	6.1	2 503	21 724	179	1 555	6.5	171	1 481
Sandvika	9	94 589	87.4	10.2	2 176	23 010	128	1 355	5.4	127	1 342
Stavanger	5	72 680	96.3	9.8	2 033	27 978	137	1 879	6.2	123	1 696
Drammen	8	70 068	97.4	8.5	1 914	27 311	119	1 704	5.9	107	1 527
Bergen	6	57 119	99.4	4.9	1 264	22 135	85	1 491	6.1	84	1 479
Kristiansand	7	45 158	94.2	9.8	669	14 821	52	1 152	6.8	54	1 198
Other	1	5 531	93.5	4.0	79	14 283	7	1 193	7.2	7	1 195
Management portfolio	**85**	**1 083 282**	**96.8**	**7.0**	**33 905**	**31 299**	**2 101**	**1 940**	**5.7**	**2 065**	**1 906**
Project portfolio	5	89 875		18.7	1 422	15 819					
Development sites	4	101 558		0.6	458	4 508					
Property portfolio	**94**	**1 274 716**		**7.7**	**35 785**	**28 073**					

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 31.12 corresponds to 8.7 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	2016	2015
Investment property	35 629	28 823
Investment properties held for sale	168	165
Properties and housing-units held for sale	0	617
Other	-13	-7
Property market value	**35 785**	**29 599**

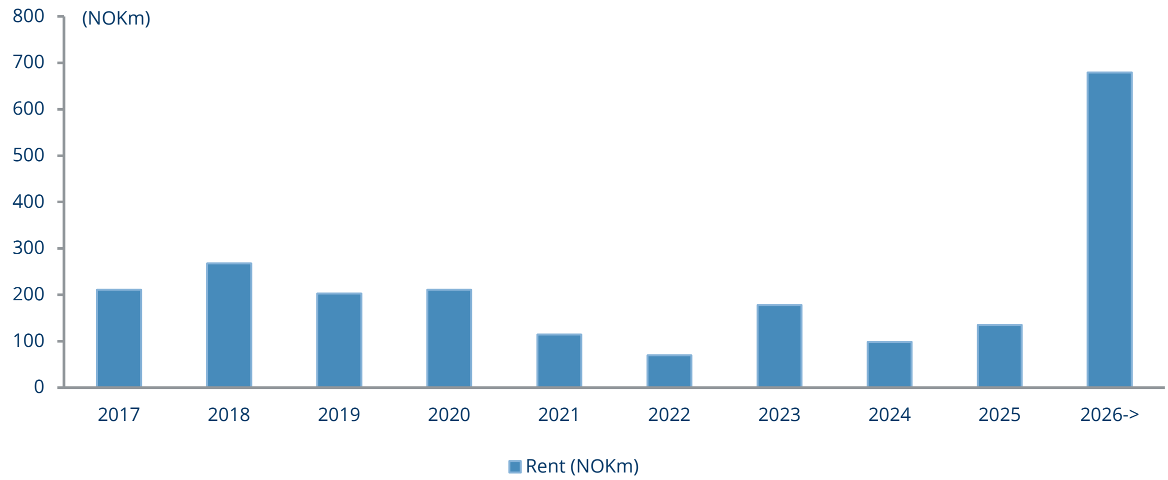
Letting activity

During the fourth quarter, Entra signed new and renegotiated leases with an annual rent totalling 127 million (57,000 square metres) and received notices of termination on leases with an annual rent of 16 million (7,000 square metres). The impact in rent from the total amount of renegotiated contracts signed within the quarter was positive with 0.8 per cent. Net letting was 25 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. On an annual basis, Entra signed new and renegotiated leases in 2016 with annual rent totalling 434 million and received notice of termination on leases with an annual rent of 67 million. Net letting was 176 million in 2016.

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

- New and renegotiated lease contract for 15 years and a total of 17,500 sqm at Strømsveien 96 and Tollbugata 1 in Oslo with the Directorate of Norwegian Customs
- New lease contract for 10 years and 2,300 sqm. at Brattørkaia 17, Powerhouse, in Trondheim with Skanska
- Two new lease contracts for 8 years and a total of 3,000 sqm. in Lars Hillesgate 30 (MediaCity Bergen) in Bergen and Grenseveien 92 in Oslo with Regus
- New lease contract for 10 years and 1,800 sqm. in Grønland 53 in Drammen with Drammen Municipality
- Renegotiated contract for 10 years and 6,900 sqm. in Drammensveien 134 in Oslo (Skøyen) with Høegh LNG and Høegh Autoliners
- Renegotiated contract for 5 years and 2,400 sqm. in Drammensveien 134 in Oslo (Skøyen) with ST1 Norge

MATURITY PROFILE OF THE MANAGEMENT PORTFOLIO:



Investments and divestments

Entra has invested 350 million in the portfolio of investment properties in the fourth quarter. In addition, Entra has invested 120 million through its non-consolidated jointly controlled entities (239 million on a 100 per cent basis).

