Q3

Quarterly Report 2018

Central, flexible and environment friendly office properties

entra

Financial highlights

- Rental income of 570 million (507 million) in the quarter
- Net income from property management of 369 million (307 million)
- Net value changes of 204 million (700 million)
- Profit before tax of 660 million (1,031 million)
- Net letting of 1 million
- Finalised renovation project Powerhouse Kjørbo, Block 2
- Moody's Investment Grade rating Baa1, Stable Outlook

Rental income

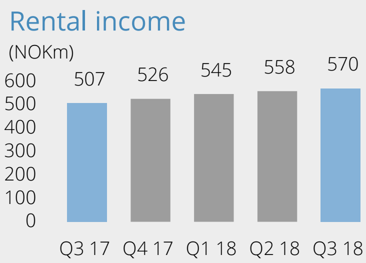
+ 63 mill.

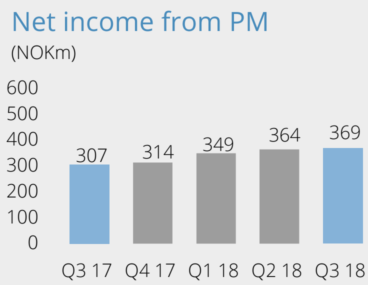
Property management

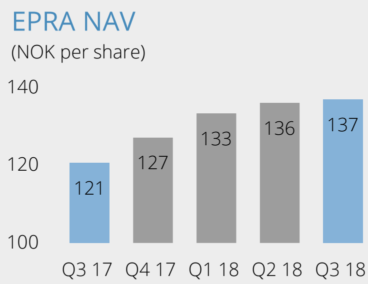
+ 62 mill.

EPRA NAV

+ 14%







Key figures

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17	2017	2016	2015
Rental income	570	507	1 673	1 549	2 075	1 899	1 760
Change period-on-period	13%	6 %	8 %	11 %	9 %	8 %	-1 %
Net operating income	525	468	1 543	1 433	1 913	1 740	1 574
Change period-on-period	12%	8 %	8 %	12 %	10 %	11 %	-3 %
Net income from property management	369	307	1 082	945	1 259	1 070	799
Change period-on-period	20%	18 %	15 %	19 %	18 %	34 %	3 %
Profit before tax	660	1 031	2 359	3 779	5 030	3 306	3 075
Change period-on-period	-36 %	36 %	-38 %	106 %	52 %	8 %	123 %
Profit after tax	528	823	1 956	3 113	4 514	2 722	2 721
Change period-on-period	-36 %	41 %	-37 %	121 %	66 %	0 %	165 %
Market value of the property portfolio*	44 891	38 431	44 891	38 431	40 036	35 785	29 598
Net nominal interest bearing debt	18 596	17 378	18 596	17 378	17 852	17 454	14 640
Loan to value*	41.2%	43.9%	41.2%	43.9%	43.3%	47.6%	46.1%
Interest coverage ratio*	3.6	2.9	3.6	3.0	3.0	2.7	2.5
Number of shares	183.7	183.7	183.7	183.7	183.7	183.7	183.7

All amounts in NOK per share*	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17	2017	2016	2015
EPRA NAV	137	121	137	121	127	101	89
Change period-on-period	14%	29 %	14%	29 %	26 %	14%	16%
EPRA NNNAV	127	111	127	111	118	93	81
Change period-on-period	14%	32 %	14%	32 %	26 %	15%	20%
EPRA Earnings	1.44	1.24	4.26	3.86	5.23	4.27	3.25
Change period-on-period	17%	30 %	10 %	26 %	22%	31%	8%
Cash earnings**/***	1.99	1.66	5.85	5.11	6.81	5.80	4.96
Change period-on-period	20%	17 %	14%	18 %	17 %	17%	21%
Dividend per share****	0.00	0.00	2.20	2.00	4.10	3.45	3.00
Change period-on-period	0 %	0 %	10 %	18 %	19 %	15 %	20%

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. Dividend year to date Q3-18 relates to dividend approved on 10 July and paid on 10 October.

Financial developments

Results

Rental income

The Group's rental income was up by 13 per cent from 507 million in Q3 17 to 570 million in Q3 18. The increased rental income can be explained by the factors in the below income bridge.

All amounts in NOK million	Q3-17 Q3-18	YTD 17 YTD 18
Rental income previous period	507	1 549
Development projects	15	32
Acquisitions	27	66
Divestments	-20	-87
Other*	29	85
Like-for-like growth	13	29
Rental income	**570**	**1 673**

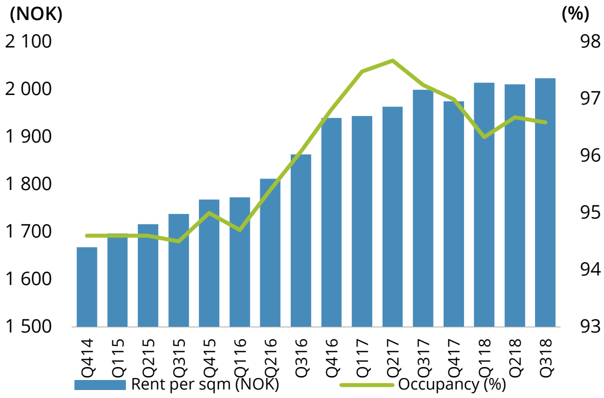
*Entra OPF consolidated in the group from 1.1.2018

The increase in rental income from the third quarter last year is mainly driven by the aqcuisition of the remaining 50 per cent of Sundtkvartalet in October 2017, the consolidation of Entra OPF from 1.1.2018 and the completion of the projects Trondheimsporten in the first quarter and Brattørkaia 16 in the second quarter. In addition, the aquistion of the office part of the Bryn portfolio contributed with about 7 millions in rental income in the third quarter. The increase is partly offset by the sale of non-core properties during 2017 and 2018. Year to date, the increase in rental income compared to last year is primarily driven by the same factors as mentioned above.

On a like-for-like basis, the rental growth in the third quarter and year to date was 2.8 and 2.0 per cent, respectively, compared to 2017, of which the annual indexation of the lease contracts constituted 1.1 per cent. Near all of Entra's lease contracts are 100 per cent linked to positive changes in CPI.

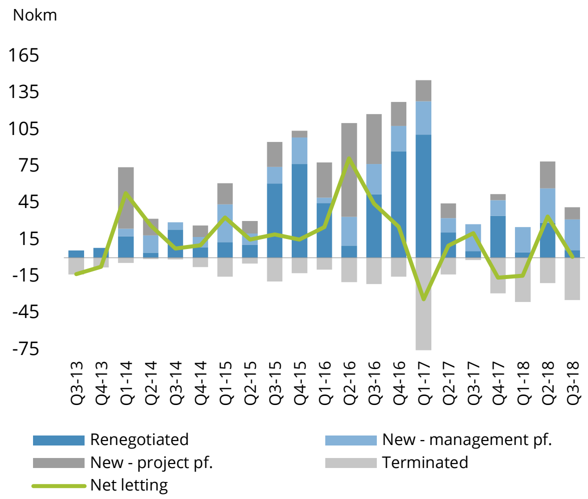
Average 12 months rolling rent per square meter was 2,024 (1,999) as of 30.9.2018. The increase is mainly related to portfolio rotations towards more high quality assets as well as underlying growth in market rents.

