

2nd quarter 2016

Oslo, 14 July 2016



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Highlights in the quarter



Verkstedveien 1, Skøyen, Oslo

Key figures:

	Q2-16	Q2-15
Rental income	463	423
Net income from property management	258	110
Net value changes	526	521
Profit before tax	790	661

Key events:

- Net letting of approximately 83 million
- Acquisition of 61,000 sqm portfolio at Skøyen in Oslo
- Semi-annual dividend of NOK 1.7 per share to be paid in October 2016

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Letting and occupancy

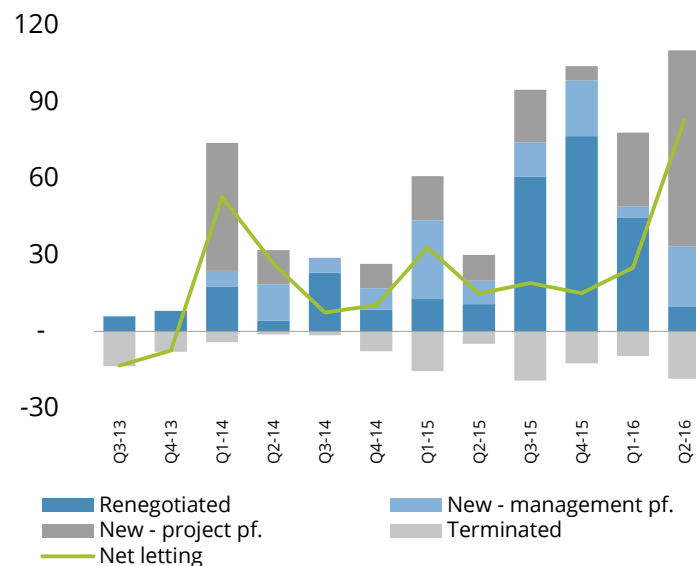
- New and renewed leases, 110 mill (37,000 sqm)
- Terminated contracts, 19 mill (8,000 sqm)
- Net letting of 83 mill
- Uplifts on renegotiations of 10.3 %
- Occupancy at 95.4 %, WAULT at 7.1 yrs

Largest new and renegotiated contracts

Property	Tenant	Sqm	Contract
Tullinkvartalet, Oslo	University of Oslo	20 000	New
Sundtkvartalet, Oslo	Norwegian Food Safety Authority	1 700	New
Langkaia 1, Oslo	Hurtigruten	1 700	New
Langkaia 1, Oslo	Bisnode	3 250	Renegotiated

Quarterly net letting*

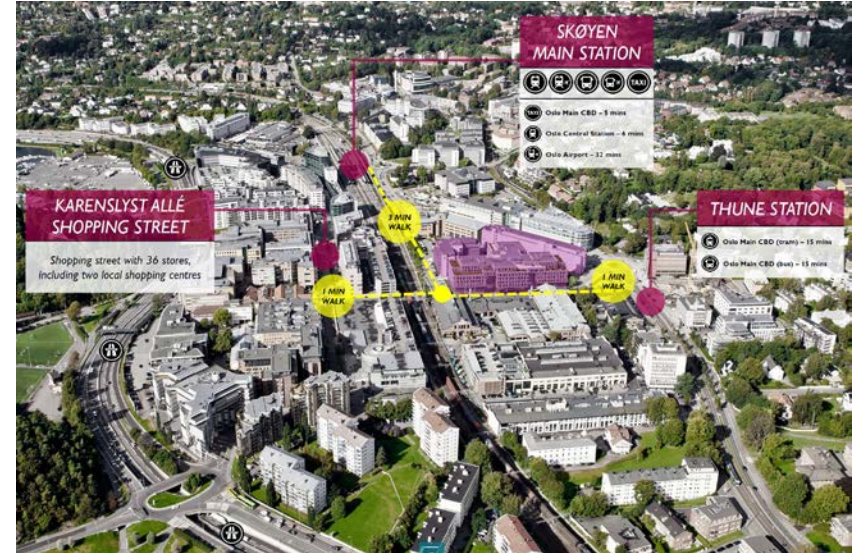
Annual rent, NOKm



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

Acquisition of office portfolio at Skøyen in Oslo

- Three high quality office properties with prime location at Skøyen in Oslo
 - 61,000 sqm of which 43,100 sqm office and 2,700 sqm retail
- Transaction value: NOK 2.5 bn
- Financed through new bond issue and existing debt facilities.
 - Average interest cost of 2.1 %
- 2,300 sqm in Verkstedveien 1 let to Norwegian Health Network post signing
- Closing on 1.9.2016



