

A photograph of a modern, multi-story office building with a glass facade, set against a blue sky with white clouds. The building has several towers and a long, low section with large glass windows. The foreground shows a street with a zebra crossing.

Q3

Quarterly Report 2017

Central, flexible and environment friendly office properties



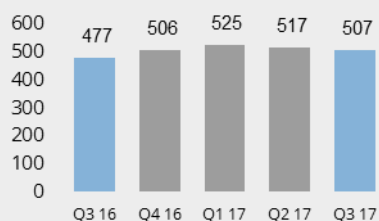
Financial highlights

- Rental income of 507 million (477 million) in the quarter
- Net income from property management of 307 million (260 million)
- Net value changes of 700 million (442 million)
- Profit before tax of 1,031 million (757 million)
- Net letting of 20 million
- Finalised Media City Bergen project
- Acquired remaining 50 % of Sundtkvartalet in Oslo

Rental income

+ 30 mill.

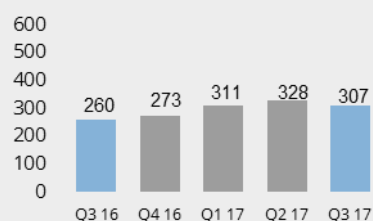
Rental income
(NOKm)



Property management

+ 47 mill.

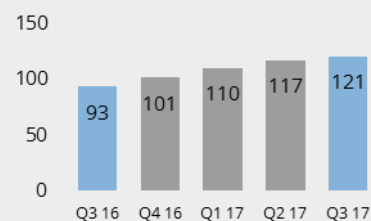
Net income from PM
(NOKm)



EPRA NAV

+ 29 %

EPRA NAV
(NOK per share)



Key figures

All figures in NOK millions	Q3-17	Q3-16	YTD Q3-17	YTD Q3-16	2016	2015	2014
Rental income	507	477	1,549	1,393	1,899	1,760	1,772
Change period-on-period	6%	4 %	11 %	5 %	8 %	-1 %	9 %
Net operating income	468	435	1,433	1,285	1,740	1,574	1,624
Change period-on-period	8%	6 %	12 %	7 %	11 %	-3 %	10 %
Net income from property management	307	260	945	797	1,070	799	774
Change period-on-period	18%	1 %	19 %	38 %	34 %	3 %	47 %
Profit before tax	1,031	757	3,779	1,831	3,306	3,075	1,377
Change period-on-period	36%	11 %	106 %	-22 %	8 %	123 %	201 %
Profit after tax	823	582	3,113	1,407	2,722	2,721	1,026
Change period-on-period	41%	18 %	121 %	-28 %	0 %	165 %	120 %
Market value of the property portfolio*	38,431	35,191	38,431	35,191	35,785	29,598	28,358
Net nominal interest-bearing debt	17,378	17,516	17,378	17,516	17,454	14,640	13,890
Loan to value*	43.9%	48.7%	43.9%	48.7%	47.6%	46.1%	48.4%
Interest coverage ratio*	2.9	2.7	3.0	2.7	2.7	2.5	2.0
Number of shares	183.7	183.7	183.7	183.7	183.7	183.7	183.7
All figures in NOK per share*	Q3-17	Q3-16	YTD Q3-17	YTD Q3-16	2016	2015	2014
EPRA NAV	121	93	121	93	101	89	76
Change period-on-period	29%	10 %	29%	10 %	14%	16%	na
EPRA NNNNAV	111	85	111	85	93	81	68
Change period-on-period	32%	9 %	32%	9 %	15%	20%	na
EPRA Earnings	1.24	0.95	3.86	3.06	4.27	3.25	3.00
Change period-on-period	30%	13 %	26 %	24 %	31%	8%	na
Cash earnings**/**	1.66	1.42	5.11	4.34	5.80	4.96	4.10
Change period-on-period	17%	1 %	18%	15 %	17%	21%	na
Dividend per share****	0	0	2.00	1.70	3.45	3.00	2.50
Change period-on-period	0	0	18 %	na	15 %	20%	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 in 2016 of 3.45 per share constitute of dividend approved and paid in 2016 for the first half year 2016 and dividend approved for second half of 2016, paid in May 2017. Dividend year to date Q3-17 relates to approved, not yet paid dividend.

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 6 per cent from 477 million in Q3 16 to 507 million in Q3 17 and can be explained by the factors in the income bridge below.

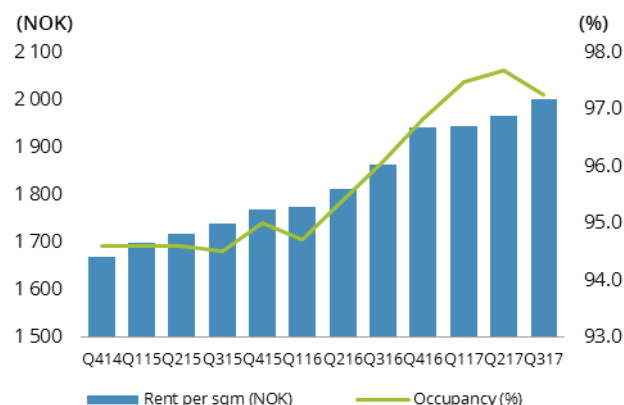
All figures in NOK millions	Q316	YTD 16
	Q317	YTD 17
Rental income previous period	477	1 393
Development projects	8	18
Acquisitions	26	123
Disposals	-24	-40
Other	1	4
Like-for-like growth	19	51
Rental income	507	1 549

The increase in rental income from the third quarter last year is mainly driven by the acquisition of the Skøyen portfolio and the completion of the projects in Strømsveien 96 and Cort Adlers gate 30 in Oslo. The increase is offset by the sale of non-core properties during 2016 and 2017, especially the divestment of the Kristiansand portfolio in may 2017.

On a like-for-like basis the rental growth in the third quarter was 4.5 per cent of which the annual indexation of the lease contracts constituted 3.6 per cent. 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.

Average 12 months rolling rent per square meter was 1,999 (1,863) as of 30.09.2017. The increase is mainly related to portfolio rotations towards more high quality assets, hereunder the acquisitions of the Skøyen portfolio combined with divestments of non-core properties. The change from last year is also explained by increased rent levels related to high letting activity for the past years and to the completion of newbuild- and rehabilitation projects.

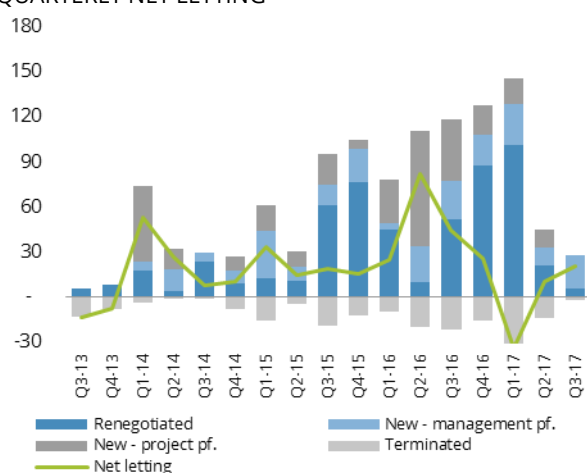
RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



Compared with the previous quarter the occupancy rate fell slightly to 97.2 per cent, mainly due to temporary vacancy pending the rehabilitation of the property Schweigaardsgate 15 in Oslo. The rental value of vacant space as of 30.09.17 was approximately 57 million (79 million) on an annualised basis.