RENT (12M ROLLING) PER SQM AND OCCUPANCY RATE



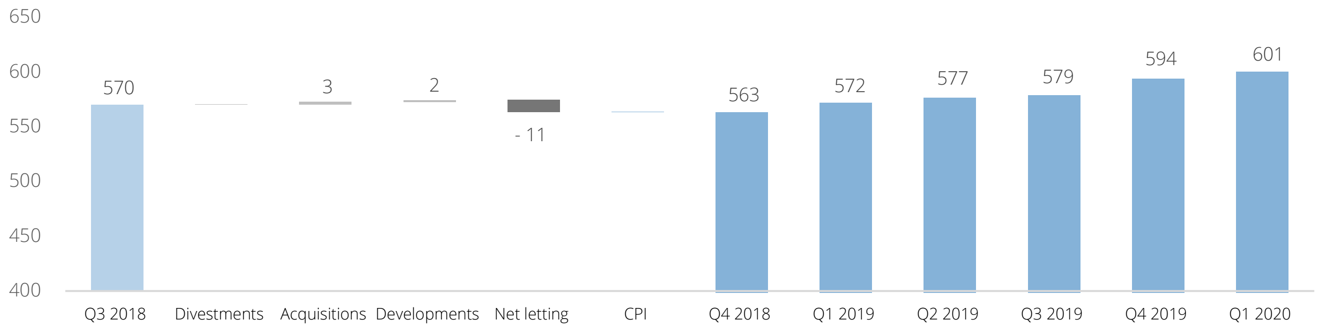
The occupancy rate decreased slightly from 96.7 per cent in the second quarter to 96.6 per cent in the third quarter. This is mainly related to a combination of the effect of the net letting in the portfolio and reclassification of properties from the management portfolio and the project portfolio. The rental value of vacant space as of 30.9.18 was approximately 80 million (57 million) on an annualised basis.

QUARTERLY NET LETTING



Gross letting including renegotiated contracts was 41 million in the quarter of which 10 million is attributable to letting in the project portfolio. Lease contracts with a total value of 35 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 1 million (20 million) in the quarter. The time difference between net letting in the management portfolio in the quarter and its effect on the financial results is normally 6-18 months, while new contracts signed in the project portfolio tend to have a later impact on the results.

RENTAL INCOME DEVELOPMENT



The graph above shows the estimated development of contracted rental income based on all reported events, including income effect from divestments and acquisitions, completion of new development projects, net letting based on new and terminated contracts in the management portfolio, and other effects such as estimated CPI adjustments. It does not reflect any letting targets on the vacant areas in the portfolio or on contracts that will expire, but where the outcome of any renegotiation process is not known, i.e not yet reported in "Net letting". The graph therefore does not constitute a forecast, but rather aims to demonstrate the rental income trend in the existing contract portfolio on the balance sheet date based on all reported events.

Property costs

Total property costs amounted to 45 million (39 million) in the quarter. Total property costs is split as follows:

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17
Maintenance	**8**	**13**	**25**	**27**
Tax, leasehold, insurance	20	13	56	39
Letting and prop. adm.	9	8	26	30
Direct property costs	9	4	23	19
Total property costs	**45**	**39**	**131**	**116**

The increase in property cost for the third quarter and for the first nine months of 2018, compared to last year, is mainly attributable to an increase in the property tax rate from 0.2 per cent to 0.3 per cent in Oslo and the consolidation of Entra OPF as of 1.1.2018

Net operating income

As a consequence of the effects explained above, net operating income came in at 525 million (468 million) in the quarter.

Other revenues and other costs

Other revenues was 22 million (26 million) in the quarter and Other costs was 19 million (24 million). Other revenues in the quarter mainly consists of income from services provided to tenants. Other costs consists of other property costs mainly related to depreciation and rental expenses.

All of the income and costs related to the residential part of the Bryn portfolio, which was aquired in september 2018, will be recognized as other income and other cost Refer to note 5 for further information on the acquisition of the Bryn portfolio.

Administrative costs

Administrative costs amounted to 33 million (36 million) in the quarter.

Result from associates and JVs

Entra's share of profit from associates and JVs was 89 million (31 million) in the quarter. Due to the consolidation of Entra OPF as of 1.1.2018, the result in 2018 is only related to the ongoing business in Oslo S Utvikling. Entra's share of profit from associates and JVs is composed as follows:

All amounts in NOK million	Q3-18	Q3-17	YTD Q3 18	YTD Q3 17
Income from property management	1	6	3	11
Changes in market value	0	39	0	206
Tax	0	-11	-1	-52
Other income and costs	88	-4	122	-3
Results from associates and JVs	**89**	**31**	**125**	**163**

The net effect of other income and costs in the quarter mainly relates to the net gains from the sale of Barcode Basement, the completion and delivery of residential apartements in Bjørvika and the recognision of income and cost related to the completion level of the office project Eufemia.

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 -127 million (-133 million) in the quarter and is composed as follows:

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17
Interest and other finance income	2	8	16	18
Interest and other finance expense	-129	-141	-373	-431
Net realised financials	**-127**	**-133**	**-358**	**-413**

Net realised financials have decreased in the first nine months of 2018 compared to 2017 mainly due to lower average interest rate following termination of interest rate swaps. The interest and other finance income in first nine months of 2018 was impacted by the delayed closing of Youngskvartalet of 9 million in Q1.

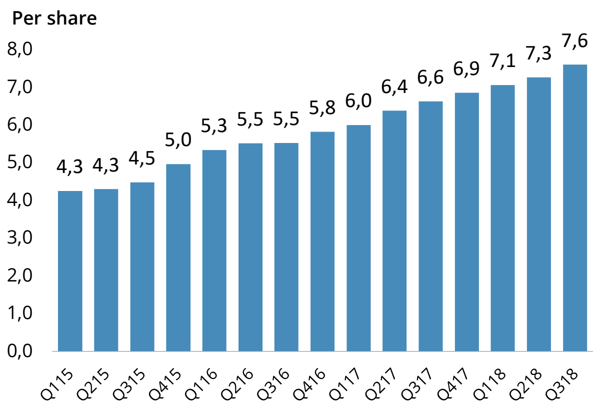
Net income and net income from property management

Net income came in at 457 million (331 million) in the quarter. When including only the income from property management in the results from JVs, net income from property management was 369 million (307 million). This represents an increase of 20 per cent from the third quarter in 2017.

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17
Net income	457	331	1 204	1 097
Less:				
Value changes in associates and JVs	0	39	0	206
Tax from associates and JVs	0	-11	-1	-53
Other income and costs	88	-4	122	-3
Net income from property management	**369**	**307**	**1 083**	**945**

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 137 million (682 million) in the quarter. In the third quarter, about 169 million of the value changes is attributable to increased market rents, primarily in Oslo. 85 million of the value change is related to a minor yield compression in areas outside of the city center of Oslo, as well as in Stavanger. Value change of 24 million is a result of new contracts signed in the quarter partly offset by effects from terminated contracts. About 19 million relates to the ongoing project portfolio, mainly explained by reduced risk as each project is moving towards completion in combination with improved market conditions. The remaining negative 160 million relates to other property effects, including revised assumptions related to CAPEX requirements on certain future refurbishment projects.

Net changes in value of financial instruments was 67 million (18 million) in the quarter. The positive value change in Q3 mainly relates to higher market interest rates during the quarter. Entra has year to date terminated interest rate swaps with a notional amount of 1.1 billion with a termination cost of 49 million.

Tax

The change in deferred tax was -130 million (-207 million) in the quarter. Tax payable of 8 million (6 million) year to date 2018 is related to the partly owned entity Papirbredden in Drammen. The current nominal corporate income tax rate is 23 per cent. However, the effective tax rate year to date is less than the nominal tax, mainly due to sales of properties without tax effect.

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 2017, the tax loss carry forward for the Group was 810 million (953 million).

Profit

Profit before tax was 660 million (1,031 million) in the quarter. Profit after tax was 528 million (823 million), which also equals the comprehensive income for the period.

EPRA Earnings

EPRA Earnings amounted to 265 million (227 million) in the third quarter of 2018. The increase in EPRA Earnings is mainly related to increased net income from property management.

EPRA Earnings before tax amounted to 354 million (293 million) in the third quarter 2018.

Further information about the EPRA Earnings calculations can be found on page 26.