Key figures Skøyen portfolio:

No of sqm / parking spaces: 61,000 / 370

Occupancy / WAULT: 100 % / 6.2

Gross rent (Fully let annualised Q4 2016): 135 NOKm

Sale of three non-core properties

- Kalfarveien 31 in Bergen, Fritzners gate 12 in Oslo and Telemarksgata 11 in Skien
- Total consideration of 149 million
- 30 % above book values
- In accordance with strategy to focus the portfolio on large, central and flexible office properties

Kalfarveien 31, Bergen



Fritzners gate 12, Oslo



Telemarksgata 11, Skien



Lease contract for new university building in Tullinkvartalet

- Signed lease contract with the University of Oslo for new faculty of law in the city centre
 - 25 year lease
 - 20,000 sqm
- New-build project of approx. 21,000 sqm
 - Involves Entra's properties in Kristian Augusts gate 15, 19 and 21
 - Currently approx. 15,100 sqm
- Zoning plan at final stage
- Project expected to be finalised in 2019/2020



Existing buildings



New Faculty of Law

New Powerhouse at Kjørbo in Sandvika

- Renovation of empty office building into a new Powerhouse
- Block 3 - 4,200 sqm
- Total building cost (incl initial cost): 144 million
- 54 % pre let to Asplan Viak
- Estimated yield-on-cost: 5.6 %



Kjørbo

Project Portfolio

	Ownership (%)	Location	Expected completion	Project area ('000 sqm)	Occupancy (%)	Estimated total project cost* (NOKm)	Of which accrued* (NOKm)	Yield on cost**
Group:								
Strømsveien 96	100	Oslo	Dec-16	18 100	46	433	294	6.6
Cort Adellers gate 30	100	Oslo	Dec-16	4 700	100	162	110	6.3
Powerhouse Kjørbo, block 3	100	Sandvika	Jul-17	4 200	54	144	75	5.6
Trondheimsporten	100	Trondheim	Nov-17	28 600	77	680	284	6.4
Total Group				55 600		1 419	762	
Jointly controlled companies:								
Sundtkvartalet	50	Oslo	Dec-16	31 300	49 	1 055	837	6.7
MediaCity Bergen	50	Bergen	Aug-17	45 000	69	1 677	1 243	6.1
Total Jointly controlled companies				76 300		2 733	2 080	
Forward sold property projects:								
Gullfaks***	50	Stavanger	Aug-16	17 900	100	539	531	6.7
Total Forward sold projects				17 900		539	531	

* Total project cost (Including book value at date of investment decision/cost of land)

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

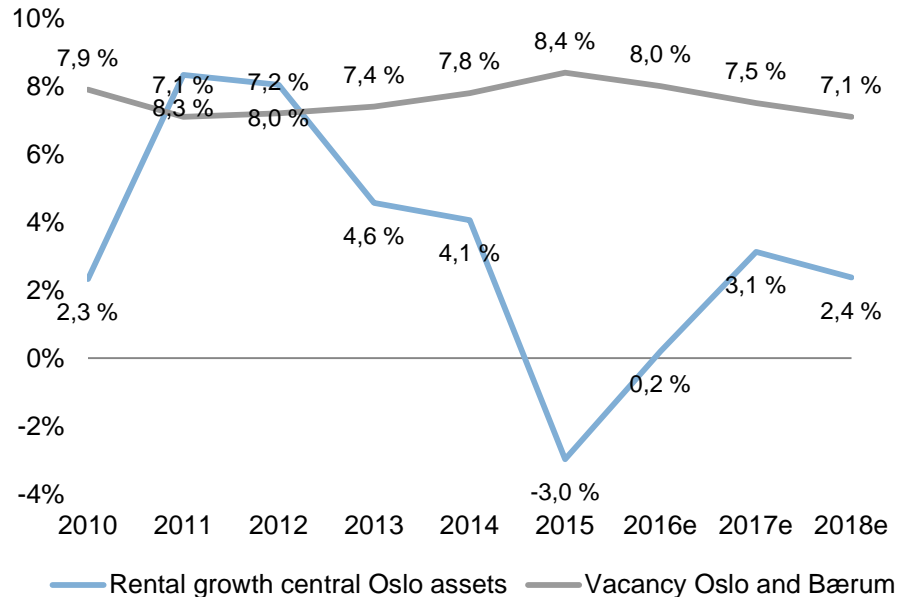
*** Gullfaks; Occupancy is reported as 100 per cent let due to a rental guarantee included in the purchase transaction of Hinna Park AS