Gross letting including re-negotiated contracts was 27 million in the quarter, mainly related to the management portfolio. Lease contracts with a total value of 2 million in annual leases were terminated in the quarter. Net letting, defined as new lease contracts plus lease-up on renegotiated contracts less terminated contracts, came in at 20 million (44 million). The time difference between 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 39 million (42 million) in the quarter. Total property costs is split as follows:

All figures in NOK millions	Q3-17	Q3-16	YTD Q3 17	YTD Q3 16
Maintenance	13	14	27	30
Tax, leasehold, insurance	13	11	39	25
Letting and prop. adm.	8	10	30	27
Direct property costs	4	7	19	26
Total property costs	39	42	116	108

The increase in property cost for the first nine months of 2017 compared to last year is mainly due to the introduction of property tax in Oslo in 2017 which for the first nine months was about 19 million.

Net operating income

As a consequence of the effects explained above, net operating income came in at 468 million (435 million) in the quarter.

Other revenues and other costs

Other revenue was 26 million (71 million) in the quarter. 11 million is related to Youngskvartalet in Oslo which is classified as a construction contract. In addition, 12 million in other income relates to the newbuild project in Kongsgaard Allé 20 in Kristiansand which is sold and Entra will complete before the property is delivered to the buyer. Until the projects are delivered to the buyers, the Group will recognise other revenue and other costs based on the completion level.

Other revenue also consists of income from services provided to tenants.

Administrative costs

Administrative costs amounted to 36 million (38 million) in the quarter.

Result from associates and JVs

Entra's share of profit from associates and JVs was 31 million (57 million) in the quarter. Entra's share of profit from associates and JVs is composed as follows:

All figures in NOK millions	Q3-17	Q3-16	YTD Q3 17	YTD Q3 16
Income from property management	6	3	11	29
Changes in market value	39	37	207	42
Tax	-11	-10	-53	-18
Other income and costs	-4	28	-3	23
Results from associates and JVs	31	57	163	76

The income from property management has increased to 6 million (3 million) in the quarter. The increase is mainly related to rent income from Lars Hilles gate 30 as the property was completed in the quarter.

The change in market value has increased in the quarter and year to date 2017 compared to last year and is explained by signing of new lease contracts and completion of the projects in Lars Hilles gate 30 (MCB) in Bergen and Sundtkvartalet in Oslo.

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 133 million (145 million) in the quarter and is composed as follows:

All figures in NOK millions	Q3-17	Q3-16	YTD Q3 17	YTD Q3 16
Interest and other finance income	8	3	18	6
Interest and other finance expense	-141	-148	-431	-425
Net realised financials	-133	-145	-413	-418

The interest-bearing debt has been at a relatively stable level since 30.09.16 and the interest expenses are slightly lower in the quarter compared to last year as the Group has decreased

its average interest rate to 3.21 per cent (3.41 per cent) as at 30.09.17. The decrease in the average interest rate is mainly explained by lower market interest rates on floating rate debt.

Net income and net income from property management

Net income came in at 331 million (315 million) in the quarter. When including only the income from property management in the results from JVs, net income from property management was 307 million (260 million) in the third quarter. This represented an increase of 18 per cent from the third quarter in 2016.

All figures in NOK millions	Q3-17	Q3-16	YTD Q3 17	YTD Q3 16
Net income	331	315	1,097	844
Less:				
Value changes in associates and JVs	39	37	207	42
Tax from associates and JVs	-11	-10	-53	-18
Other income and costs	-4	28	-3	23
Net income from property management	307	260	945	797

NET INCOME FROM PROPERTY MANAGEMENT PER SHARE

(Annualised, rolling 4 quarters)



Value changes

The valuation of the property portfolio resulted in a net positive value change of 682 million (374 million) in the quarter. About 220 million of the value changes is attributable to a further yield compression primarily in the Oslo portfolio. In addition, increased market rent in the Oslo market contributes to a value change of about 280 million in the quarter. 90 million is the result of new contracts signed in the quarter, and

about 110 million relates to the current project portfolio as each project is moving towards completion and the underlying project risk is reduced. The remaining changes are related to terminations of contracts and other property related changes.

Net changes in value of financial instruments was 18 million (68 million) in the quarter. The positive development is mainly explained by reduced time to maturity on interest rate swaps.

Tax

The change in deferred tax was 207 million (175 million) in the quarter. Tax payable of 6 million year to date is related to the partly owned entity Papirbredden in Drammen. The current tax rate is 24 per cent. However, the effective tax rate is less than the corporate income tax, mainly due to sales of properties without tax effect.

The Group, except for the partly owned company Papirbredden, 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.

Profit

Profit before tax was 1,031 million (757 million) in the quarter. Profit after tax was 823 million (582 million). Total comprehensive income was 813 million (562 million) for the period.

EPRA Earnings

EPRA Earnings amounted to 227 million (175 million) in the third quarter of 2017. The increase in EPRA earnings in the third quarter of 2017 is mainly related to increased net income from property management.

EPRA Earnings before tax amounted to 293 million (244 million) in the third quarter of 2017.

Further information about the EPRA Earnings calculations can be found on page 27.

Balance sheet

The Group's assets amounted to 42,112 million (38,178 million) as at 30.09.17. Of this, investment property amounted to 37,121 million (34,356 million) and investment property held for sale to 1,324 million (138 million). Two (two) properties were classified as held for sale as at 30.09.17. Intangible assets were 125 million (162 million) at the end of the quarter of which 109 million is goodwill related to Hinna Park in Stavanger.

Investments in associates and jointly controlled entities were 1,827 million (1,585 million). The increase is mainly attributable to capital increase of 200 million in the partly owned entity

Entra OPF and positive value changes in Entra OPF and Sundtkvartalet, partly offset by dividend of 50 million from Oslo S Utvikling. The amount was reduced by 142 million due to reclassification of Oslo City Parkering 2 AS as a subsidiary.

Entra has agreed to purchase the remaining 50 per cent of Sundtkvartalet, and the transaction was closed on 2 October 2017.

Long-term receivables was 203 million (66 million) year to date 2017. The increase is mainly related to a loan granted to Sundtkvartalet of 40 million and a rent compensation of 87 million arising from the agreement entered into in relation with the planned new-build in Tullinkvartalet. The corresponding net rent liability is recorded as an "other non-current liability". See note 21 in annual report 2016 for further information.

