ENTRA ASA

(A public limited liability company incorporated under the laws of Norway)

Initial public offering of up to 108,936,209 Shares with an indicative price range of NOK 61 to NOK 72 per Share

Listing of the Company's shares on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with the initial public offering (the "**Offering**") of up to 108,936,209 shares, each with a par value of NOK 1.00 of Entra ASA (the "**Company**"), a public limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, "**Entra**" or the "**Group**"), and the related listing (the "**Listing**") of the Company's shares (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"). The Offering comprises an offer to raise an amount of NOK 2,700 million by the issuance of up to 44,262,296 new shares to be issued by the Company (the "**New Shares**") and between 29,009,265 and 64,673,913 existing shares (the "**Sale Shares**") offered by the Norwegian Government, represented by the Ministry of Trade, Industry and Fisheries (the "**Selling Shareholder**").

The Offering consists of: (i) a private placement to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States of America (the "**U.S.**" or the "**United States**"), subject to applicable exemptions from the prospectus requirements, and (c) investors in the United States who are "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**"), in each case subject to a lower limit per application of NOK 2,000,000, (ii) a retail offering to the public in Norway (the "**Retail Offering**"), subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 and (iii) an employee offering directed at Eligible Employees (as defined below) (the "**Employee Offering**"), subject to a lower limit per application of NOK 1,500 or 15 Offer Shares (in the event a number of Offer Shares is applied for) and an upper limit per application of NOK 4,999,999 or 150 Offer Shares (in the event a number of Offer Shares is applied for). In addition, the Offering includes a right for investors in the Retail Offering and the Employee Offering to receive Bonus Shares (as defined below) from the Selling Shareholder on terms and conditions set out in Section 18 "The terms of the Offering". All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). In addition, the Selling Shareholder has granted Goldman Sachs International, on behalf of the Managers (as defined below), an option to purchase up to 16,340,432 additional Shares (the "**Additional Shares**", and together with the New Shares and Sale Shares, the "**Offer Shares**"), equal to up to approximately 15% of the aggregate number of New Shares and Sale Shares to be sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which "if sold/if issued" trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 17 October 2014, to cover any over-allotments made in connection with the Offering on the terms and subject to the conditions described in this Prospectus (the "**Over-Allotment Option**"). Assuming the Over-Allotment Option is exercised in full, the Offering will amount to up to 125,276,641 Offer Shares. The sum of the allocated Sale Shares and Additional Shares will in no event be less than 40,000,000 Shares or more than 80,000,000 Shares. The Company will not receive any of the proceeds from the sale of either the Sale Shares or the Additional Shares, if any.

The price (the "**Offer Price**") at which the Offer Shares are expected to be sold will be between NOK 61 and NOK 72 per Offer Share (the "**Indicative Price Range**"). Among the factors considered in determining the Indicative Price Range were, in addition to prevailing market conditions, the Company's historical performance, estimates of its business potential and earnings prospects, an assessment of the Company's management and consideration of the above factors in relation to the market valuation of companies in related businesses. The Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined through a bookbuilding process and will be set by the Company and the Selling Shareholder in consultation with the Joint Bookrunners (as defined below). See Section 18 "The terms of the Offering" for further information. The Offer Price, and the number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or about 17 October 2014 at 07:30 hours (Central European Time, "**CET**"). The offer period for the Institutional Offering (the "**Bookbuilding Period**") will commence at 09:00 hours (CET) on 6 October 2014 and close at 15:00 hours (CET) on 16 October 2014. The application period (the "**Application Period**") for the Retail Offering will commence at 09:00 hours (CET) on 6 October 2014 and close at 12:00 hours (CET) on 15 October 2014 for physical orders and 12:00 hours (CET) on 16 October 2014 for Online Orders (as defined below), while the Application Period for the Employee Offering will commence at 09:00 hours (CET) on 6 October 2014 and close at 12:00 hours (CET) on 15 October 2014. The Bookbuilding Period and the Application Period may be shortened or extended beyond the set times by the Company and the Selling Shareholder, in consultation with the Joint Bookrunners, but will in no event be shortened to expire prior to 12:00 hours (CET) on 14 October 2014 or extended beyond 15:00 hours (CET) on 21 October 2014.

The Shares are, and the New Shares will be, registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares will rank in parity with one another and carry one vote per Share. Except where the context otherwise requires, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" beginning on page 14 when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 19 "Selling and transfer restrictions".

Prior to the Offering, the Shares have not been publicly traded. The Company will on or about 6 October 2014 apply for the Shares to be admitted for trading and listing on the Oslo Stock Exchange, and completion of the Offering is subject to the approval of the listing application by the board of directors of the Oslo Stock Exchange.