Balance sheet

The Group's assets amounted to 46,915 million (42,112 million) as at 30.9.18. Of this, investment properties amounted to 44,969 million (37,121 million). No (two) investment properties were classified as held for sale as at 30.9.18. Intangible assets were 128 million (125 million) at the end of the quarter of which 109 million (109 million) is goodwill related to Hinna Park in Stavanger.

Investments in associates and jointly controlled entities were 480 million (1,827 million). The decrease is mainly attributable to the consolidation of Entra OPF from 1.1.2018 (until 31.12.17 treated as a jointly controlled entity).

Long-term receivables was 247 million (203 million) at the end of the third quarter of 2018. The increase is mainly related to a seller's credit structured as a bond in relation to the divestment of Middelthuns gate 29 in December 2017.

Property and housing-units for sale of 407 million at the end of the quarter (nil) relates to the properties in the Bryn portfolio expected to be zoned for residential development and subsequently sold to JM Norge AS. Refer to note 5 for further information on the acquisition of the Bryn portfolio.

Other receivables was 199 million (803 million) at the end of the third quarter 2018. The reduction is mainly due to that capitalised construction costs related to the property Youngskvartalet was included in the Q3-17 amount. This project was sold in the first quarter of 2018.

The Group had interest bearing debt of 18,771 million (18,030 million) as of 30.9.18.

Book equity totalled 21,605 million (17,531 million), representing an equity ratio of 46 per cent (42 per cent). Book equity per share was 118 (95). Equity per share was 137 (121) based on the EPRA NAV standard and 127 (111) based on EPRA NNNAV. Outstanding shares at 30.9.18 totalled 183,680,458 (183,732,461 million) as Entra held 52,003 treasury shares.

Cash flow statement

Net cash flow from operating activities came in at 395 million (412 million) in the quarter. The change mainly relates to higher net income from property management, offset partly by working capital movements.

The net cash flow from investments was -1,278 million (-312 million) in the quarter. Purchase of investment properties of 800 million (nil) in the quarter relates to the acquisition of the office part of the the Bryn portfolio and Nygårdsgaten 93. Investment in property and housing-units for sale of 328 million (28 million) in the quarter relates to the residential part of the Bryn portfolio. Refer to note 5 for further information on the acquisition of the Bryn portfolio. The cash effect from construction and upgrades of investment properties amounted to 230 million (402 million) in the quarter. Proceeds from property transactions was nil (164 million) in the quarter.

Net cash flow from financing acitivites was 875 million (-6 million) in the quarter. In the third quarter of 2018, Entra has a net increase in bank financing of 1,680 million and a decrease in bond financing of 826 million.

The net change in cash and cash equivalents was -8 million (94 million) in the quarter.

Financing

During the third quarter, Entra's interest bearing nominal debt increased by 854 million to 18,771 million (17,611million). The increase in interest bearing debt was mainly due to the acquisition of the Bryn portfolio in Oslo. The change in interest bearing debt comprised a decrease in bond financing of 826 million and an increase in bank financing of 1,680 million. In the quarter, Entra has refinanced commercial paper loans of 800 million.

Entra was on 3.10.2018 assigned Moody's investment grade rating Baa1 with Stable outlook. According to Moody's, Entra's Baa1 long-term issuer rating reflects (1) its position as the largest office property company in Norway, (2) its leadership (81%) position in office properties located in attractive locations on the fringe of the central business district (CBD) in Oslo, (3) its modern, high-quality NOK 43.7 billion property portfolio, (4) a clear, well-defined strategy to focus on offices in Norway's four largest cities and government tenants, (5) the large exposure towards highly creditworthy governments and public tenants with very long dated average lease maturities (7.4 years including project properties as of June 2018) and consistently high occupancy rates across all cities, and (6) good liquidity and high unencumbered asset ratio of 89.3%.

The Moody's Baa1 rating will contribute to a significant increase in credit availability for Entra in domestic and international debt capital markets and will enable Entra to further extend its debt maturity profile.

Interest bearing debt and maturity structure

As at 30.9.18 net interest bearing nominal debt after deduction of liquid assets of 175 million was 18,596 million (17,378 million).

The average remaining term for the Group's debt portfolio was 4.2 years at 30.9.18 (4.4 years as at 30.9.17). The calculation takes into account that available, unutilised 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, 72 per cent (80 per cent) of the Group's financing was from the capital markets in terms of bonds and commercial paper whilst the remaining 28 per cent is bank debt.

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)	2 600	0	0	0	0	2 600
Bonds (NOKm)	1 200	1 200	1 300	1 200	6 000	10 900
Bank loans (NOKm)	0	0	1 853	2 980	438	5 271
Total (NOKm)	**3 800**	**1 200**	**3 153**	**4 180**	**6 438**	**18 771**
Commercial paper (%)	68	0	0	0	0	14
Bonds (%)	32	100	41	29	93	58
Bank loans (%)	0	0	59	71	7	28
Total (%)						**100**
Unutilised credit facilities (NOKm)	**1 500**	**0**	**1 700**	**20**	**2 000**	**5 220**
Unutilised credit facilities (%)	29	0	33	0	38	100

Financing policy and status

All amounts in NOK million	30.9.2018	Target
Loan-to-value (LTV)	41.2%	Below 50 per cent over time
Interest coverage ratio (ICR)	3.6	Min. 1.8
Debt maturities <12 months	20%	Max 30%
Maturity of hedges <12 months	48.5%	Max 50%
Average time to maturity (hedges)	3.6	2-6 years
Back-stop of short term interest bearing debt*	137%	Min. 100%
Average time to maturity (debt)	4.2	Min. 3 years

* See section "Calculation of key figures and definitions"

Interest rates and maturity structure

The average interest rate[1] of the debt portfolio was 2.81 per cent (3.21 per cent) as at 30.9.18. 51 per cent (51 per cent) of the Group's financing was hedged at a fixed interest rate as at 30.9.18 with a weighted average maturity of 3.6 years (4.1 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.

	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	300	2.91	1 600	1.93	7.2	7 591	0.90
1-2 years	1 600	3.66	2 450	2.09	6.8	1 200	1.22
2-3 years	1 350	3.82	600	2.22	5.3	1 300	0.96
3-4 years	1 350	1.83				2 680	0.90
4-5 years	1 450	2.21				3 900	0.97
5-6 years	900	2.71				1 000	0.88
6-7 years	900	2.33				0	0.00
7-8 years	0	0.00				0	0.00
8-9 years	110	4.36				0	0.00
9-10 years	0	0.00				0	0.00
>10 years	400	5.63				1 100	0.39
Total	**8 360**	**2.97**	**4 650**	**2.05**	**6.7**	**18 771**	**0.91**

[1]Average reference rate (Nibor) is 1.04 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 80 buildings with a total area of approximately 1.1 million square meters. As of 30.9.18, the management portfolio had a market value of around 41 billion. The occupancy rate was 96.6 per cent (97.2 per cent). The weighted average unexpired lease term for the Group's leases was 6.4 years (6.6) for the management portfolio and 7.4 years (7.5) when the project portfolio is included. The public sector represents approximately 63 per cent of the total customer portfolio. The total property portfolio, including projects and development sites, consists of 92 properties with a market value of about 45 billion. Entra's portfolio is located in the major cities in Norway; Oslo and the surrounding region, Bergen, Stavanger and Trondheim.

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 valuers' estimated return requirements and expectations on future market development. The market value is defined as the external valuers' 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 5.2 per cent to 5.0 per cent. 12 months rolling rent has increased from 1,999 to 2,024 per square meter during the last year, whereas the market rent has increased from 2,061 to 2,110 per square meter.