Other receivables was 803 million (344 million) at the end of the third quarter 2017 of which Youngskvartalet amounts to 496 million. The increase in other receivables since year end is affected by capitalised construction costs of 170 million, of which 11 million is capitalised in the third quarter of 2017, related to the property in Youngskvartalet that will be delivered to the buyer at the end of 2017 or at the beginning of 2018. In addition, the increase is related to prepayments on projects at Brattørkaia 16 and Powerhouse Brattørkaia 17 of 97 million and dividend not yet received from Oslo S Utvikling of 50 million.

The Group held 234 million (188 million) in cash and cash equivalents at 30.09.17. In addition the Group has 5,070 million (4,955 million) in unutilised credit facilities.

The Group had interest bearing debt of 18,030 million (18,239 million) as of 30.09.17.

Other current liabilities of 616 million (707 million) include approved, not yet paid dividend of 367 million (312 million). At 30 September 2016, Entra recorded a liability in connection with the settlement of the purchase of the Skøyen portfolio of 92 million.

Book equity totalled 17,531 million (13,874 million), representing an equity ratio of 42 per cent (36 per cent). Book equity per share was 95 (76). Equity per share was 121 (93) based on the EPRA NAV standard and 111 (85) based on EPRA NNNNAV. Outstanding shares at 30.09.17 totalled 183.7 million (183.7 million).

Cash flow statement

Net cash flow from operating activities came to 412 million (263 million) in the quarter. The change mainly relates to higher net income from property management partly offset by positive working capital movements.

The net cash flow from investments was -312 million (-2,721 million) in the quarter.

Proceeds from property transactions of 164 million (64 million) in the quarter was mainly related to sale of the Wergelandsvei 29 in Oslo.

Purchase of investment properties amounts to 0 (-2,548 million). In Q3-2016 Entra purchased the Skøyen portfolio.

The cash effect from construction and upgrades of investment properties amounted to 402 million (192 million) in the quarter. Investment in property and housing-units for sale of 28 million (52 million) in the quarter is mainly related to investments in the property Youngskvartalet in Oslo.

Net payments in associated companies and JVs is related to a capital increase in Entra OPF of 40 million (42 million) in the quarter.

Net cash flow from financing activities was -6 million (2,488 million) in the quarter. In the third quarter of 2017 Entra has net repaid bank loans of 306 million and net increased bond loans of 300 million.

The net change in cash and cash equivalents was 94 million (31 million) in the third quarter of 2017.

Financing

During the third quarter, Entra's total interest-bearing nominal debt decreased by 6 million to 17,611 million. The change in interest-bearing debt comprised an increase in bond financing of 300 million and a reduction in bank financing of 306 million.

In the quarter, commercial paper loans were refinanced with a total of 500 million. Further, Entra re-opened a floating rate bond issue (maturity 2. June 2021) with 300 million.

Interest bearing debt and maturity structure

As at 30.09.17 net interest-bearing nominal debt after deduction of liquid assets of 234 million (188 million) was 17,378 million (17,516 million).

The average remaining term for the Group's debt portfolio was 4.4 years at 30.09.17 (4.6 years as at 30.09.16). 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, 80 per cent (69 per cent) of the Group's financing was from the capital markets.

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)	2,800	0	0	0	0	2,800
Bonds (NOKm)	1,700	1,200	1,200	1,300	5,900	11,300
Bank loans (NOKm)	62	1,940	0	1,059	450	3,511
Total (NOKm)	4,562	3,140	1,200	2,359	6,350	17,611
Commercial paper (%)	61	0	0	0	0	16
Bonds (%)	37	38	100	55	93	64
Bank loans (%)	1	62	0	45	7	20
Total (%)						100
Unutilised credit facilities (NOKm)	0	1,310	1,000	1,510	1,250	5,070
Unutilised credit facilities (%)	0	26	20	30	25	100
Sources of financing	NOKm	%				
Bonds	11,300	64				
Bank loans	3,511	20				
Commercial paper	2,800	16				
Total	17,611	100				

Financing policy and status

All figures in NOK millions	30.09.2017	Target
Loan-to-value (LTV)	44%	Approx. 50%
Interest coverage ratio (ICR)	2.9	Min. 1.65x
Debt maturities <12 months	26%	Max 30%
Maturity of hedges <12 months	49%	Max 50%
Average time to maturity (hedges)	4.1	2-6 years
Financing commitments next 12m	111%	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 3.21 per cent (3.41 per cent) as at 30.09.17. 51 per cent (51 per cent) of the Group's financing was hedged at a fixed interest rate as at 30.09.17 with a weighted average maturity of 4.1 years (3.2 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:	17,611
The Group's average interest rate¹	3.21%

	Fixed rate instruments ²		Forward starting swaps ³			Average credit margin	
	Amount (NOKm)	Interest rate (%)	Amount (NOKm)	Interest rate (%)	Tenor (years)	Amount (NOKm)	Credit margin (%)
<1 year	1,600	3.7	1,100	2.18	6.5	8,011	0.98
1-2 years	900	3.9	1,600	1.93	7.2	1,200	0.86
2-3 years	2,100	3.9	2,450	2.09	6.8	1,200	1.22
3-4 years	950	4.9				1,300	0.96
4-5 years	1,150	1.9				1,200	0.78
5-6 years	1,450	2.2				2,600	1.10
6-7 years	900	2.7				1,000	0.88
7-8 years						0	
8-9 years						0	
9-10 years	110	4.4				0	
>10 years	400	5.6				1,100	0.39
Total	9,560	3.4	5,150	2.1	6.8	17,611	0.95

¹Average reference rate (nibor) is 0.87 per cent as of the reporting date.

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

³The 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 74 buildings with a total area of approximately 1.0 million square meters. As of 30.09.17, the management portfolio had a market value of around 35 billion. The occupancy rate was 97.2 per cent (96.1 per cent). The weighted average unexpired lease term for the Group's leases was 6.6 years (6.8) for the management portfolio and 7.5 years (7.2) when the project portfolio is included. The public sector represents approximately 68 per cent of the total customer portfolio. The entire property portfolio consists of 84 properties with a market value of about 38.5 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) 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 appraiser's estimated return requirements and expectations on future market development. The market value is defined as the external appraiser'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 perceived risk as of valuation date. The land and development portfolio is valued based on actually zoned land.

Year-on-year, the portfolio net yield is reduced from 5.6 per cent to 5.2 per cent. 12 months rolling rent has increased from 1,863 to 1,999 per square meter during the last year, whereas the market rent has increased from 1,858 to 2,061 per square meter.