Project development

	Ownership (%)	Location	Expected completion	Project area ('000 sqm)	Occupancy (%)	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
Group:								
Powerhouse Kjørbo, block 3	100	Sandvika	Jul-17	4 200	54	144	129	5.6
Trondheimsporten	100	Trondheim	Nov-17	28 600	88	680	450	6.4
Brattørkaia 16	100	Trondheim	Jun-18	8 400	100	291	66	6.6
Brattørkaia 17	100	Trondheim	Mar-19	18 200	48	497	84	6.2
Tullinkvartalet UIO	100	Oslo	Dec-19	21 000	92	1 489	517	5.5
Total Group				**80 400**		**3 101**	**1 245**	
Jointly controlled companies:								
MediaCity Bergen	50	Bergen	Aug-17	45 000	79	1 830	1 534	6.1
Total Jointly controlled companies				**45 000**		**1 830**	**1 534**	

* 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)

Status ongoing project

New projects during the fourth quarter of 2016:

In Tullinkvartalet Entra has started construction of a new 21,000 square metres campus building for the Faculty of Law of University of Oslo. The property is 92 per cent let to the University on a 25-year lease. The new build project will involve Entra's properties in Kristian Augusts gate 15, 19, and parts of 21, which to a large extent is being demolished and re-built. The final zoning plan was approved on 1 February 2017 and the project will be finalised in the end of 2019. Currently engineering, planning and demolishing is ongoing. The new build project aims for a BREEAM Excellent classification.

On Brattørkaia 16, Entra is building a 8,400 square meter campus building for BI Norwegian Business School. The property is fully let to BI Norwegian Business School on a 20-year lease. The project has high environmental ambitions and aims for a BREEAM Excellent classification. Construction has commenced and the project will be finalised in the summer 2018.

On Brattørkaia 17, Entra will build Powerhouse Brattørkaia, an energy positive and environment friendly office building of approximately 18,200 square metres, of which a 2,500 square metres parking basement. The property is approximately 50 per cent pre-let. Powerhouse Brattørkaia will utilise sun and sea water for heating and cooling. The building will be covered by 3,000 square metres of solar panels and thus produce around 500,000 kWh of renewable energy annually. This is more than twice as much as the building consumes for heating, cooling, ventilation and lighting and means that the building has a positive energy balance in its lifetime also when all the energy that goes into building processes, materials and finally demolition is included. The project is aiming for the environmental classification BREEAM Outstanding and Energy class A. Construction has commenced and the project will be finalised in the first quarter of 2019.

Running projects in the fourth quarter of 2016:

"Trondheimsporten" is a new-build project centrally located in Holtermanns veg 70 in Trondheim. When completed, the property will be a 15-floor office building of approximately 28,600 square metres. The property is 88 per cent pre-let to Trondheim municipality and the Norwegian Labour and Welfare Administration on 10-year contracts. The building is expected to be finalised during the fourth quarter of 2017 with a BREEAM Very Good classification. During the quarter, the construction works up until the fifth floor is completed, and technical installations have started.

In Sandvika Entra is refurbishing the third block at Kjørbo into a new Powerhouse with a BREEAM Excellent classification. A Powerhouse shall during its lifetime produce more renewable energy than it uses for materials, production, operation, renovation and demolition. The property is 4,200 square metres and is 54 per cent pre-let to Asplan Viak.

Media City Bergen involves total renovation of approximately 35,000 square metres and an extension of approximately 10,000 square metres in Lars Hilles gate 30 in Bergen. 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. The largest media companies such as TV2, NRK, Bergensavisen, Bergens Tidende, the Media Faculty of Bergen University, and Vizrt have signed lease contracts. The property is 50 per cent owned by Entra through Entra OPF. The project will be completed in August 2017.

Youngskvartalet in Oslo involves both a new building and refurbishment of three existing buildings. The project consists of 9,400 square metres 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 gain of 134 million. When finalized, Entra will deliver the project at cost, plus a project management fee. Total project cost (incl. land) is approximately 340 million.

Finalised projects during the fourth quarter of 2016:

In Strømsveien 96 in Oslo, the refurbishment of 18,100 square metres (12,500 sqm. office) was finalised in December and the Norwegian Medicines Agency has moved into 6,500 square metres. In December Customs Region Oslo and Akershus signed a 15-year lease contracts for a total of 8,500 square metres, the tenant will move in by September 2017. The building has aimed for a BREEAM Very Good classification and Energy class B. The property is now close to fully let.

The refurbishment of Cort Adelers gate 30 in Oslo was completed in December 2016. The building is fully let to Oslo Municipality Education Authority.