	Preperties	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	42	632 717	96.3	5.5	27 012	42 692	1 403	2 218	4.8	1 514	2 392
Trondheim	9	131 548	98.6	7.5	3 732	28 373	223	1 699	5.4	228	1 732
Bergen	7	104 816	93.4	7.5	3 888	37 094	204	1 949	4.8	234	2 233
Sandvika	9	95 112	99.5	9.4	2 672	28 096	157	1 652	5.4	134	1 411
Stavanger	5	78 612	97.9	8.6	2 125	27 037	139	1 764	6.1	126	1 602
Drammen	8	70 504	97.7	7.1	2 016	28 598	126	1 791	5.9	114	1 612
Management portfolio	**80**	**1 113 309**	**96.6**	**6.4**	**41 447**	**37 228**	**2 253**	**2 024**	**5.0**	**2 349**	**2 110**
Project portfolio	5	81 809		17.6	2 753	33 650					
Development sites	7	93 309		0.5	692	7 412					
Property portfolio	**92**	**1 288 426**		**7.4**	**44 891**	**34 842**					

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 30.9 corresponds to 8.0 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 amounts in NOK million	Q3-18	Q3-17	2017
Investment properties	44 969	37 121	39 875
Investment properties held for sale	0	1 324	180
Other	-78	-14	-19
Property market value	**44 891**	**38 431**	**40 036**

Letting activity

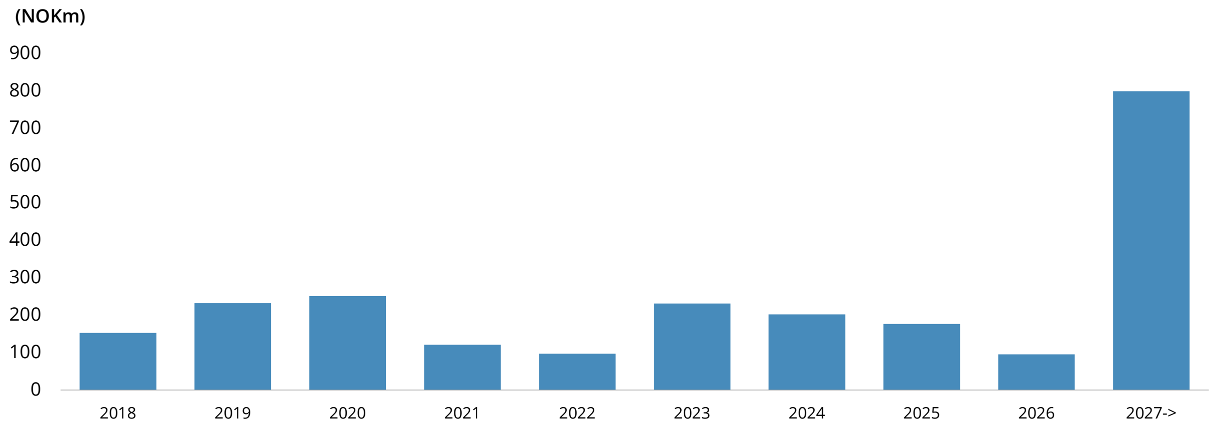
During the third quarter, Entra signed new and renegotiated leases with an annual rent totalling 41 million (17,500 square meters) and received notices of termination on leases with an annual rent of 35 million (12,500 square meters). Net letting was 1 million in the quarter.

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 10 years and 1,900 sqm in Brattørkaia 12 in Trondheim with the Norwegian State Educational Loan Fund
- New lease contract for 5,5 years and 2,000 sqm in Biskop Gunnerus gate 14 in Oslo with Sopra Steria
- New lease contract for 4 years and 1,400 sqm in Jåttavågveien 7, Bygg C in Stavanger with Tampnet
- New lease contract for 5 years and 900 sqm in Prinsens gate 1 in Trondheim with the University hospital of St. Olav

Maturity profile of the management portfolio:



Investments and divestments

Entra has invested 280 million (335 million) in the project portfolio of investment properties in the quarter.

Project development

The portfolio of ongoing project with a total investment exceeding 50 million is presented below.

	Ownership (%)	Location	Expected completion	Project area (sqm)	Occupancy (%)	Estimated total project cost [1] (NOKm)	Of which accrued[1] (NOKm)	Yield on cost[2](%)
Powerhouse Brattørkaia 17 A	100	Trondheim	Mar-19[3]	18 200	85	523	451	6.1
Tollbugata 1 A	100	Oslo	Oct-19	9 000	100	460	221	5.1
Tullinkvartalet (UIO)	100	Oslo	Dec-19	21 000	82	1 489	940	5.5
Holtermanns veg 1-13	100	Trondheim	Jan-20	11 700	53	340	57	6.0
Total				**59 900**		**2 812**	**1 669**	

[1] Total project cost (Including book value at date of investment decision/cost of land)

[2] Estimated net rent (fully let) at completion/total project cost (including cost of land)

[3] Stepwise rental income effect from 1.3.19 - 1.8.19

Status ongoing projects

On Brattørkaia 17 A, Entra is building Powerhouse Brattørkaia. This is an energy positive and environment friendly office building of approximately 18,200 sqm, including a 2,500 sqm parking basement. The property is 85 per cent pre-let. Powerhouse Brattørkaia will utilise sun and sea water for heating and cooling. The building will be covered by 3,500 sqm 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 March 2019.

In Tullinkvartalet in Oslo, Entra has ongoing construction of a new 21,000 sqm campus building for the Faculty of Law of the University of Oslo. The property is 82 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 December 2019. The new-build project aims for a BREEAM Excellent classification.

Entra is refurbishing Tollbugata 1A in Oslo. The property consists of two buildings totalling 9,000 sqm adjacent to Oslo Central station, and the project is expected to be completed in late 2019. Both properties are fully let on a 15-year lease to The Directorate of Norwegian Customs.

In Holtermanns veg 1-13, Entra has ongoing construction of a new office building (the first of three buildings). The approved zoning allows construction of approximately 48,000 sqm and the first building stage is approximately 11,500 sqm, including a 2,000 sqm basement with parking. The property is approximately 53 per cent pre-let to the Norwegian Tax Administration and will be completed in the first quarter of 2020. The project is aiming for the environmental classification BREEAM Excellent and Energy class A.

During the quarter Entra finalised the refurbishment of Block 2 at Kjørbo into a new Powerhouse with BREEAM Excellent classification. The building is 3,950 sqm and is fully let to Norconsult.

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 2017 and YTD 2018

Purchased properties	Area	Transaction quarter	No of sqm	Total transaction value	Closing date
Bryn portfolio*	Oslo	Q2 2018	57 000	1 400	Q3 2018
Johannes Bruns gate 16/16A, Nygårdsveien 91/93	Bergen	Q2 2018	-	135	Q2/Q3 2018
Nils Hansens vei 20	Oslo	Q1 2018	3 150	50	3.4.2018
50% of Sundtkvartalet	Oslo	Q3 2017	31 300	795	2.10.2017
Kristian Augusts gate 13	Oslo	Q4 2016	3 300	155	20.1.2017
Total			**94 750**	**2 535**	

Sold properties		Transaction quarter	No of sqm	Total transaction value	Closing date
Tungasletta 2	Trondheim	Q4 2017	14 800	180	31.1.2018
Middelthuns gate 29	Oslo	Q4 2017	28 600	1 270	28.12.2017
Wergelandsveien 29	Oslo	Q2 2017	3 373	160	30.9.2017
Akersgata 32 (sections)	Oslo	Q2 2017	2 100	94	30.6.2017
Lømslands vei 23	Kristiansand	Q2 2017	1 423	11	30.6.2017
Kristiansand portfolio	Kristiansand	Q2 2017	45 000	863	31.5.2017
Moloveien 10	Bodø	Q1 2017	5 531	83	15.2.2017
Kongens gate 85/Erling Skakkes gate 60	Trondheim	Q4 2016	1 769	16	31.3.2017
Kalfarveien 31	Bergen	Q2 2016	8 440	85	01.2.2017
Total			**111 036**	**2 762**	

* Refer to note 5 for further information on the acquisition of the Bryn portfolio

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 28,000 sqm and development potential for two new office properties totalling around 37,000 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. Following completion of the MediaCity Bergen project, the shareholder agreement was revised, with the effect that Entra from 1 January 2018 has a controlling vote on the Board of Directors. Entra OPF Utvikling is thus consolidated in the Group's financial statements from 1.1.18 (until 31.12.17 treated as a jointly controlled entity).