	Number (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value		12 months rolling rent		Net yield	Market rent	
					(NOKm)	(NOK/sqm)	(NOKm)	(NOK/sqm)	(%)	(NOKm)	(NOK/sqm)
Oslo	38	612 514	97.0	6.0	25 053	40 902	1 364	2 228	5.0	1 452	2 370
Trondheim	9	107 533	98.8	5.6	2 534	23 562	175	1 626	6.2	170	1 585
Sandvika	9	91 482	95.9	10.5	2 323	25 396	140	1 529	5.6	122	1 331
Stavanger	5	78 658	97.3	9.2	2 029	25 789	134	1 699	6.1	126	1 597
Drammen	8	70 504	97.1	8.1	2 017	28 610	127	1 799	5.9	111	1 580
Bergen	5	45 262	99.5	5.0	1 292	28 544	71	1 575	4.9	92	2 036
Management portfolio	74	1 005 952	97.2	6.6	35 247	35 039	2 011	1 999	5.2	2 073	2 061
Project portfolio	6	102 698		18.4	2 861	27 862					
Development sites	4	95 969		0.2	323	3 362					
Property portfolio	84	1 204 619		7.5	38 431	31 903					

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 30.09 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	Q3-17	Q3-16	2016
Investment property	37,121	34,356	35,629
Investment properties held for sale	1,324	138	168
Properties and housing-units held for sale	0	702	0
Other	-14	-5	-13
Property market value	38,431	35,191	35,785

Letting activity

During the third quarter Entra signed new and renegotiated leases with an annual rent totalling 27 million (11,000 square meters) and received notices of termination on leases with an annual rent of 2 million (1,200 square meters). Net letting was 20 million in the quarter.

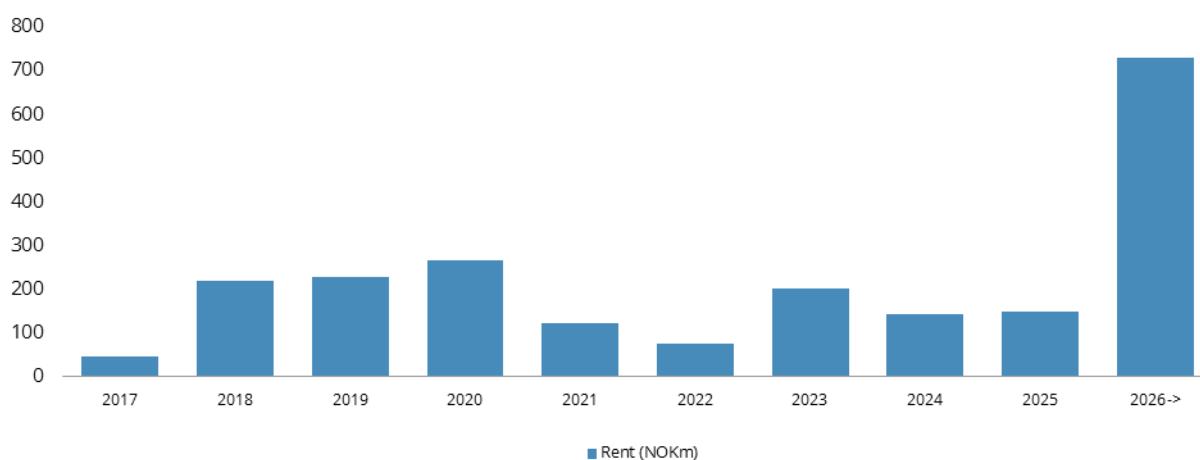
Net letting is calculated as the annualised rent of new lease contracts plus lease-up on renegotiated contracts less terminated contracts.

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

- New lease contract for 6 years and 2,000 sqm in Biskop Gunnerus gate 14 in Oslo with Regus Business Center Norge
- New lease contract for 6 years and 1,100 sqm. in Verkstedveien 3 in Oslo (Skøyen) with the Norwegian Healthnet
- New lease contract for 9 years and 600 sqm. in Lars Hilles gate 30 (Media City Bergen) in Bergen with IBM
- Renegotiated lease contract for 12 years (4 years extension) and 1,000 sqm in Prof. Olav Hanssens vei 10 in Stavanger with Electronic Chart Center (ECC)
- Renegotiated lease contract for 5 years and 1,100 sqm in Brattørkaia 17 B in Trondheim with Simonsen Vogt Wiig
- Renegotiated lease contract for 7 years and 600 sqm in Kaigaten 9 in Bergen with The Equality and Anti-Discrimination Tribunal

Maturity profile of the management portfolio:

(NOKm)



Investments and divestments

Entra has invested 335 million in the portfolio of investment properties in the quarter. In addition, Entra has invested 33 million through its non-consolidated jointly controlled entities (67 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 (sqm)	Occupancy (%)	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
Group:								
Powerhouse Kjørbo, block 1	100	Sandvika	Nov-17	3 200	100	93	78	6.4
Trondheimsporten	100	Trondheim	Dec-17	28 600	100	680	644	6.4
Brattørkaia 16 (BI)	100	Trondheim	Jun-18	10 500	100	291	152	6.6
Powerhouse Kjørbo, block 2	100	Sandvika	Oct-18	3 950	100	122	47	6.4
Powerhouse Brattørkaia	100	Trondheim	Mar-19	18 200	48	497	224	6.2
Tullinkvartalet (UIO)	100	Oslo	Dec-19	21 000	92	1 489	667	5.5
Total Group				85 450		3 172	1 812	

* 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

Entra is refurbishing Block 1 and 2 at Kjørbo into two new Powerhouses with BREEAM Excellent classification. Both blocks are fully let to Norconsult. Block 1 is 3,200 square meters and will be finished in November 2017 and Block 2 is 3,950 square meters and is expected to be finished in October 2018.

"Trondheimsporten" is a new-build project located in Holtermanns veg 70 in Trondheim. When completed, the property will be a 15-floor office building of approximately 28,600 square meters. The property is fully let to Trondheim municipality, the Norwegian Directorate of Health 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.

On Brattørkaia 16 in Trondheim, Entra is building a 10,500 square meter campus building for BI Norwegian Business School. The property is fully let on a 20-year lease. The project

has high environmental ambitions and aims for a BREEAM Excellent classification. The project will be finalised in the summer 2018.

On Brattørkaia 17 A, Entra will build Powerhouse Brattørkaia. This is an energy positive and environment friendly office building of approximately 18,200 square meters, of which a 2,500 square metres parking basement. The property is 48 per cent pre-let. Powerhouse Brattørkaia will utilise sun and sea water for heating and cooling. The building will be covered by 3,500 square meters 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. It 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., The project will be finalised in the first quarter of 2019.

In Tullinkvartalet in Oslo Entra has ongoing construction of a new 21,000 square meters campus building for the Faculty of Law of the University of Oslo. The property is 92 per cent let to the University on a 25-year lease. The new-build project involves 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 project will be finalised in the end of 2019. Ongoing activities are engineering, planning, ground- and concrete works. The new-build project aims for a BREEAM Excellent classification.

During the quarter Entra finalised the Media City Bergen project according to plan. The property is now 85 per cent let. Media City Bergen involves total renovation of approximately 35,000 square meters and an extension of approximately

10,000 square meters 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. Tenants include TV2, NRK, Bergensavisen, Bergens Tidende, the Media Faculty of Bergen University, Vizrt, Regus, Deloitte and IBM. The property is 50 per cent owned by Entra through Entra OPF.