Market development

Rent and vacancy

- High activity in the Oslo market
 - Many and large contract expiries
 - Limited new supply of new office space and decreasing vacancies
 - Rental growth expected to pick up
- Vacancies levelling out around 10 % in Bergen, Trondheim and Stavanger
 - Significant variation between sub markets
 - Entra in a good position with solid and centrally located portfolio

Rental growth and vacancy Oslo



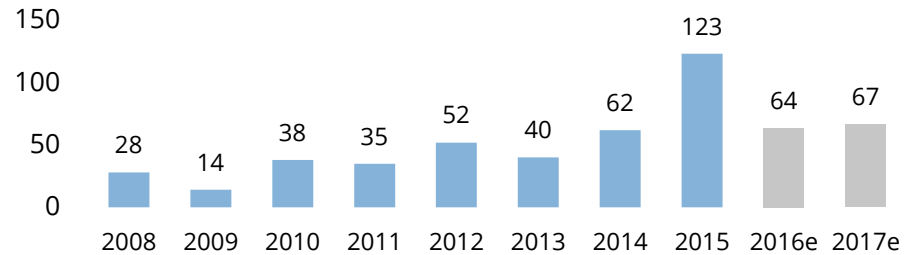
Source: Entra consensus report, average of estimates from leading market specialists in Norwegian market.

Market development

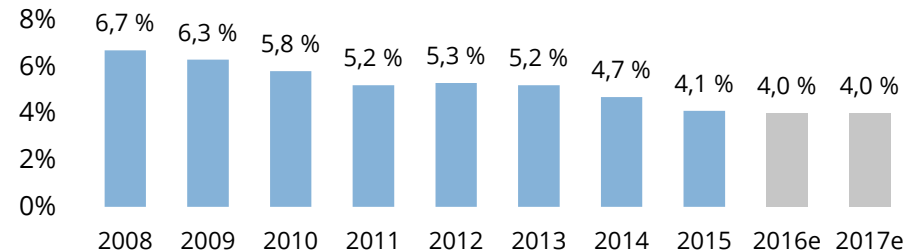
Transactions and yields

- Transaction market has had a slow start but volumes are picking up
- Demand still high but few large objects / portfolios has been for sale
- Prime yield further reduced to 4.0 %

Total transaction volume (NOKbn)