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.

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

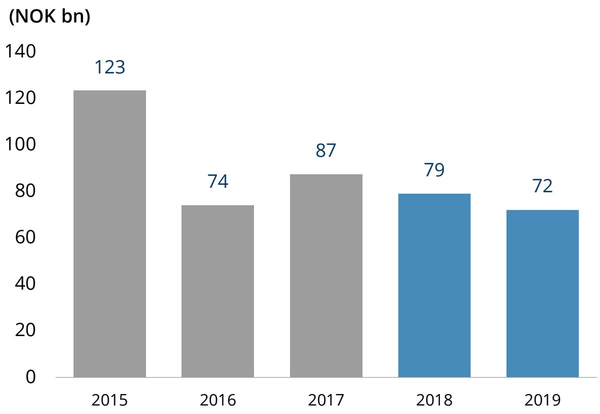
All amounts in NOK million	Papirbredden Eiendom AS	Hinna Park Eiendom AS	Entra OPF Utvikling AS	Sum consolidated companies	Oslo S Utvikling AS	Other	Sum associated companies & JVs
Share of ownership (%)	60	50	50		33		
Rental income	27	18	29	74	27	1	28
Net operating income	26	16	25	67	27	1	28
Net income	19	6	25	51	331	3	334
Changes in value of investment properties	7	17	14	37	0	0	0
Changes in value of financial instruments	3	2	0	5	13	0	13
Profit before tax	28	26	39	93	344	3	347
Tax	-6	-6	-9	-21	-28	0	-28
Profit for the period	**22**	**20**	**30**	**72**	**316**	**3**	**319**
Non-controlling interests	9	10	15	34			
*Entra's share of profit**					88	1	89
Book value					472	8	480
Market value properties	**1 769**	**1 107**	**2 503**	**5 380**	**6 927**		**6 927**
Entra's share:							
Market value properties	1 061	554	1 252	2 867	2 310		2 310
EPRA NAV	601	170	1 277	2 049	1 518	8	1 526
EPRA NNNAV	564	153	1 248	1 965	1 377	8	1 385
EPRA Earnings	9	3	10	21	-3	1	-2

* Entra's share of profit is adjusted for realisation of goodwill in OSU

Market development

Total transaction volume in Norway year to date sums up to around 51 billion and 154 transactions, according to Malling & co. The market remains active and with solid demand from both national and international investors. The total transaction volume estimate for 2018 is 79 billion, according to Entra's consensus report. The financing market continue to be well functioning and the outlook for the Norwegian economy is solid. The overall high demand for Norwegian real estate has caused prime yield to remain stable at around 3.8 per cent, despite slowly increasing interest rates. Prime yields are expected to rise slowly over the next few years.

TRANSACTION VOLUME NORWAY



Source: Entra Consensus report

According to Entra's Consensus report, the office vacancy in the Oslo area dropped to around 7 per cent by the end of 2017, and is expected to be below 6.5 per cent by the end of this year. The drop is primarily driven by increasing employment and limited net new capacity to the market, stemming from low construction activity and continued 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. Available rental price statistics as of Q3 2018 also provides evidence for this.

In Bergen, the office vacancy has dropped below 10 per cent due to low construction activity, office-to-residential conversion, slightly increased employment and new optimism in the oil and gas industry. Rents in the city centre of Bergen has increased due to low vacancy and low supply of modern, centrally located office premises.

The Stavanger area is experiencing increasing employment and optimism due to higher activity in the oil and gas sector. As a result, office vacancies have fallen slightly and are now below 12 per cent. Despite that the overall office vacancy in Stavanger still being high, there is an increasing demand for modern, flexible and centrally located office premises. There is still a downward pressure on rents in the oil and gas intensive areas. In the Stavanger city centre, the vacancy is at about 7 per cent and rent levels are more stable. The construction activity is still low.

In Trondheim, the overall office vacancy has levelled out at around 10 per cent. Vacancy is highest in the fringe areas of the city. The volume of new office space will be moderate this year but increase in 2019. The market has shown ability to absorb the new capacity and most of the premises that will be completed in 2019 are pre-let. Rent levels in the city centre have increased, while there is a downward pressure on rents in the fringe areas.

Market data Oslo

	2015	2016	2017	2018e	2019e	2020e
Vacancy Oslo and Bærum (%)	8.4	7.8	7.1	6.2	5.9	6.2
Rent per sqm, high standard Oslo office	2 935	2 992	3 145	3 430	3 645	3 760
Prime yield (%)	4.1	3.8	3.7	3.8	4.0	

Source: Entra Consensus report

Other information

Organisation and HSE

At 30.9.18 the Group had 161 employees. During the quarter, there were no injuries that caused absence from work. Entra has a continuous HSE focus both in on-going projects and in the operations and works continually to avoid injuries. The Group had an LTIF rate (number of accidents with lost time per million hours worked in last 12 months) on ongoing projects of 7.6 at the end of the quarter vs 3.3 at the end of the third quarter 2017.

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 10 October, Entra paid out a semi-annual dividend of NOK 2.20 per share, and the share traded ex right to receive the dividend from 2 October 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 30 September 2018, Entra held 52,003 treasury shares of which 49,403 shares had been bought in the market under the share buy-back program initiated in July 2018.

As of 10 October 2018, Entra had 5,203 shareholders. Norwegian investors held 53 per cent of the share capital. The 10 largest shareholders as registered in VPS on 10 October 2018 were:

Shareholder	% holding
Norwegian Ministry of Trade, Industry and Fisheries	33.4
Folketrygdfondet	6.1
State Street Bank (Nominee)	3.4
Länsförsäkringar FA	3.3
DnB Nor Markets	2.3
State Street Bank (Nominee)	2.3
Danske Invest Norske	1.4
MSIP Equity Morgan Stanley (Nominee)	1.3
BNP Paribas Securities (Nominee)	1.2
The Bank of New York (Nominee)	1.1
SUM 10 LARGEST SHAREHOLDERS	**55.7**

Outlook

Entra continues to deliver on its core strategic pillars; profitable growth, customer satisfaction, and environmental leadership. Deliberate and targeted project development of profitable newbuilds and refurbishments is an important source to profitable growth. Entra has in recent years had the most satisfied customers amongst the major Norwegian real estate companies. A key priority for Entra in 2018 has been to further develop its product and service offerings with the aim of realising the vision of owning buildings where the most satisfied people are working.

Environmental leadership and sustainability has been a key priority for Entra during the last decade and is an integral part of all business operations in the company. We experience a significantly growing interest from all stakeholders on this topic, and the financial benefits are also materialising through increasing focus from tenants, lower cost of funding through our green bonds, and higher valuations of environmentally friendly properties.

The Norwegian economy is seeing a moderate upturn with GDP growth and increasing employment. Nevertheless, there is still some degree of general uncertainty about the future, particularly in relation to the residential market and relatively high levels of household debt.

Modern, environmentally friendly offices located near public transportation hubs are attractive and obtain solid rents compared to premises located in less central areas. Entra's portfolio in Oslo constitutes around 70 per cent of revenues, and we expect the Oslo office market to develop favourably in the coming years with lower vacancy levels and higher rental prices. The office markets in Bergen and Trondheim are expected to maintain stable, and there are positive signs in Stavanger where we expect a moderate recovery in the coming years.