Youngskvartalet in Oslo involves both a new building and refurbishment and conservation 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 finalised, Entra will deliver the project at cost, plus a project management fee. Closing will be during Q4 2017 or Q1 2018.

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 its four core markets; Oslo and the surrounding region, Bergen, Trondheim and Stavanger. Target areas include both 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 meets these acquisition criteria. At the same time, Entra actively divests smaller non-core properties. The acquisition and divestment strategy is flexible, allowing Entra to adapt to feedback from customers and market changes, and to respond to market opportunities as they arise.

Transactions in 2016 and YTD 2017

Purchased properties	Area	Transaction quarter	No of sqm	Transaction value	Closing date
50 % of Sundtkvartalet	Oslo	Q3 2017	31 300	795	02.10.2017
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
Sum			70 100	2 737	

Sold properties		Transaction quarter	No of sqm	Transaction value	Closing date
Wergelandsveien 29	Oslo	Q2 2017	3 373	160	30.09.2017
Akersgata 32 (Sections)	Oslo	Q2 2017	2 100	94	30.06.2017
Lømslandsveien 23	Kristiansand	Q2 2017	1 423	11	30.06.2017
Kristiansand portfolio	Kristiansand	Q2 2017	45 000	863	31.05.2017
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	01.11.2017
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
Gullfaks, Hinna Park (forward sale)	Stavanger	Q3 2015	17 900	727	30.10.2016
Sum			114 190	2 431	

Partly owned 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, the property Lars Hilles gate 30 (MediaCity Bergen) and Allehelgensgate 6.

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 Sundtkvartalet in Oslo. On 5 July 2017 Entra announced the acquisition of Skanska Commercial Development's share of Sundtkvartalet. The transaction was closed on 2 October 2017.

Oslo S Utvikling AS "OSU" (33.33 %)

OSU is a property development company that is undertaking the office and residential development of parts of the city district Bjørvika in Oslo. In July 2017 OSU announced that it had forward-sold the office property Eufemia (under development) for NOK 1,740 million. Closing and payment will be on completion in 2019.

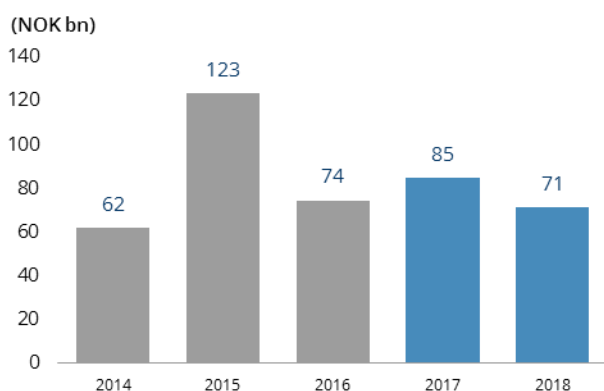
Financial figures for partly owned entities and JVs (quarterly based on 100 % ownership)

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		
Rental income	26	17	43	15	11	24	1	50
Net operating income	24	16	41	13	7	24	1	44
Net income	17	-2	15	12	1	-25	0	-13
Changes in value of investment properties	11	0	11	26	51	0	0	78
Changes in value of financial instruments	1	1	2	0	0	12	0	12
Profit before tax	29	-1	28	38	52	-13	0	77
Tax	-7	-1	-8	-9	-13	3	0	-19
Profit for period/year	22	-2	20	29	40	-11	0	58
<i>Non-controlling interests</i>	9	-1	8					
<i>Entras share of profit</i>				14	20	-4	0	31
<i>Book value</i>				1,048	290	482	6	1,827
Market value properties	1,767	1,024	2,791	2,238	1,595	6,251		10,084
Entras share:								
<i>Market value properties</i>	1,060	512	1,572	1,119	797	2,084		4,001
<i>EPRA NAV</i>	579	119	697	1,090	348	1,420	6	2,865
<i>EPRA NNNNAV</i>	538	100	639	1,071	332	1,287	6	2,696
<i>EPRA Earnings</i>	8	-1	6	5	0	-6	0	-1

Market development

Total transaction volume in Norway year to date sums up to around NOK 60 billion. The market is active and the number of transactions that has been executed so far in 2017 is record high. Demand from both national and international investors remains strong, and the transaction volume estimate for 2017 is NOK 85 billion, according to Entra's consensus report. The financing market is well functioning, the yield gap remains attractive and the outlook for the Norwegian economy is positive. Prime yield remains stable at around 3.8 per cent.

TRANSACTION VOLUME NORWAY



Source: Entra Consensus report

According to Entra's Consensus report, the Oslo office vacancy is expected to drop to around 7 per cent by the end of this year and below 6.5 per cent in 2018 and 2019. This is primarily driven by slightly increasing employment and low net new capacity to the market stemming from low construction activity and office-to-residential conversion. Consequently, the broad uplift in rent levels is expected to continue. Modern, centrally located office premises are especially attractive and are expected to see the strongest growth.

In Bergen, the office vacancy has levelled out at about 10 per cent. We expect the office vacancy to drop below 10 per cent due to low construction activity and office-to-residential conversion. Rents in the city centre of Bergen has increased due to low vacancy and low supply of modern, centrally located office premises.

The overall office vacancy in Stavanger has levelled out at around 11 per cent. In addition, there might be certain areas that are vacant but where the tenant is still paying rent. There is still a downward pressure on rents in oil and gas intensive areas like Forus. In the Stavanger city centre, the vacancy is at about 5 per cent and rent levels are more stable. The construction activity is low.

In Trondheim, the overall office vacancy has levelled out at around 10 per cent. The volume of new office space will increase in 2018-19. The potential increase in vacancy is expected to be slowed down by an increase in demand and some office-to-residential conversion. Rent levels in the city centre have increased, while there is a downward pressure on rents in the fringe areas.

Market data Oslo

	2014	2015	2016	2017e	2018e	2019e
Vacancy Oslo and Bærum (%)	7.8	8.4	7.8	6.9	6.4	6.3
Rent/sqm, high standard central Oslo office	3 025	2 935	2 992	3 194	3 386	3 530
Prime yield (%)	4.7	4.1	3.8	3.8	3.9	

Source: Entra Consensus report

Other information

Organisation and HSE

At 30.09.17 the Group had 149 employees, reduced from 166 at year-end 2016, primarily as a result of the establishment of a jointly controlled entity Hinna Park Facility Management AS.

During the quarter, there was one injury 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 3.3 at the end of the quarter vs 1.7 at the end of the third quarter 2016.

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

Events after the balance sheet date

On 2 October, Entra closed the transaction of remaining 50 per cent of Sundtkvartalet in Oslo

On 12 October, Entra paid out a semi-annual dividend of NOK 2.00 per share and the share traded excluding the right to receive the dividend from 4 October 2017.