Finally, Sundtkvartalet in Oslo, a new, environmentally leading office building of approximately 31,300 square metres was finalised in December 2016. The ambition is to obtain a BREEAM Excellent classification, passive house and Energy class A. The project is organised through a joint venture where Skanska CDN and Entra own 50 per cent each. The property is now 91 per cent let.

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 and the surrounding area, 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 the quarter, Entra acquired the property Kristian Augusts gate 13 in Tullinkvartalet in Oslo for 155 million. Entra has also sold the properties Moloveien 10 in Bodø, Kongens gate85/Erling Skakkesgate 60 in Trondheim and Lervigsveien 32/TInngata 8 in Stavanger for a total consideration of 155 million.

Transactions in 2015 and 2016

Purchased properties	Area	Transaction quarter	No of sqm	Transaction value	Closing date
Kristian Augusts gate 13	Oslo	Q4 2016	3 300	155	20.01.2017
Skøyen portfolio (three properties)	Oslo	Q2 2016	61 000	2 529	01.09.2016
Lars Hilles gate 25	Bergen	Q2 2016	5 800	53	01.09.2016
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			**135 650**	**4 550**	

Sold properties		Transaction quarter	No of sqm	Transaction value	Closing date
Moloveien 10	Bodø	Q4 2016	5 531	83	15.02.2017
Kongensgate 85/Erling Skakkesgate 60	Trondheim	Q4 2016	1 769	16	31.03.2017
Lervigsveien 32/Tinngata 8	Stavanger	Q4 2016	6 400	56	30.11.2016
Kalfarveien 31	Bergen	Q2 2016	8 440	85	01.11.2016
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	727	30.10.2016
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			**145 476**	**2 933**	

* Includes 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 totalling around 59,000 sqm and a future development potential totalling around 60,000 sqm in Drammen.

Hinna Park Eiendom AS (50 %)

Entra and Camar Eiendom own Hinna Park Eiendom AS. The company owns three office properties of around 30,000 sqm and development potential for two new office properties totalling around 29,000 sqm.

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 own Sundtkvartalet Holding AS. The company owns a new-built office property of approximately 31,000 square meters in Sundktvartalet in Oslo.

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 1.6 billion as of 31.12.16. The estimate is based on valuations from two external appraisers. Entra's share of the net asset value as at 31.12.16 was 0.9 billion after taking into account estimated latent deferred tax of 10 per cent.

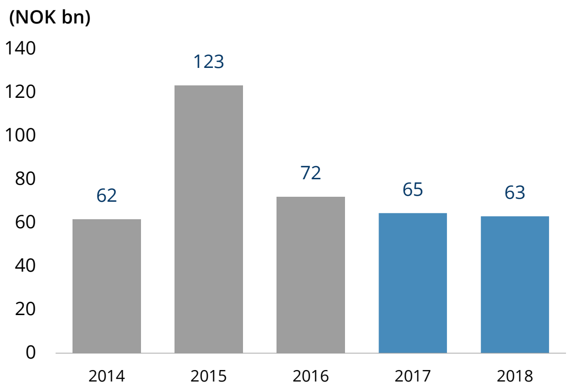
Financial figures for 2016 for partly owned entities and JVs (based on 100 % ownership)

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	Other	Sum associated companies & JVs
Share of ownership (%)	60	50		50	50	33	0	
Rental income	92	81	173	19	1	89	78	187
Net operating income	89	65	154	11	1	89	72	173
Net income	55	29	84	9	-2	25	77	109
Changes in value of investment properties	175	-46	129	127	92	0	1	220
Changes in value of financial instruments	10	20	31	0	0	66	0	66
Profit before tax	240	3	244	136	90	91	78	395
Tax	-53	53	4	-34	-21	54	-19	-19
Profit for period/year	**187**	**56**	**248**	**102**	**70**	**145**	**59**	**376**
Non-controlling interests	75	28	103					
Entras share of profit				51	35	48	16	150
Book value				827	192	535	7	1 561
Market value properties	**1 665**	**1 048**	**2 713**	**1 792**	**1 250**	**4 543**		**7 584**
Entras share of market value properties	999	524	1 523	896	625	1 515		3 035

Market development

The transaction market is highly active and characterised by high demand for properties in the largest cities. There were almost as many transactions in 2016 as in 2015 but few large corporate transactions. The total transaction volume was thus down at more normalised levels in 2016. The continuous buy-side demand in the market has continued to push yields further down. Prime yield in Oslo is currently at 3.8 per cent according to Entra's consensus report, summarising inputs from leading Norwegian commercial property brokers and analysts.

TRANSACTION VOLUME NORWAY



Source: Entra Consensus report

As of year-end the Oslo office vacancy was about 7.8 per cent, according to Entra´s consensus report. The vacancy is expected to drop further due to continuous office-to-residential conversion, low construction activity in the office market in Oslo, and a slight increase in employment.