Prime yield Oslo



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

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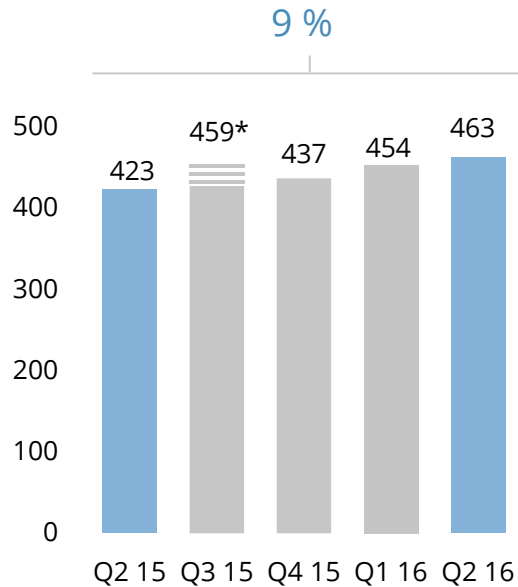
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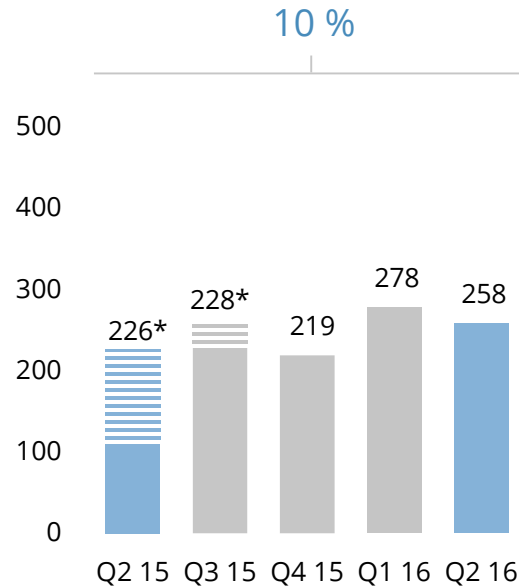
Q&A

Key financials

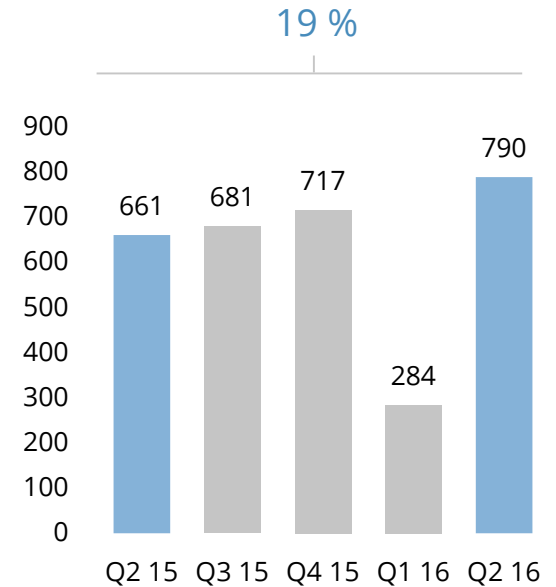
Rental income (NOKm)



Net income from property management (NOKm)



Profit before tax (NOKm)



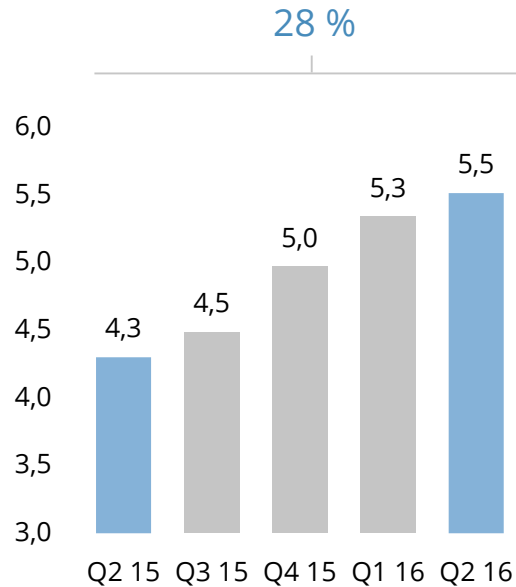
* Q215 adjusted for cost related to termination of swaps (115m), actually reported number was 111m

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

Key financials - per share

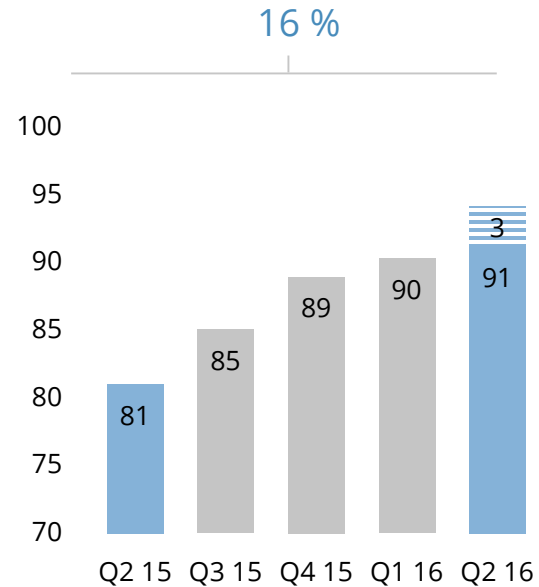
Cash Earnings*

(NOK per share)