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 10 October 2017, Entra had 5,363 shareholders. Norwegian investors held 57 per cent of the share capital. The 10 largest shareholders as registered in VPS on 10 October 2017 were:

Shareholder	% holding
Norwegian Ministry of Trade, Industry and Fisheries	33.4
Folketrygdfondet	8.8
The Bank of New York	4.2
State Street Bank and Trust Comp	2.1
DANSKE INVEST NORSKE	1.9
E D & F Man Capital ED&F E1	1.8
The Bank of New York	1.8
E D & F Man Capital ED&F E1	1.6
State Street Bank	1.4
Skandinaviska Enskilda Banken	1.3
SUM 10 LARGEST SHAREHOLDERS	58.3

Outlook

The weaker macroeconomic development in Norway is behind us, and we have seen a continuous positive development over several quarters. Nevertheless, there is still some degree of general uncertainty about the future.

The portfolio in Oslo constitutes around 70 per cent of Entra's revenues. We expect vacancy levels in Oslo to see a falling trend going forward as net new office space is coming into the market in 2017 and 2018 is marginal. This is due to low new building activity and still 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 have stabilised following the increasing trend seen in the second half of 2016. There is risk for a further increase from the current historically low levels. However, Entra with its strong

balance sheet, predictable cash flow and well-balanced interest rate hedge position is in a 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, 18 October 2017

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All figures in NOK millions	Q3-17	Q3-16	YTD Q3-17	YTD Q3-16	2016
Rental income	507	477	1,549	1,393	1,899
Repairs & maintenance	-13	-14	-27	-30	-50
Operating costs	-26	-28	-89	-78	-109
Net operating income	468	435	1,433	1,285	1,740
Other revenue	26	71	217	184	950
Other costs	-24	-65	-188	-174	-927
Administrative costs	-36	-38	-115	-110	-152
Share of profit from associates and JVs	31	57	163	76	150
Net realised financials	-133	-145	-413	-418	-572
Net income	331	315	1,097	844	1,190
- of which net income from property management	307	260	945	797	1,070
Changes in value of investment properties	682	374	2,630	1,123	1,991
Changes in value of financial instruments	18	68	53	-135	125
Profit before tax	1,031	757	3,779	1,831	3,306
Tax payable	-1	0	-6	0	-4
Change in deferred tax	-207	-175	-660	-425	-580
Profit for period/year	823	582	3,113	1,407	2,722
Actuarial gains and losses	-14	-28	-14	-28	-23
Change in deferred tax on comprehensive income	3	7	3	7	6
Total comprehensive income for the period/year	813	562	3,103	1,386	2,705
Profit attributable to:					
Equity holders of the Company	815	575	3,074	1,357	2,619
Non-controlling interest	8	8	40	50	103
Total comprehensive income attributable to:					
Equity holders of the Company	805	554	3,063	1,336	2,602
Non-controlling interest	8	8	40	50	103

Balance sheet

All figures in NOK millions	30.09.2017	30.09.2016	31.12.2016
Intangible assets	125	162	124
Investment property	37,121	34,356	35,629
Other operating assets	22	27	26
Investments in associates and JVs	1,827	1,585	1,561
Financial derivatives	421	574	472
Long-term receivables	203	66	163
Total non-current assets	39,719	36,770	37,976
Property and housing-units for sale	0	676	0
Investment property held for sale	1,324	138	168
Trade receivables	33	61	27
Other receivables	803	344	476
Cash and bank deposits	234	188	243
Total current assets	2,393	1,408	914
Total assets	42,112	38,178	38,890
Shareholders equity	17,104	13,466	14,732
Non-controlling interests	426	409	392
Total equity	17,531	13,874	15,124
Interest-bearing debt	13,440	14,488	14,734
Deferred tax liability	4,511	3,698	3,855
Financial derivatives	774	1,130	894
Other non-current liabilities	365	255	358
Total non-current liabilities	19,090	19,570	19,841
Interest-bearing debt	4,590	3,752	3,379
Trade payables	284	275	290
Other current liabilities	616	707	257
Total current liabilities	5,491	4,733	3,926
Total liabilities	24,581	24,304	23,766
Total equity and liabilities	42,112	38,178	38,890

Changes in equity

All figures in NOK millions	Share capital	Other paid-in capital	Retained earnings	Non-controlling interest	Total equity
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
Equity 31.12.2016	184	3,556	10,992	392	15,124
Profit for period			3,074	40	3,113
Other comprehensive income			-11		-11
Dividend			-689	-5	-694
Net equity effect of LTI & employee share saving scheme			-2		-2
Equity 30.09.2017	184	3,556	13,365	426	17,531

Statement of cash flows

All figures in NOK millions	Q3-17	Q3-16	YTD Q3 17	YTD Q3 16	2016
Profit before tax	1,031	757	3,779	1,831	3,306
Income tax paid	0	0	-4	0	0
Net expensed interest and fees on loans	133	145	413	418	589
Net interest and fees paid on loans	-111	-111	-429	-390	-520
Share of profit from associates and jointly controlled entities	-31	-57	-163	-76	-150
Depreciation and amortisation	2	2	5	7	46
Changes in value of investment properties	-682	-374	-2,630	-1,123	-1,991
Changes in value of financial instruments	-18	-68	-53	135	-125
Change in working capital	87	-30	-40	-61	-59
Net cash flow from operating activities	412	263	879	741	1,097
Proceeds from property transactions	164	64	1,150	329	1,021
Purchase of investment properties	0	-2,548	-156	-2,547	-2,536
Investment in and upgrades of investment properties	-402	-192	-1,133	-539	-1,001
Investment in property and housing-units for sale	-28	-52	-129	-177	-233
Purchase of intangible and other operating assets	-6	-2	-7	-8	-15
Net payment financial assets	-2	0	-2	5	-5
Net payment of loans to associates and JVs	0	0	-40	0	-1
Net payments in associates and JVs	-40	-42	-154	-173	-253
Dividends from associates and JVs	0	51	1	51	51
Net cash flow from investment activities	-312	-2,721	-469	-3,059	-2,972
Proceeds interest-bearing debt	2,370	6,332	9,771	14,425	17,536
Repayment interest-bearing debt	-2,376	-3,825	-9,862	-11,577	-14,695
Proceeds from/repayment of equity	0	0	-2	-1	-1
Dividends paid	0	-19	-327	-551	-934
Net cash flow from financing activities	-6	2,488	-419	2,295	1,906
Change in cash and cash equivalents	94	31	-9	-24	31
Cash and cash equivalents at beginning of period	139	158	243	212	212
Cash and cash equivalents at end of period	234	188	234	188	243

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 2016.

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

NOTE 2 – SEGMENT INFORMATION

The Group is organised into two geographic units: Oslo and Regional Cities. These units are supported by a Letting and Property Development division, a Project Development division and a Digital and Business Development 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 six geographic areas: Oslo, Trondheim, Sandvika, Stavanger, Drammen and Bergen.

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 six geographic areas.