During the last quarter Oslo rents have seen a broad uplift and rent levels are expected to continue to grow due to limited new building activity, high conversion of office to residential and increasing employment.

In Bergen, the office vacancy seems to be levelling out at about 10 per cent. The office vacancy in Bergen is mainly related to properties situated around the oil and gas intensive office areas at Kokstad / Sandsli / Flesland. Rents in the city centre of Bergen are increasing due to low supply of modern, centrally located office premises.

In Stavanger, overall office vacancy has continued to rise to around 11 per cent at the end of the year. There is a downward pressure on rents in "oil and gas intensive" areas like Forus. In the Stavanger city centre, the vacancy is at about 6 per cent and rent levels are more stable.

The rent level in Trondheim has remained unchanged throughout 2016 and the vacancy level is currently around 10 per cent. There has been limited new office space coming into the market, however the volume of new office space will increase next year and the office vacancy is thus expected to rise somewhat

Market data Oslo

	2013	2014	2015	2016	2017e	2018e
Vacancy Oslo and Bærum (%)	7.4	7.8	8.4	7.8	7.1	6.5
Rent per sqm, high standard Oslo office	2 907	3 025	2 935	2 970	3 140	3 283
Prime yield (%)	5.2	4.7	4.1	3.8	3.9	4.0

Source: Entra Consensus report

Other information

Organisation and HSE

At 31.12.16, the Group had 166 employees.

During the quarter, there were four injuries that caused absence from work The Group had an LTIF rate (number of accidents with lost time per million hours worked in last 12 months) on ongoing projects of 3.6 at the end of the quarter vs 1.7 at the end of the third quarter 2016. Entra has a continuous HSE focus both in on-going projects and in the operations and works continually to avoid injuries.

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 and fixed rate bonds. 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. Entra will be exposed to property tax on a majority of its properties in Oslo starting in 2017.

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

Events after the balance sheet date

On 18 January 2017 Entra announced that it had entered into an agreement with Samhällsbyggnadsbolaget i Norden AB (publ) regarding sale of Entra's property portfolio in Kristiansand.

The Kristiansand portfolio comprise seven properties totalling approximately 45,000 sqm and the total transaction value is 863 million. The transaction is subject to the buyer obtaining satisfactory debt financing. Closing and settlement is expected to take place around 31 March 2017 for all properties except the 2,250 sqm new school building under construction in Kongsgård Allé 20 where closing will take place when the new build is completed, estimated to June 2018.

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 31.12.16, Entra had 5,686 shareholders. Norwegian investors held 59 per cent of the share capital and foreign investors 41 per cent.

The 10 largest shareholders as of 31.12.16 were:

Shareholder	% holding
Norwegian Ministry of Trade, Industry and Fisheries	33.4
Folketrygdfondet	8.5
Geveran Trading	8.1
State Street Bank (Nominee)	2.7
Danske Invest Norske	2.2
The Bank of New York (Nominee)	1.8
JP Morgan Bank Luxemburg (Nominee)	1.4
The Bank of New York (Nominee)	1.3
Danske Invest Norske	1.1
State Street Bank (Nominee)	1.0
SUM 10 LARGEST SHAREHOLDERS	**61.5**

In line with the dividend policy of distributing approximately 60 per cent of Cash Earnings, the board of Entra will propose to distribute a dividend of NOK 1.75 per share for the last six months of the financial year 2016.

Annual general meeting

The annual general meeting in Entra ASA will be held on 27 April 2017. In line with the dividend policy of distributing approximately 60 per cent of Cash Earnings, the board of Entra will propose to distribute a semi-annual dividend of NOK 1.75 per share for the second half of 2016. In October 2016, Entra paid out NOK 1.7 per share for the first six months of 2016. For the financial year 2016 Entra will thus have paid out NOK 3.45 per share compared to NOK 3 per share for 2015. Cash Earnings is defined as net income from property management less payable tax

Outlook

The Norwegian economy has been influenced by a weaker macroeconomic development and general uncertainty but there has been positive development in certain key macro indicators over several quarters. The downturn in the oil sector and related industries has turned into a moderate recovery. It has primarily had a negative impact in the southern and western part of Norway, and sub markets with a high level of oil exposure have experienced increasing vacancies and pressure on rents. Entra is in a relatively good position having low presence in the geographical areas hit by the downturn, long lease contracts with solid tenants and a low exposure towards the oil sector.

In Oslo, that constitutes around 66 per cent of Entra's revenues, we expect vacancy levels to see a falling trend going forward as net new office space coming into the market in 2017 and 2018 is marginal due to low new building activity and high conversion from commercial to residential buildings. Decreasing vacancy is thus expected to lead to increasing market rent levels in Oslo going forward.