EPRA NAV + Dividends**

(NOK per share)



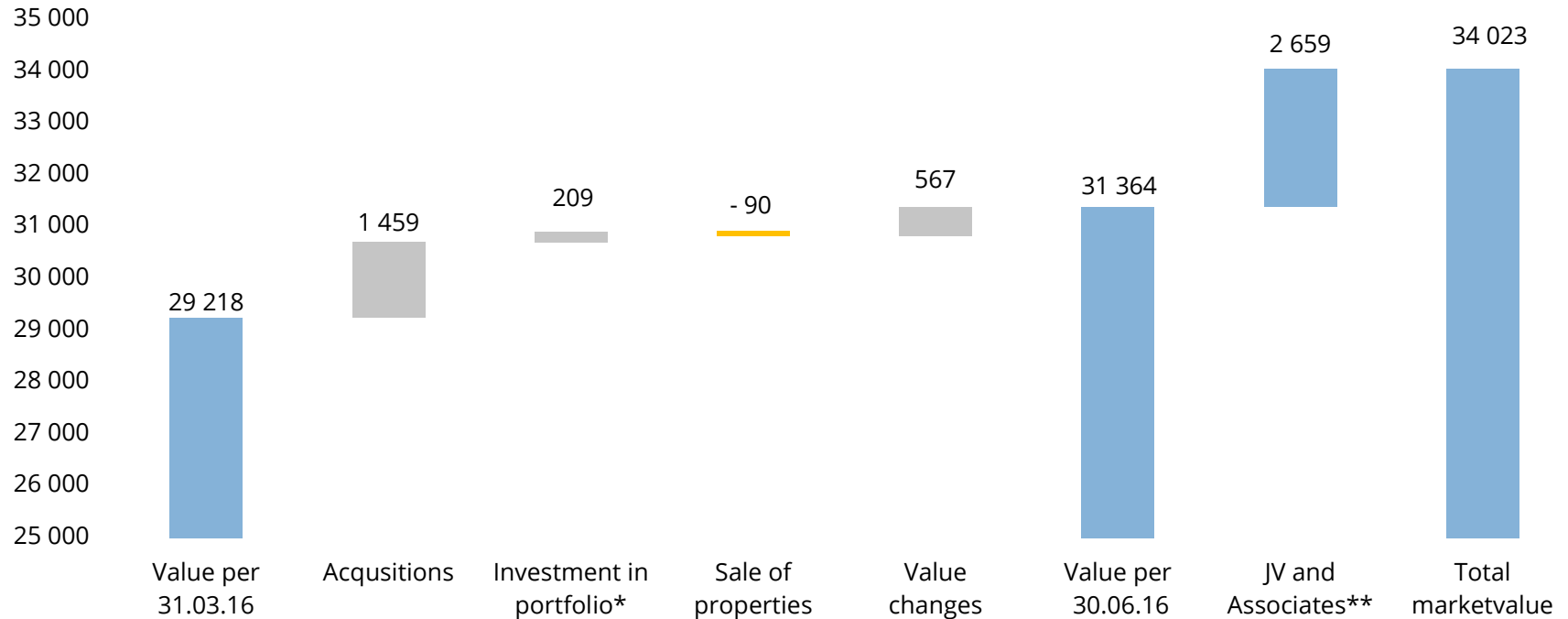
* Annualised, rolling 4 quarters

**Dividends presented in shaded area

Results

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

Investment property value development



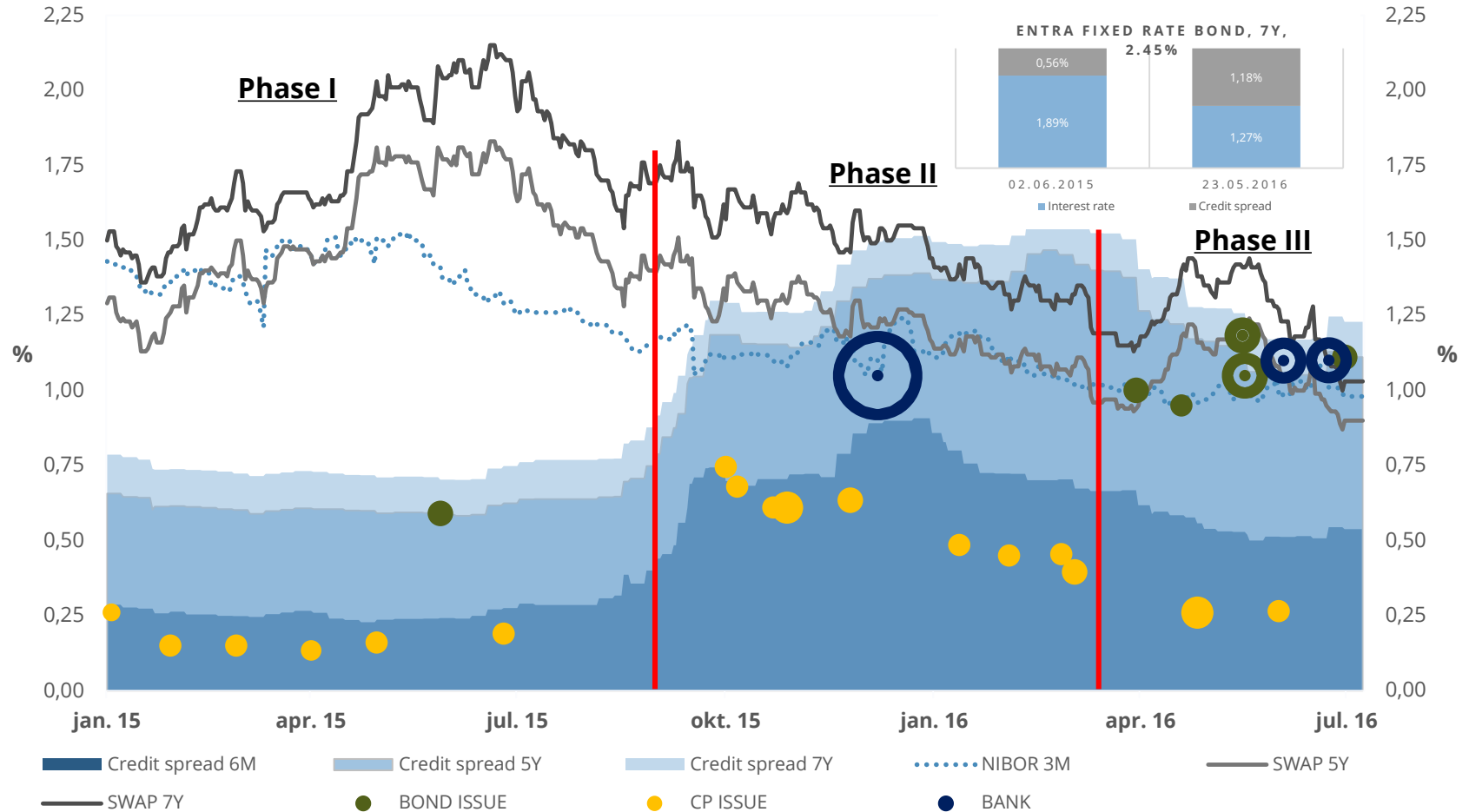
*In addition Entra has invested 142 NOKm through its non-consolidated J/Vs, Sundtkvartalet and Entra OPF (284 NOKm on a 100 % basis)

** Entra´s share of gross market value of JVs and Associates (book value equity = 1 503 million)

Balance sheet

All figures in NOK millions	30.06.2016	30.06.2015	31.12.2015
Book value of property portfolio	31 170	27 939	28 823
Investments in associates and JVs	1 503	1 170	2 789
Financial derivatives	640	425	530
Other assets	1 404	652	1 265
Cash and bank deposits	158	72	212
Total assets	34 874	30 259	33 619
Total equity	13 625	12 058	13 354
Interest-bearing debt	15 701	13 396	15 205
Deferred tax liability	3 572	3 178	3 324
Financial derivatives	1 283	941	1 121
Other liabilities	693	685	615
Total non-current liabilities	34 874	30 259	33 619