Interest rates have bottomed out on historically low levels and has recently trended upwards. This could potentially lead to both increased cost of funding and market yields. However, the Norwegian transaction market is very active and driven by strong demand from both domestic and international investors.

We do expect that the yield compression seen over the last years has levelled out. However, Entra's portfolio with a healthy mix of attractive yielding properties and value enhancing development project combined with a positive rental market outlook should provide a continued positive portfolio value development, albeit at a significantly slower pace than in recent quarters.

With its flexible properties in attractive locations and clusters, 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, 17 October 2018

The Board of Entra ASA

Financial statements

Statement of comprehensive income

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17	2017
Rental income	570	507	1 673	1 549	2 075
Repairs & maintenance	-8	-13	-25	-27	-40
Operating costs	-38	-26	-105	-89	-121
Net operating income	525	468	1 543	1 433	1 913
Other revenues	22	26	66	217	285
Other costs	-19	-24	-58	-188	-246
Administrative costs	-33	-36	-113	-115	-163
Share of profit from associates and JVs	89	31	125	163	244
Net realised financials	-127	-133	-358	-413	-550
Net income	**457**	**331**	**1 204**	**1 097**	**1 483**
- of which net income from property management	**369**	**307**	**1 082**	**945**	**1 259**
Changes in value of investment properties	137	682	983	2 630	3 460
Changes in value of financial instruments	67	18	172	53	87
Profit before tax	**660**	**1 031**	**2 359**	**3 779**	**5 030**
Tax payable	-3	-1	-8	-6	-8
Change in deferred tax	-130	-207	-396	-660	-507
Profit for period/year	**528**	**823**	**1 956**	**3 113**	**4 514**
Actuarial gains and losses	0	-14	0	-14	0
Change in deferred tax on comprehensive income	0	3	0	3	0
Total comprehensive income for the period/year	528	813	1 956	3 103	4 514
Profit attributable to:					
Equity holders of the Company	495	815	1 801	3 074	4 464
Non-controlling interest	34	8	155	40	50
Total comprehensive income attributable to:					
Equity holders of the Company	495	805	1 801	3 063	4 464
Non-controlling interest	34	8	155	40	50

Balance sheet

All amounts in NOK million	30.9.2018	30.9.2017	31.12.2017
Intangible assets	128	125	125
Investment properties	44 969	37 121	39 875
Other operating assets	24	22	23
Investments in associates and JVs	480	1 827	1 487
Financial derivatives	233	421	405
Long-term receivables	247	203	244
Total non-current assets	**46 082**	**39 719**	**42 159**
Property and housing-units for sale	407	0	0
Investment properties held for sale	0	1 324	180
Trade receivables	51	33	34
Other receivables	199	803	847
Cash and bank deposits	175	234	189
Total current assets	**833**	**2 393**	**1 251**
Total assets	**46 915**	**42 112**	**43 410**
Shareholders' equity	19 903	17 104	18 505
Non-controlling interests	1 703	426	433
Total equity	**21 605**	**17 531**	**18 938**
Interest bearing debt	14 946	13 440	13 786
Deferred tax liability	4 934	4 511	4 356
Financial derivatives	319	774	712
Other non-current liabilities	457	365	355
Total non-current liabilities	**20 656**	**19 090**	**19 209**
Interest bearing debt	3 824	4 590	4 663
Trade payables	179	284	306
Other current liabilities	650	616	294
Total current liabilities	**4 653**	**5 491**	**5 263**
Total liabilities	**25 310**	**24 581**	**24 472**
Total equity and liabilities	**46 915**	**42 112**	**43 410**

Changes in equity

All amounts in NOK million	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Non-controlling interest	Total equity
Equity 31.12.2016	**184**	**0**	**3 556**	**10 992**	**392**	**15 124**
Profit for period				4 464	50	4 514
Dividend				-689	-9	-698
Net equity effect of LTI & employee share saving scheme				-2		-2
Equity 31.12.2017	**184**	**0**	**3 556**	**14 765**	**433**	**18 938**
Change in accounting principle IFRS 9*				314		314
Change in accounting principle IFRS 15 - JVs*				80		80
Equity 1.1.2018	**184**	**0**	**3 556**	**15 159**	**433**	**19 331**
Profit for period				1 801	155	1 956
Consolidation effect Entra OPF change of control					1 123	1 123
Dividend				-790	-8	-798
Net equity effect of LTI & employee share saving scheme				-1		-1
Repurchase of shares under share buy-back program		0	-1	-5		-6
Equity 30.9.2018	**184**	**0**	**3 555**	**16 164**	**1 703**	**21 605**

Statement of cash flows

All amounts in NOK million	Q3-18	Q3-17	YTD Q3 18	YTD Q3 17	2017
Profit before tax	660	1 031	2 359	3 779	5 030
Income tax paid	0	0	-4	-4	-4
Net expensed interest and fees on loans	127	133	358	413	550
Net interest and fees paid on loans	-106	-111	-376	-429	-564
Share of profit from associates and jointly controlled entities	-89	-31	-125	-163	-244
Depreciation and amortisation	2	2	7	5	7
Changes in value of investment properties	-137	-682	-983	-2 630	-3 460
Changes in value of financial instruments	-67	-18	-172	-53	-87
Change in working capital	5	87	-103	-40	-7
Net cash flow from operating activities	**395**	**412**	**961**	**879**	**1 222**
Proceeds from property transactions	0	164	618	1 150	2 351
Purchase of investment properties	-800	0	-924	-156	-482
Investment in and upgrades of investment properties	-230	-402	-809	-1 133	-1 571
Investment in property and housing-units for sale	-328	-28	-361	-129	-207
Purchase of intangible and other operating assets	-3	-6	-9	-7	-23
Net payment financial assets	-1	-2	-1	-2	-81
Net payment of loans to associates and JVs	0	0	0	-40	-40
Net payments in associates and JVs	0	-40	0	-154	-213
Dividends from associates and JVs	85	0	85	1	201
Net cash flow from investment activities	**-1 278**	**-312**	**-1 402**	**-469**	**-65**
Proceeds interest bearing debt	3 856	2 370	8 696	9 771	12 734
Repayment interest bearing debt	-2 976	-2 376	-7 878	-9 862	-13 245
Proceeds from/repayment of equity	-6	0	-7	-2	-2
Dividends paid	0	0	-386	-327	-698
Net cash flow from financing activities	**875**	**-6**	**426**	**-419**	**-1 211**
Change in cash and cash equivalents	-8	94	-15	-9	-53
Cash and cash equivalents at beginning of period	182	139	189	243	243
Cash and cash equivalents at end of period	**175**	**234**	**175**	**234**	**189**

NOTE 1 – ACCOUNTING PRINCIPLES

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

Except for the implementation of the new standards IFRS 9 and IFRS 15, 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 2017.

IFRS 9 opens to make a new assessment of whether the Group should continue to use the fair value option ahead or measuring loans at amortised cost. From 1 January 2018 the Group has decided to measure fixed rate bonds at amortised cost. The only change in the Groups financial statements arising from the implementation of the IFRS 9 is the change from measuring fixed rate bonds to fair value through P&L historically to amortised cost, which reduced liabilities by 314 million. We refer to the 2017 annual report (page 76) for further explanation of the implementation effects on the financial statements.

In the 2017 annual report, Entra stated that the financial statements would not be affected by implementing IFRS 15. In the first quarter of 2018, Entra has revisited the interpretation of how termination clauses in contracts should affect the accounting under IFRS 15.

The termination clauses in a contract are among the determining factors in assessing whether the seller is entitled to payment for completed work until the date of cancellation. If a buyer does not have the right to cancel a contract, and the seller can require a buyer to pay the consideration agreed in the contract even if the buyer acts to terminate a contract, IFRS 15 states that the seller must recognise the revenue from the project over time.