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

Market interest rates for longer dated maturities has increased in Q4, however the good credit availability and stable short-term interest rates contributes to favourable financing conditions for Entra under its well-balanced interest rate hedge position.

Future financial market risk is significant, 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, value enhancing development project and a positive rental market outlook should provide a continued positive portfolio 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 February 2017

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Rental income	506	437	1 899	1 760
Repairs & maintenance	-20	-23	-50	-56
Operating costs	-31	-38	-109	-129
Net operating income	455	376	1 740	1 574
Other revenue	766	27	950	240
Other costs	-753	-27	-927	-224
Administrative costs	-42	-45	-152	-168
Share of profit from associates and JVs	74	16	150	44
Net realised financials	-153	-112	-572	-625
Net income	**347**	**235**	**1 190**	**840**
- of which net income from property management	**273**	**220**	**1 070**	**799**
Changes in value of investment properties	868	403	1 991	1 818
Changes in value of financial instruments	260	79	125	417
Profit before tax	**1 475**	**717**	**3 306**	**3 075**
Tax payable	-4	0	-4	0
Change in deferred tax	-155	57	-580	-354
Profit for period/year	**1 316**	**774**	**2 722**	**2 721**
Actuarial gains and losses	5	35	-23	39
Change in deferred tax on comprehensive income	-1	-9	6	-10
Total comprehensive income for the period/year	1 319	800	2 705	2 750
Profit attributable to:				
Equity holders of the Company	1 262	766	2 619	2 648
Non-controlling interest	53	9	103	73
Total comprehensive income attributable to:				
Equity holders of the Company	1 266	791	2 602	2 677
Non-controlling interest	53	9	103	73

Balance sheet

All figures in NOK millions	31.12.2016	31.12.2015
Intangible assets	124	161
Investment property	35 629	28 823
Other operating assets	26	35
Investments in associates and JVs	1 561	2 789
Financial derivatives	472	530
Long-term receivables	163	53
Total non-current assets	**37 976**	**32 391**
Property and housing-units for sale	0	589
Investment property held for sale	168	165
Trade receivables	27	55
Other receivables	476	206
Cash and bank deposits	243	212
Total current assets	**914**	**1 226**
Total assets	**38 890**	**33 618**
Shareholders equity	14 732	12 995
Non-controlling interests	392	359
Total equity	**15 124**	**13 354**
Interest-bearing debt	14 734	12 083
Deferred tax liability	3 855	3 324
Financial derivatives	894	1 121
Other non-current liabilities	358	237
Total non-current liabilities	**19 841**	**16 764**
Interest-bearing debt	3 379	3 123
Trade payables	290	142
Other current liabilities	257	236
Total current liabilities	**3 926**	**3 501**
Total liabilities	**23 766**	**20 265**
Total equity and liabilities	**38 890**	**33 618**

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			-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			2 619	103	2 722
Other comprehensive income			-17		-17
Dividend			-864	-70	-934
Net equity effect of employee share saving scheme			-1		-1
Net equity effect of LTI share program			0		0
Equity 31.12.2016	**184**	**3 556**	**10 992**	**392**	**15 124**

Statement of cash flows

All figures in NOK millions	Q4 16	Q4 15	2016	2015
Profit before tax	1 475	717	3 306	3 075
Net expensed interest and fees on loans	173	125	590	645
Net interest and fees paid on loans	-132	-120	-522	-584
Share of profit from associates and jointly controlled entities	-74	-16	-150	-44
Depreciation and amortisation	40	2	46	18
Changes in value of investment properties	-868	-403	-1 991	-1 818
Changes in value of financial instruments	-260	-79	-125	-417
Change in working capital	2	39	-59	-26
Net cash flow from operating activities	**356**	**265**	**1 096**	**850**
Proceeds from property transactions	692	52	1 021	1 792
Purchase of investment properties	11	-132	-2 536	-132
Upgrades of investment properties	-462	-238	-1 001	-911
Investment in property and housing-units for sale	-55	-50	-233	-82
Purchase of intangible and other operating assets	-7	-20	-15	-41
Net payment financial assets	-10	-24	-5	-30
Net payment of loans to associates and JVs	-1	0	-1	62
Net payments in associates and JVs	-81	-1 652	-253	-1 720
Dividends from associates and JVs	0	0	51	51
Net cash flow from investment activities	**88**	**-2 062**	**-2 972**	**-1 010**
Proceeds interest-bearing debt	3 111	7 997	17 536	19 126
Repayment interest-bearing debt	-3 118	-6 147	-14 695	-18 492
Proceeds from/repayment of equity	0	0	-1	-1
Dividends paid	-382	0	-933	-459
Net cash flow from financing activities	**-389**	**1 851**	**1 906**	**174**
Change in cash and cash equivalents	55	54	31	14
Cash and cash equivalents at beginning of period	188	158	212	198
Cash and cash equivalents at end of period	**243**	**212**	**243**	**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 Q4–16:

	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	40	622 910	97.4	6.4	23 266	37 350	1 394	2 238	5.5	1 392	2 235
Trondheim	9	115 227	98.2	6.1	2 503	21 724	179	1 555	6.5	171	1 481
Sandvika	9	94 589	87.4	10.2	2 176	23 010	128	1 355	5.4	127	1 342
Stavanger	5	72 680	96.3	9.8	2 033	27 978	137	1 879	6.2	123	1 696
Drammen	8	70 068	97.4	8.5	1 914	27 311	119	1 704	5.9	107	1 527
Bergen	6	57 119	99.4	4.9	1 264	22 135	85	1 491	6.1	84	1 479
Kristiansand	7	45 158	94.2	9.8	669	14 821	52	1 152	6.8	54	1 198
Other	1	5 531	93.5	4.0	79	14 283	7	1 193	7.2	7	1 195
Management portfolio	**85**	**1 083 282**	**96.8**	**7.0**	**33 905**	**31 299**	**2 101**	**1 940**	**5.7**	**2 065**	**1 906**
Project portfolio	5	89 875		18.7	1 422	15 819					
Development sites	4	101 558		0.6	458	4 508					
Property portfolio	**94**	**1 274 716**		**7.7**	**35 785**	**28 073**					

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 31.12 corresponds to 8.7 per cent of market rent.

Operating segments Q4–15:

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

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

NOTE 3 – INVESTMENT PROPERTIES

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Closing balance previous period	34 494	28 243	28 989	28 230
Purchase of investment property	143	213	4 183	213
Investment in the property portfolio	350	213	1 004	807
Capitalised borrowing costs	5	1	11	22
Sale of investment property	-61	-24	-379	-1 548
Reclassified to property and housing-units for sale	0	0	0	-493
Reclassified to construction contracts	0	-60	0	-60
Changes in value of operational lease	-30	-40	-28	-59
Changes in value of investment properties	897	443	2 018	1 877
Closing balance	**35 798**	**28 989**	**35 798**	**28 989**
Investment property held for sale	168	165	168	165
Investment property	**35 629**	**28 823**	**35 629**	**28 823**

Investment properties held for sale include the properties Molovegen 10 in Bodø, Kalfarveien 31 in Bergen and Erling Skakkesgate 60 and Kongensgate 85 in Trondheim. During the fourth quarter 2016 Entra had closing for the investment property Lervigsveien 32/Tinngata 8 in Stavanger and Gullfaks at Hinna Park in Stavanger, that was classified as property and housing-units-for sale. Kalfarveien 31 in Bergen was sold in the second quarter 2016 and are classified as held for sale until closing that will take place 1 February 2017. Molovegen 10 in Bodø was sold in the January 2017 with closing in February 2017.

Sale of investment properties in the fourth quarter of 2016 relates to the sale of the property Lervigsveien 32/Tinngata 8 in Stavanger and for 2016 in addition the following properties: Strandveien 13 in Tromsø, Ringstabekkveien 105 in Bærum, Fritzners gate 12 in Oslo and Telemarksgata 11 in Skien.

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 668 million (649 million) at the end of the fourth 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/Evry AS took place in Oslo District Court in February 2015 and Evry ASA/Evry AS prevailed. Entra disagrees with the verdict and the ruling has been appealed. The hearing of the dispute took place in the Court of Appeal in October 2016 and Entra prevailed on all counts. The judgment has been appealed to the Supreme Court by the counterparty. The Supreme Court will at latest by March 2017 decide if the appeal will be treated.

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 – 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 0.5 million (level 3) all assets and liabilities are level 2. Investment properties of 35.797 million are classified at level 3.

All figures in NOK millions	31.12.2016	31.12.2015
Assets measured at fair value:		
Assets measured at fair value with change over the result		
- Investment property	35 629	28 823
- Investment property held for sale	168	165
- Derivatives	472	530
Financial assets held for sale		
- Equity instruments	1	1
Total	**36 270**	**29 520**
Liabilities measured at fair value:		
Financial liabilitites measured at fair value with change over the result		
- Derivatives	894	1 121
- Bonds	5 615	4 054
- Commercial paper	1 700	1 900
Total	**8 209**	**7 075**

NOTE 6 – SALE OF PROPERTY PORTFOLIO

The Group has in January 2017 signed an agreement regarding the divestment of a property portfolio in Kristiansand with a total property value of 675 million. The buyer is Samhällsbyggnadsbolaget i Norden AB (publ) and the transaction is subject to the buyer obtaining satisfactory debt financing.

Closing and settlement is expected to take place around 31 March 2017 for all properties totalling approximately 45,000 sqm, except for the 2,250 sqm new school building under construction in Kongsgård Allé 20, where closing will take place when the new building is completed, estimated to be in June 2018.