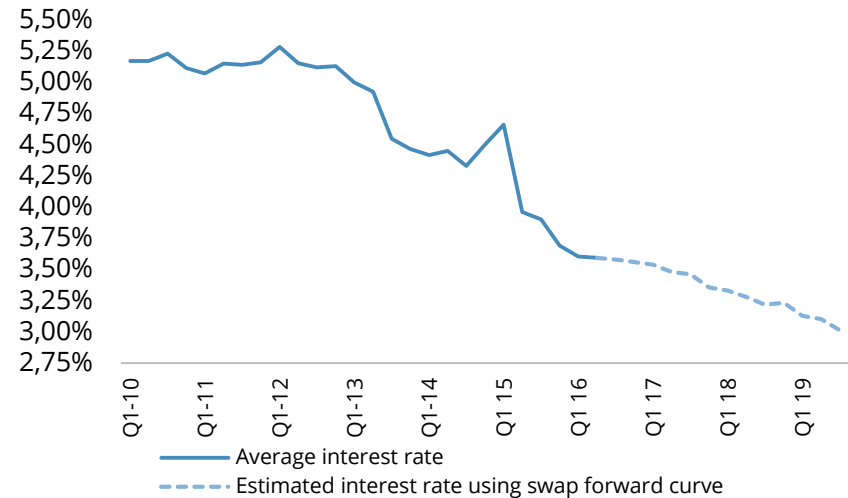
Adapting the financing mix to changing market conditions



Financing activity Q2 2016

- New bond issue of 2.4 bn
- Reduced bank debt by 1.8 bn
- Refinanced bank credit facility of 1.0 bn
- Refinanced commercial paper loans by 0.9 bn
- Average interest rate at 3.59 % as of 30.06.16

Development in average interest rate 2010 – 2019e



- Development in average interest rate 2010-2019(e) as reported per 30.06.16
- Changes in average interest rate is caused by expiration of interest rate swaps and start of forward swaps already entered into.
- Assumptions (2016-2019):
 - Stable debt level
 - All debt re-financed at existing terms
 - NIBOR forward curve

Financial update

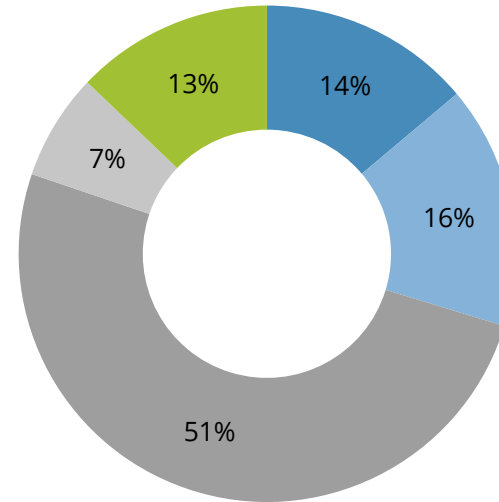
Key debt metrics as of 30.06.16

Interest bearing nominal debt	15 196mill
Unutilised credit facilities	5 108 mill
Loan-to-value	45.9 %*
Weighted average maturity	4.8 yrs
Average interest rate	3.59 %
Share at fixed rate	58 %
Average maturity of interest rate hedges	3.7 yrs

* Pro forma LTV post the Skøyen transaction is 49.8 %

Composition of interest bearing debt

100% = 15 196 NOKm



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

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- Significant income and portfolio growth ahead
 - Recent acquisitions and solid project pipeline fuel growth
- Tight and scalable cost base
 - Continued margin expansion (despite introduction of property tax in Oslo)
 - Steady growth in dividend yield
- Improving market sentiment in Oslo
 - High activity in the letting market and lower vacancies



Langkaia 1, Oslo



Sundtkvartalet, Oslo

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Next event
3rd quarter results
November 1, 2016

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