Based on a new assessment of the recognition of the Eufemia's office building under construction in OSU, Entra concluded that building, which is to be handed over to KLP upon completion, will be accounted for over time both as the building does not have an alternative use and OSU has an enforceable right to payment for performance completed to date.

IFRS 15 should be applied in an entity's IFRS financial statements for annual reporting periods beginning on or after 1 January 2018. In accordance with the transition guidance, Entra has chosen to recognise the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (1 January 2018).

The table below shows the transition effects on the OSU financial statements due reclassification of the accounting of the Eufemia building on OSU:

All amounts in NOK million	Reported 2017	If restated 2017	Effect
Other revenue	116	781	665
Other costs	-56	-482	-426
Result/equity effect	925	1 164	239
*Entra's share result/equity effect**			*80*

** Increase in investments in associates and JVs and shareholders' equity.*

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 has one main operational unit, led by the EVP property management. The property portfolio is divided into six different geographic areas in Oslo, Sandvika, Drammen, Stavanger, Bergen and Trondheim, with management teams monitoring and following upon each area. The geographic units are supported by a Letting and Property Development division, 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.

The geographic areas do not have their own profit responsibility. The geographical areas are instead followed up on economical and non-economical key figures ("key performance indicators"). These key figures are analysed and reported by geographic area to the chief operating decision maker, that is the board and CEO, 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 Q3–18:

	Properties	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	42	632 717	96.3	5.5	27 012	42 692	1 403	2 218	4.8	1 514	2 392
Trondheim	9	131 548	98.6	7.5	3 732	28 373	223	1 699	5.4	228	1 732
Bergen	7	104 816	93.4	7.5	3 888	37 094	204	1 949	4.8	234	2 233
Sandvika	9	95 112	99.5	9.4	2 672	28 096	157	1 652	5.4	134	1 411
Stavanger	5	78 612	97.9	8.6	2 125	27 037	139	1 764	6.1	126	1 602
Drammen	8	70 504	97.7	7.1	2 016	28 598	126	1 791	5.9	114	1 612
Management portfolio	**80**	**1 113 309**	**96.6**	**6.4**	**41 447**	**37 228**	**2 253**	**2 024**	**5.0**	**2 349**	**2 110**
Project portfolio	5	81 809		17.6	2 753	33 650					
Development sites	7	93 309		0.5	692	7 412					
Property portfolio	**92**	**1 288 426**		**7.4**	**44 891**	**34 842**					

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 30.09 corresponds to 8.0 per cent of market rent.

Operating segments Q3–17:

	Properties	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	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 30.9 corresponds to 8.4 per cent of market rent.

NOTE 3 – INVESTMENT PROPERTIES

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17	2017
Closing balance previous period	43 751	37 569	40 055	35 798	35 798
Purchase of investment properties	791	0	914	155	1 745
Investment in the property portfolio	280	335	837	998	1 381
Reclassified due to change of control	0		2 326		
Capitalised borrowing costs	10	9	26	20	30
Sale of investment properties	0	-151	-172	-1 159	-2 362
Reclassified from properties for use of the group	0	0	0	4	4
Changes in value of operational lease	-7	-3	3	10	9
Changes in value of investment properties	144	685	980	2 619	3 451
Closing balance	**44 969**	**38 445**	**44 969**	**38 445**	**40 055**
Investment properties held for sale	0	1 324	0	1 324	180
Investment properties	**44 969**	**37 121**	**44 969**	**37 121**	**39 875**

Purchase of investment properties in the third quarter relates to the acquisition of the properties Brynsveien 5, Østensjøveien 39-41, Østensjøveien 43 and Brynsveien 11-13 in Oslo and Nygårdsgaten 93 in Bergen. In addition, the Group has year to date acquired the investment properties Nils Hansens vei 20 in Oslo and Johannes Bruns gate 16/Nygårdsveien 91 in Bergen. During the first quarter, the Group handed to the buyer the property Tungasletta 2 in Trondheim.

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 706 million (693 million) as at the end of the third quarter of 2018. 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

Except for the implementation of IFRS 9, the valuation methods and principles are unchanged in the quarter. See the annual financial statements for 2017 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 investment properties of 44,969 million and equity capital instruments of 5 million (level 3), all financial assets and liabilities are level 2.

All amounts in NOK million	30.9.2018	30.9.2017	31.12.2017
Assets measured at fair value:			
Assets measured at fair value with change over the result			
- Investment properties	44 969	37 121	39 875
- Investment properties held for sale	0	1 324	180
- Derivatives	233	421	405
Financial assets held for sale			
- Equity instruments	5	0	4
Total	**45 208**	**38 866**	**40 464**

All amounts in NOK million	30.9.2018	30.9.2017	31.12.2017
Liabilities measured at fair value:			
Financial liabilities measured at fair value with change over the result*			
- Derivatives	319	774	712
- Bonds	0	6 019	5 507
- Commercial paper	0	2 800	3 000
Total	**319**	**9 593**	**9 219**

* From 1 January 2018, the Group implemented IFRS 9 and bonds and commercial papers are measured at amortised costs. In prior periods, the Group applied the fair value option (IAS 39) when measuring fixed rate bonds.

NOTE 5 – ACQUISITION OF PROPERTY PORTFOLIO

In the third quarter of 2018, Entra acquired a development site at Bryn in Oslo. As part of the transaction Entra has partnered with JM Norge AS who will later acquire land zoned for residential development subject to detailed plan. The residential part of the portfolio, i.e. the properties expected to be zoned for residential development, are classified as Property and housing-units for sale, with related income presented as Other revenue and related costs presented as Other costs. The office part of the portfolio, i.e. the properties acquired for development of office buildings, are classified as Investment properties and included in Entra’s management portfolio.

Entra acquired the portfolio through five different transactions with a total transaction value of 1,100 million. An additional amount of up to 300 million will be paid based on certain criteria in the final zoning plan. The transactions related to the residential part of the portfolio closed in September and the transactions related to the office part of the portfolio closed in July and September.

CALCULATION OF KEY FIGURES AND EPRA REPORTING

KEY FIGURES

DEBT RATIO (LTV)

All amounts in NOK million	Q3-18*	Q3-17	2017
Total net nominal interest-bearing debt	18 674	17 378	17 852
Net nominal interest-bearing debt	18 596	17 378	17 852
Seller's credit	78	0	0
Total market value of the property portfolio	45 298	39 551	41 199
Market value of the property portfolio	44 891	38 431	40 036
Property and housing-units for sale	407	0	0
Share of Entra OPF Utvikling (50%)		1 119	1 163
Debt ratio (LTV) %	**41.2**	**43.9**	**43.3**

* Change of control of Entra OPF as of Q1-18 has an impact on the market value as 100% of the asset value is included in the Groups financial statements.