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

All figures in NOK millions	2016	2015
Rental income	50	47
Repairs & maintenance	-4	-3
Operating costs	-2	-2
Net operating income	**44**	**43**
Book value as of 31.12.	**675**	**613**

CALCULATION OF KEY FIGURES AND EPRA REPORTING

KEY FIGURES

DEBT RATIO (LTV)

All figures in NOK millions	2016	2015
Net nominal interest-bearing debt	17 454	14 640
Total market value of the property portfolio	36 681	31 777
Market value of the property portfolio	35 785	29 598
Share of Entra OPF Utvikling (50%)	896	525
Share of Oslo City Kjøpesenter AS (33,3%)	0	1 654
Debt ratio (LTV) %	**47.6**	**46.1**

INTEREST COVERAGE RATIO (ICR)

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Net income	347	235	1 190	840
Depreciation	40	2	46	18
Results from associates and joint ventures	-74	-16	-150	-44
Net realised financials	153	112	572	625
EBITDA adjusted	**466**	**333**	**1 658**	**1 440**
Share of EBITDA Entra OPF Utvikling	1	2	4	5
EBITDA adjusted for share of Entra OPF Utvikling	**466**	**335**	**1 663**	**1 444**
Interest cost	154	129	567	548
Other finance expense	13	1	41	24
Applicable net interest cost	**167**	**130**	**608**	**572**
Interest Coverage Ratio (ICR)	**2.8**	**2.6**	**2.7**	**2.5**

EPRA REPORTING

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real Estate Association) in its Best Practices Recommendations guide.

	Summary table EPRA performance measures	Unit	2016 / 31.12.2016	2015 / 31.12.2015
A	EPRA earnings per share (EPS)	NOK	4.3	3.2
B	EPRA NAV per share	NOK	101.3	89.0
	EPRA triple net asset value per share (NNNAV)	NOK	93.4	81.4
C	EPRA net initial yield	%	5.6	5.8
	EPRA, "topped-up" net initial yield	%	5.6	5.8
D	EPRA vacancy rate	%	3.8	4.9
E	EPRA cost ratio (including direct vacancy costs	%	15.9	19.1
	EPRA cost ratio (excluding direct vacancy costs)	%	14.0	16.4

The details for the calculation of the key figures are shown in the following tables:

A. EPRA EARNINGS

EPRA earnings is a measure of the underlying development in the property portfolio and is calculated as 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 figures in NOK millions	Q4-16	Q4-15	2016	2015
Profit for period/year - Earnings per IFRS income statement	1 316	774	2 722	2 721
Add:				
Changes in value of investment properties	-868	-403	-1 991	-1 818
Tax on changes in value of investment properties*	217	109	498	491
Reversal of deferred tax arising from sales of properties (tax excempted)	0	-3	-14	-218
Changes in value of financial instruments	-260	-79	-125	-417
Tax on changes in value of financial instruments*	65	21	31	112
Profit or losses on disposal of inventory in Oslo S Utvikling	-19	-8	-60	-38
Share of profit jointly controlled entities – fair value adjustments	-68	-19	-110	-46
Reversal of deferred tax EPRA adjusments jointly controlled entities	2	7	18	24
Net income non-controlling interests of subsidiaries	-9	-3	-37	-34
Reversal of tax non-controlling interests of subsidiaries	2	0	9	8
Significant one-off items	0	0	0	85
Tax on significant one-off items	0	0	0	-23
Change in tax rate**	-161	-252	-161	-252
Tax payable	2		2	
EPRA earnings	**221**	**145**	**784**	**597**
Reversal of tax adjustment above	-129	118	-384	-142
Reversal of change in deferred tax from income statement	155	-57	580	354
Reversal of tax payable from income statement	4	0	4	0
Reversal of tax JVs	-2	6	16	24
EPRA earnings net of tax	**249**	**211**	**1 000**	**832**

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

** From 27 per cent to 25 per cent in 2015 and from 25 per cent to 24 per cent for 2016 figures

B. NET ASSET VALUE – EPRA NAV AND EPRA NNNAV

The objective with EPRA NAV is to demonstrate the fair value of net assets given a long-term investment horizon. EPRA NAV is calculated as 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 NNNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised. 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.