Operating segments Q3-17:

	Number (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	38	612 514	97.0	6.0	25 053	40 902	1 364	2 228	5.0	1 452	2 370
Trondheim	9	107 533	98.8	5.6	2 534	23 562	175	1 626	6.2	170	1 585
Sandvika	9	91 482	95.9	10.5	2 323	25 396	140	1 529	5.6	122	1 331
Stavanger	5	78 658	97.3	9.2	2 029	25 789	134	1 699	6.1	126	1 597
Drammen	8	70 504	97.1	8.1	2 017	28 610	127	1 799	5.9	111	1 580
Bergen	5	45 262	99.5	5.0	1 292	28 544	71	1 575	4.9	92	2 036
Management portfolio	74	1 005 952	97.2	6.6	35 247	35 039	2 011	1 999	5.2	2 073	2 061
Project portfolio	6	102 698		18.4	2 861	27 862					
Development sites	4	95 969		0.2	323	3 362					
Property portfolio	84	1 204 619		7.5	38 431	31 903					

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 30.09 corresponds to 8.4 per cent of market rent.

Operating segments Q3-16:

	Number (#)	Area (sqm)	Occupancy (%)	Wault (year)	Market value (NOKm) (NOK/sqm)		12 months rolling rent (NOKm) (NOK/sqm)		Net yield (%)	Market rent (NOKm) (NOK/sqm)	
Oslo	41	610 033	96.7	6.3	22 382	36 690	1 327	2 175	5.5	1 315	2 155
Trondheim	9	117 187	98.2	6.2	2 501	21 339	176	1 504	6.4	170	1 447
Sandvika	9	94 594	91.6	9.7	2 142	22 647	118	1 247	5.0	125	1 321
Stavanger	6	79 078	92.2	9.5	2 076	26 257	128	1 617	5.6	134	1 694
Drammen	8	70 067	94.7	8.5	1 874	26 746	114	1 623	5.7	106	1 516
Bergen	6	57 119	98.8	5.0	1 268	22 196	89	1 566	6.3	95	1 656
Kristiansand	7	45 158	92.9	9.9	665	14 718	51	1 139	6.7	54	1 185
Other	1	5 531	93.5	4.3	63	11 472	7	1 182	8.9	7	1 195
Management portfolio	87	1 078 767	96.1	6.8	32 971	30 564	2 010	1 863	5.6	2 004	1 858
Project portfolio	6	98 941		13.9	1 704	17 226					
Development sites	5	126 711		2.2	516	4 069					
Property portfolio	98	1 304 418		7.2	35 191	26 978					

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 30.09 corresponds to 8.1 per cent of market rent.

NOTE 3 – INVESTMENT PROPERTIES

All figures in NOK millions	Q3-17	Q3-16	YTD Q3-17	YTD Q3-16	2016
Closing balance previous period	37,569	31,364	35,798	28,989	28,989
Purchase of investment property	0	2,582	155	4,040	4,183
Investment in the property portfolio	335	237	998	654	1,004
Capitalised borrowing costs	9	3	20	6	11
Sale of investment property	-151	-66	-1,159	-318	-379
Reclassified from properties for use of the group	0	0	4	0	0
Changes in value of operational lease	-3	-3	10	2	-28
Changes in value of investment properties	685	377	2,619	1,121	2,018
Closing balance	38,445	34,494	38,445	34,494	35,798
Investment property held for sale	1,324	138	1,324	138	168
Investment property	37,121	34,356	37,121	34,356	35,629

Investment properties held for sale include the properties Middelthunsgate 29 in Oslo and Tungasletta 2 in Trondheim.

During the third quarter the Group has handed to the buyer the property Wergelandsvei 29 in Oslo.

During the first quarter of 2017 Molovegen 10 in Bodø was sold in January 2017 with closing in February 2017, the property Kalfarveien 31 in Bergen had closing in February 2017 and the property Erling Skakkesgate 60/Kongensgate 85 in Trondheim had closing 31 March 2017. During the second quarter of 2017 the Group sold and handed to the buyer the properties Akersgata 32 in Oslo and Lømslandsvei 23 in Kristiansand, in addition to closing of the Kristiansand properties Kongsgård Allé 20, Tordenskioldsgate 65, Tordenskioldsgate 67, Lømslandsvei 6, Lømslandsvei 24, St.Hansgate 1 and Vestre Strandgata 21 at 31 May 2017.

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 693 million (679 million) as at the end of the third quarter of 2017. The Group records quarterly a negative value change on the property as the maturity date of the lease approaches.

NOTE 4 – 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 2016 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 (level 3) all assets and liabilities are level 2. Investment properties of 38,445 million are classified at level 3.

All figures in NOK millions	30.09.2017	30.09.2016	31.12.2016
Assets measured at fair value:			
Assets measured at fair value with change over the result			
- Investment property	37,121	34,356	35,629
- Investment property held for sale	1,324	138	168
- Derivatives	421	574	472
Financial assets held for sale			
- Equity instruments	0	1	1
Total	38,866	35,069	36,270
Liabilities measured at fair value:			
Financial liabilities measured at fair value with change over the result			
- Derivatives	774	1,130	894
- Bonds	6,019	5,336	5,615
- Commercial paper	2,800	2,000	1,700
Total	9,593	8,466	8,209

NOTE 6 – SALE OF PROPERTY PORTFOLIO

In January 2017 the Group signed an agreement regarding sale of a property portfolio in Kristiansand for a total of 863 million which includes completion and related construction costs regarding the construction of a new school building in Kongsgård Allé 20 where settlement will take place when completed. The buyer is Samhallsbyggnadsbolaget i Norden AB (publ). Closing and settlement took place at 31 May 2017 for the portfolio, except for the 2,250 sqm new school building under construction in Kongsgård Allé 20 where settlement is expected to take place 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	Q3-17	Q3-16	2016
Net nominal interest-bearing debt	17,378	17,516	17,454
Total market value of the property portfolio	39,551	35,979	36,681
Market value of the property portfolio	38,431	35,191	35,785
Share of Entra OPF Utvikling (50%)	1,119	788	896
Debt ratio (LTV) %	43.9	48.7	47.6

INTEREST COVERAGE RATIO (ICR)

All figures in NOK millions	Q3-17	Q3-16	YTD Q3-17	YTD Q3-16	2016
Net income	331	315	1,097	844	1,190
Depreciation	2	2	5	7	46
Results from associates and joint ventures	-31	-57	-163	-76	-150
Net realised financials	133	145	413	418	572
EBITDA adjusted	436	405	1,352	1,193	1,658
Share of EBITDA Entra OPF Utvikling	6	1	8	4	4
EBITDA adjusted for share of Entra OPF Utvikling	442	406	1,360	1,196	1,663
Interest cost	145	144	442	413	567
Other finance expense	7	9	15	28	41
Applicable net interest cost	152	153	457	441	608
Interest Coverage Ratio (ICR)	2.9	2.7	3.0	2.7	2.7

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. In September 2017, Entra was awarded the EPRA Gold Medal for its 2016 Annual Report, and was further granted the Award for the "Most Improved Annual Report".