INTEREST COVERAGE RATIO (ICR)

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17	2017
Net income	457	331	1 204	1 097	1 483
Depreciation	2	2	7	5	7
Results from associates and joint ventures	-89	-31	-125	-163	-244
Net realised financials	127	133	358	413	550
EBITDA adjusted	**497**	**436**	**1 444**	**1 352**	**1 796**
Share of EBITDA Entra OPF		6		8	18
EBITDA adjusted for share of Entra OPF	**497**	**442**	**1 444**	**1 360**	**1 814**
Interest cost	130	145	379	442	589
Other finance expense	9	7	20	15	23
Applicable net interest cost	**139**	**152**	**400**	**457**	**613**
Interest Coverage Ratio (ICR)	**3.6**	**2.9**	**3.6**	**3.0**	**3.0**

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	Q3-18 / 30.9.2018	Q3-17 / 30.9.2017
A	EPRA earnings per share (EPS)	NOK	1.4	1.2
B	EPRA NAV per share	NOK	137	121
	EPRA triple net asset value per share (NNNAV)	NOK	127	111
C	EPRA net initial yield	%	4.9	5.2
	EPRA, "topped-up" net initial yield	%	4.9	5.2
D	EPRA vacancy rate	%	3.3	2.7
E	EPRA cost ratio (including direct vacancy costs	%	12.8	14.2
	EPRA cost ratio (excluding direct vacancy costs)	%	11.4	12.7

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 amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17	2017
Profit for period/year - Earnings per IFRS income statement	528	823	1 956	3 113	4 514
Add:					
Changes in value of investment properties	-137	-682	-983	-2 630	-3 460
Tax on changes in value of investment properties*	32	164	226	631	830
Reversal of deferred tax arising from sales of properties (tax exempt)	1	-28	-67	-176	-416
Changes in value of financial instruments	-67	-18	-172	-53	-87
Tax on changes in value of financial instruments*	15	4	40	13	21
Profit or losses on projects in Oslo S Utvikling	-89	-3	-140	-14	-25
Share of profit jointly controlled entities – fair value adjustments	0	-39	0	-207	-260
Reversal of deferred tax EPRA adjustments jointly controlled entities*	-1	10	12	53	59
Net income non-controlling interests of subsidiaries	-23	-6	-69	-33	-44
Reversal of tax non-controlling interests of subsidiaries*	5	1	16	8	10
Significant one-off items**	0	0	-40	0	0
Change in tax rate***	0	0	0	0	-189
Tax payable	2	1	5	4	5
EPRA earnings	**265**	**227**	**783**	**710**	**960**
Reversal of tax adjustment above	-53	-152	-191	-533	-320
Reversal of change in deferred tax from income statement	130	207	396	660	507
Reversal of tax payable from income statement	3	1	8	6	8
Reversal of tax JVs	9	10	10	52	64
EPRA earnings before tax	**354**	**293**	**1 005**	**894**	**1 219**

* 23 per cent from Q1 2018, 24 per cent previous periods.
** Significant one-off items relate to an adjustment of the deferred tax liability
*** From 24 per cent to 23 per cent for 2017 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 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 amounts in NOK million	Q3-18	Q3-17	2017
Total equity	**21 605**	**17 531**	**18 938**
Less: Non-controlling interests	1 703	426	433
NAV per financial statement	**19 903**	**17 104**	**18 505**
Add: Adjustment to property portfolio	1	1	1
Add: Revaluation of investments made in the JV	1 046	1 038	980
Add: Net market value on financial derivatives	86	353	307
Add: Deferred tax arising on revaluation moments	4 144	3 676	3 580
EPRA NAV	**25 180**	**22 172**	**23 372**
Market value on property portfolio	44 891	38 431	40 036
Tax value on property portfolio	17 477	15 240	15 869
Basis for calculation of tax on gain on sale	27 414	23 192	24 167
Less: Market value of tax on gain on sale (5% tax rate)	**1 371**	**1 160**	**1 208**
Net market value on financial derivatives	86	353	307
Tax expense on realised financial derivatives*	20	85	71
Less: Net result from realisation of financial derivatives	**66**	**268**	**236**
Market value of interest bearing debt	19 023	18 030	18 449
Nominal value of interest bearing debt	18 771	17 611	18 042
Basis for calculation of tax on realisation of interest-bearing debt	252	419	407
Market value of tax on realisation*/**	58	**101**	**94**
Less: Net result from realisation of interest bearing debt**	**194**		
Less: MV of tax on gain on sale (5% tax rate) & realisation of financial derivatives in JVs	**141**	**168**	**169**
EPRA NNNAV	**23 408**	**20 475**	**21 665**

* 23 per cent from 31.12.2017, 24 per cent from 31.12.2016
** Changed principle as a result of implementation of IFRS 15. As a result of interest bearing debt being accounted to amortised cost in reported equity from 1 January 2018, Market value of tax on realisation is not deducted from the calculation of EPRA NNAV as the tax effect is included in Net result from realisation of interest bearing debt.

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 amounts in NOK million	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Investment property - wholly owned	29 117	4 471	2 858	1 222	247	1 595	39 512
Investment property - share of JVs/Funds	0	0	0	554	1 061	1 252	2 867
Total property portfolio	**29 117**	**4 471**	**2 858**	**1 776**	**1 309**	**2 847**	**42 378**
Less projects and land and developments	-2 105	-739	-186	-102	0	-210	-3 342
Completed management portfolio	**27 012**	**3 732**	**2 672**	**1 674**	**1 309**	**2 636**	**39 036**
Allowance for estimated purchasers` cost	56	15	10	4	5	7	96
Gross up completed management portfolio valuation	**27 068**	**3 747**	**2 682**	**1 678**	**1 313**	**2 644**	**39 132**
12 months rolling rent	1 403	223	157	106	84	138	2 113
Estimated ownership cost	120	21	11	7	5	13	177
Annualised net rents	**1 283**	**203**	**146**	**99**	**79**	**126**	**1 935**
Add: Notional rent expiration of rent free periods or other lease incentives	0	0	0	0	0	0	0
Topped up net annualised net rents	**1 283**	**203**	**146**	**99**	**79**	**126**	**1 935**
EPRA NIY (net initial yield)	**4.7%**	**5.4%**	**5.4%**	**5.9%**	**6.0%**	**4.8%**	**4.9%**
EPRA "topped-up" NIY (net initial yield)	**4.7%**	**5.4%**	**5.4%**	**5.9%**	**6.0%**	**4.8%**	**4.9%**

D. EPRA VACANCY

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

All amounts in NOK million	Oslo	Trondheim	Sandvika	Stavanger	Drammen	Bergen	Total
Market rent vacant areas	56	3	1	3	2	10	73
Total market rent	1 514	228	134	95	75	165	2 211
Vacancy	**3.67%**	**1.43%**	**0.47%**	**2.76%**	**2.33%**	**5.79%**	**3.32%**

E. EPRA COST RATIO

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

All amounts in NOK million	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17	2017
Maintenance	-8	-13	-25	-27	-40
Total operating costs	-38	-26	-105	-89	-121
Administrative costs	-33	-36	-113	-115	-163
Share of joint ventures expences	0	-4	0	-8	-11
Less: Ground rent cost	5	5	16	18	12
EPRA Cost (including direct vacancy cost)	**-73**	**-74**	**-228**	**-221**	**-323**
Direct vacancy cost	-8	-4	-23	-19	-28
EPRA Cost (excluding direct vacancy cost)	**-65**	**-70**	**-205**	**-202**	**-296**
Gross rental income less ground rent	**570**	**507**	**1 673**	**1 549**	**2 075**
Share of jount ventures and fund (GRI)	0	13	0	26	40
Total gross rental income less ground rent	**570**	**520**	**1 673**	**1 575**	**2 114**
Epra cost ratio (inkluding direct vacancy cost)	**12.8%**	**14.3%**	**13.6%**	**14.0%**	**15.3%**
Epra cost ratio (excluding direct vacancy cost)	**11.4%**	**13.4%**	**12.2%**	**12.8%**	**14.0%**

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.
Back-stop of short term interest bearing debt	- Unutilised credit facilities divided by short term interest bearing debt.
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, divided by net interest on interest bearing nominal debt and fees and commitment fees related to investment activities
Independent Appraisers	- Akershus Eiendom and Cushman & 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 divestments of properties and active projects
Loan-to-value ("LTV")	- Total net nominal value of interest bearing debt divided by the total market value of the property portfolio and the market value of the jointly controlled entity Entra OPF. From Q1-18 Entra OPF is a consolidated entity and the full market value is included in the LTV.
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 the property portfolio	- The market value of all properties owned by the parent company and subsidiaries. From Q3-18, the figure does not include Property and housing-units for sale. 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 refurbishment
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 2018	08.02.2019
First quarter 2019	26.04.2019
Second quarter 2019	11.07.2019
Third quarter 2019	17.10.2019
Fourth quarter 2019	07.02.2020

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