All figures in NOK millions	2016	2015
Total equity	**15 124**	**13 354**
Less: Non-controlling interests	392	359
NAV per financial statement	**14 732**	**12 995**
Add: Adjustment to property portfolio	1	89
Add: Revaluation of investments made in the JV	368	118
Add: Net market value on financial derivatives	421	591
Add: Deferred tax arising on revaluation moments	3 091	2 550
EPRA NAV	**18 613**	**16 342**
Market value on property portfolio	35 785	29 598
Tax value on property portfolio	15 007	12 476
Basis for calculation of tax on gain on sale	20 778	17 122
Less: Market value of tax on gain on sale (5% tax rate)	**1 039**	**856**
Net market value on financial derivatives	421	591
Tax expense on realised financial derivatives*	101	148
Less: Net result from realisation of financial derivatives	**320**	**443**
Book value of interest bearing debt	18 113	15 205
Nominal value of interest bearing debt	17 696	14 851
Basis for calculation of tax on realisation of interest-bearing debt	416	354
Less: Market value of tax on realisation*	**100**	**89**
EPRA NNNAV	**17 154**	**14 954**

* 24 per cent from 2016, 25 per cent from 2015

C. EPRA NET INTIAL YIELD

EPRA Net initial yield measures the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

EPRA "topped-up" net initial yield incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

All figures in NOK millions	Oslo	Trond -heim	Sand-vika	Stavanger	Drammen	Bergen	Kristian-sand	Other	Total
Investment property - wholly owned	23 935	3 318	2 324	1 158	249	1 325	685	79	33 072
Investment property - share of JVs/Funds	625	0	0	524	999	896	0	0	3 043
Total property portfolio	**24 560**	**3 318**	**2 324**	**1 682**	**1 248**	**2 221**	**685**	**79**	**36 115**
Less projects and land and developments	-669	-815	-147	-86	0	-823	-15	0	-2 556
Completed management portfolio	**23 891**	**2 503**	**2 176**	**1 596**	**1 248**	**1 397**	**669**	**79**	**33 559**
Allowance for estimated purchasers` cost	50	14	9	4	5	7	5	1	95
Gross up completed management portfolio valuation	**23 941**	**2 517**	**2 185**	**1 600**	**1 253**	**1 404**	**674**	**80**	**33 654**
12 months rolling rent	1 415	179	128	104	80	95	52	7	2 060
Estimated ownership cost	119	17	11	8	5	9	7	1	176
Annualised net rents	**1 296**	**162**	**118**	**97**	**75**	**86**	**45**	**6**	**1 884**
Add: Notial rent expiration of rent free periods or other lease incentives	9	0	0	0	0	0	0	0	9
Topped up net annualised net rents	**1 305**	**162**	**118**	**97**	**75**	**86**	**45**	**6**	**1 893**
EPRA NIY (net initial yield)	**5.5%**	**6.4%**	**5.4%**	**6.0%**	**6.0%**	**6.1%**	**6.7%**	**7.2%**	**5.6%**
EPRA "topped-up" NIY (net initial yield)	**5.5%**	**6.4%**	**5.4%**	**6.0%**	**6.0%**	**6.1%**	**6.7%**	**7.2%**	**5.6%**

D. EPRA VACANCY

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

All figures in NOK millions	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Kristiansand	Other	Total
Market rent vacant areas	48	3	16	3	2	0	3	0	77
Total market rent	1 410	171	127	93	71	96	54	7	2 028
Vacancy	**3.4%**	**1.8%**	**12.6%**	**3.5%**	**2.6%**	**0.5%**	**5.8%**	**6.5%**	**3.8%**

E. EPRA COST RATIO

Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.

All figures in NOK millions	Q4-16	Q4-15	2016	2015
Maintenance	-20	-23	-50	-56
Total operating costs	-31	-38	-109	-129
Administrative costs	-42	-45	-152	-168
Share of joint ventures expences	-1	-1	-5	-5
Less: Ground rent cost	3	5	12	18
EPRA Cost (including direct vacancy cost)	**-92**	**-103**	**-304**	**-341**
Direct vacancy cost	-13	-16	-38	-49
EPRA Cost (excluding direct vacancy cost)	**-79**	**-88**	**-267**	**-292**
Gross rental income less ground rent	**506**	**439**	**1 899**	**1 772**
Share of jount ventures and fund (GRI)	3	3	10	10
Total gross rental income less ground rent	**509**	**442**	**1 909**	**1 782**
EPRA cost ratio (including direct vacancy cost)	**18%**	**23%**	**16%**	**19%**
EPRA cost ratio (excluding direct vacancy cost)	**15%**	**20%**	**14%**	**16%**

For further information about EPRA, go to www.epra.com.

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
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 Cushman and Wakefield Realkapital
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 Income from property management	- Net income from property management is calculated as Net Income less value changes, tax effects and other income and other cost from associates and JVs
Net letting	- Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts.
Net rent	- 12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group
Net yield	- Net rent divided by the market value of the management properties of the Group
Occupancy	- Estimated market rent of occupied space of the management properties, divided by the market rent of the total space of the management portfolio.
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

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Financial calendar

First quarter 2017	27.04.2017
Second quarter 2017	12.07.2017
Third quarter 2017	19.10.2017
Fourth quarter 2017	09.02.2018

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