Summary table EPRA performance measures		Unit	Q3 17 / 30.09.2017	2016 / 31.12.2016
A	EPRA earnings per share (EPS)	NOK	1.2	4.3
B	EPRA NAV per share	NOK	121	101
	EPRA triple net asset value per share (NNNAV)	NOK	111	93
C	EPRA net initial yield	%	5.2	5.6
	EPRA, "topped-up" net initial yield	%	5.2	5.6
D	EPRA vacancy rate	%	2.7	3.8
E	EPRA cost ratio (including direct vacancy costs)	%	14.2	15.9
	EPRA cost ratio (excluding direct vacancy costs)	%	12.7	14.0

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	Q3-17	Q3-16	YTD Q3-17	YTD Q3-16	2016
Profit for period/year - Earnings per IFRS income statement	823	582	3,113	1,407	2,722
Add:					
Changes in value of investment properties	-682	-374	-2,630	-1,123	-1,991
Tax on changes in value of investment properties*	164	94	631	281	498
Reversal of deferred tax arising from sales of properties (tax exempted)	-28	-8	-176	-14	-14
Changes in value of financial instruments	-18	-68	-53	135	-125
Tax on changes in value of financial instruments*	4	17	13	-34	31
Profit or losses on disposal of inventory in Oslo S Utvikling	-3	-36	-14	-41	-60
Share of profit jointly controlled entities – fair value adjustments	-39	-37	-207	-42	-110
Reversal of deferred tax EPRA adjustments jointly controlled entities	10	13	53	15	18
Net income non-controlling interests of subsidiaries	-6	-10	-33	-28	-37
Reversal of tax non-controlling interests of subsidiaries	1	2	8	7	9
Change in tax rate**	0	0	0	0	-161
Tax payable	1	0	4	0	2
EPRA earnings	227	175	710	563	784
Reversal of tax adjustment above	-152	-117	-533	-255	-384
Reversal of change in deferred tax from income statement	207	175	660	425	580
Reversal of tax payable from income statement	1	0	6	0	4
Reversal of tax JVs	10	11	52	17	16
EPRA earnings before tax	293	244	894	750	1,000

* 24 per cent from Q1 2017, 25 per cent previous periods.

** From 25 per cent to 24 per cent for 2016 figures.

B. NET ASSET VALUE – EPRA NAV AND EPRA NNAV

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 NNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised. EPRA NNAV is EPRA NAV adjusted to reflect the fair value of debt and derivatives and in order to include deferred tax on value changes.

All figures in NOK millions	Q3-17	Q3-16	2016
Total equity	17,531	13,874	15,124
Less: Non-controlling interests	426	409	392
NAV per financial statement	17,104	13,466	14,732
Add: Adjustment to property portfolio	1	27	1
Add: Revaluation of investments made in the JV	1,038	198	368
Add: Net market value on financial derivatives	353	556	421
Add: Deferred tax arising on revaluation moments	3,676	2,878	3,091
EPRA NAV	22,172	17,126	18,613
Market value on property portfolio	38,431	35,191	35,785
Tax value on property portfolio	15,240	14,381	15,007
Basis for calculation of tax on gain on sale	23,192	20,810	20,778
Less: Market value of tax on gain on sale (5% tax rate)	1,160	1,041	1,039
Net market value on financial derivatives	353	556	421
Tax expense on realised financial derivatives*	85	139	101
Less: Net result from realisation of financial derivatives	268	417	320
Book value of interest bearing debt	18,030	18,239	18,113
Nominal value of interest bearing debt	17,611	17,704	17,696
Basis for calculation of tax on realisation of interest-bearing debt	419	536	416
Less: Market value of tax on realisation*	101	134	100
Less: MV of tax on gain on sale (5% tax rate) & realisation of financial derivatives in JVs	168		
EPRA NNAV	20,475	15,534	17,154

* 23 per cent from 31.12.2017, 24 per cent from 31.12.2016, 25 per cent from 31.12.2015

C. EPRA NET INITIAL 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	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	26 277	4 007	2 575	1 178	250	1 353	35 641
Investment property - share of JVs/Funds	797	0	0	512	1 060	1 119	3 489
Total property portfolio	27 074	4 007	2 575	1 690	1 310	2 473	39 129
Less projects and land and developments	-1 224	-1 474	-251	-87	0	-1 039	-4 075
Completed management portfolio	25 850	2 534	2 323	1 603	1 310	1 433	35 054
Allowance for estimated purchasers' cost	52	14	10	4	5	6	90
Gross up completed management portfolio valuation	25 902	2 547	2 333	1 607	1 315	1 439	35 144
12 months rolling rent	1 403	175	140	103	84	82	1 988
Estimated ownership cost	121	18	10	8	5	8	171
Annualised net rents	1 282	157	129	96	79	74	1 817
Add: Notial rent expiration of rent free periods or other lease incentives	4	0	0	0	0	0	4
Topped up net annualised net rents	1 286	157	129	96	79	74	1 821
EPRA NIY (net initial yield)	5.0%	6.2%	5.6%	5.9%	6.0%	5.1%	5.2%
EPRA "topped-up" NIY (net initial yield)	5.0%	6.2%	5.6%	5.9%	6.0%	5.1%	5.2%

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	Total
Market rent vacant areas	43	2	5	3	2	0	55
Total market rent	1 492	170	122	95	73	104	2 057
Vacancy	2.9%	1.2%	4.1%	2.8%	3.1%	0.5%	2.7%

E. EPRA COST RATIO

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

For further information about EPRA, go to WWW.EPRA.COM.

All figures in NOK millions	Q3-17	Q3-16	YTD Q3-2017	YTD Q3-2016	2016
Maintenance	-13	-14	-27	-30	-50
Total operating costs	-26	-28	-89	-78	-109
Administrative costs	-36	-38	-115	-110	-152
Share of joint ventures expences	-4	-4	-4	-4	-5
Less: Ground rent cost	5	3	14	9	12
EPRA Cost (including direct vacancy cost)	-74	-81	-221	-212	-304
Direct vacancy cost	-8	-9	-29	-25	-38
EPRA Cost (excluding direct vacancy cost)	-66	-72	-192	-187	-267
Gross rental income less ground rent	507	477	1 549	1 393	1 899
Share of joint ventures and fund (GRI)	13	2	26	7	10
Total gross rental income less ground rent	520	479	1 575	1 400	1 909
Epura cost ratio (including direct vacancy cost)	14.2%	16.8%	14.0%	15.1%	15.9%
Epura cost ratio (excluding direct vacancy cost)	12.7%	14.9%	12.2%	13.4%	14.0%

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.
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

Fourth quarter 2017 09.02.2018

First quarter 2018 20.04.2018

Second quarter 2018 11.07.2018

Third quarter 2018 18.10.2018

Fourth quarter 2018 08.02.2019



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