The due date for the payment of the Offer Shares is expected to be on or about 20 October 2014 in the Retail Offering and the Employee Offering and on or about 21 October 2014 in the Institutional Offering. Delivery of the Offer Shares is expected to take place on or about 20 October 2014 in the Retail Offering and the Employee Offering and on or about 21 October 2014 in the Institutional Offering, in each case through the facilities of the VPS. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 17 October 2014, under the ticker code "ENTRA". If closing of the Offering does not take place on such dates or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Joint Global Coordinators
and Joint Bookrunners

ABG Sundal Collier | Goldman Sachs International | Swedbank

Co-Lead Managers

Danske Bank | Handelsbanken Capital Markets | Kempen & Co

Financial advisor to the Selling Shareholder

DNB Markets

The date of this Prospectus is 3 October 2014

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). This Prospectus has been prepared solely in the English language. However, a summary in Norwegian has been prepared in Section 21 "Norwegian summary (Norsk sammendrag)". The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

For definitions of certain other terms used throughout this Prospectus, see Section 22 "Definitions and glossary".

The Company and the Selling Shareholder have engaged ABG Sundal Collier, Goldman Sachs International and Swedbank as global coordinators (the "**Joint Global Coordinators**" and "**Joint Bookrunners**") and Danske Bank, Handelsbanken Capital Markets and Kempen & Co as "**Co-Lead Managers**". The Joint Global Coordinators and Joint Bookrunners and the Co-Lead Managers are together referred to herein as the "**Managers**".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or the Selling Shareholder or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, the Selling Shareholder or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 19 "Selling and transfer restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Selling Shareholder or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each prospective investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 19.2.1 "United States".

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 19.3.1 "United States".

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each of the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 19 "Selling and transfer restrictions" for certain other notices to investors.

STABILISATION

In connection with the Offering, Goldman Sachs International (the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option (as defined below), engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Company's Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management team (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any state or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

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APPENDICES

1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings

A.1	**Warning**	This summary should be read as introduction to the Prospectus; any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section B – Issuer

B.1	**Legal and commercial name**	Entra ASA.
B.2	**Domicile and legal form, legislation and country of incorporation**	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 20 December 2012, and the Company's registration number in the Norwegian Register of Business Enterprises is 999 296 432.
B.3	**Current operations, principal activities and markets**	Entra is a leading owner, manager and developer of office properties in Norway, focused on centrally-located, high quality assets in Oslo, Bergen, Stavanger and Trondheim. As of 30 June 2014, Entra had a property portfolio of 107 properties totalling approximately 1.3 million square metres. The market value of the Group's property portfolio as of 30 June 2014 was approximately NOK 26.8 billion. The Group has a particular expertise in the public sector, which represented approximately 72% of the Group's contractual rent as of 30 June 2014. The proportion of private sector tenants has increased from 12% in 2004, at a compound annual growth rate of 9%, while the total rent from public sector tenants has increased since 2004 at a compound annual growth rate of 6%. Entra is currently wholly owned by the Selling Shareholder, which announced its intention to privatise Entra in January 2014. Entra has been independently operated on arm's length principles since 2000. A key value driver for Entra is its ability to attract and retain tenants in its management properties. As of 30 June 2014, the Group maintained a portfolio of 96 management properties totalling more than 1.0 million square metres. These management properties offer a stable yield from solid tenants with long lease contracts, with a WAULT of 7.8 years and an occupancy rate of 95.2% as of 30 June 2014. The WAULT of the entire property portfolio as of 30 June 2014 was 8.1 years. The Group operates all its management properties with its own staff. The Group also has a solid and long track record of property development and has finalised several large renovation and new building projects throughout its history, including the construction of a new office building at Brattørkaia 15 in

	Trondheim completed in the first quarter of 2013, the total renovation of the office building at Fredrik Selmers vei 4 in Oslo completed in the fourth quarter in 2013 and the total renovation of the office building at Kjørbo in Sandvika (Bærum) completed in the first quarter of 2014. In addition to these completed projects, the Group has a significant portfolio of ongoing property projects and an extensive pipeline of potential projects. The Group also selectively gains access to development projects and manages the associated risks through its shareholding in subsidiaries with significant non-controlling interests and jointly controlled entities. The Group's interests currently include Oslo S Utvikling AS (of which the Group holds 33.33%), Entra OPF Utvikling AS (of which the Group holds 50%), Hinna Park Eiendom AS (of which the Group holds 50%), Papirbredden Eiendom AS (of which the Group holds 60%) and Sundtkvartalet AS (of which the Group holds 50%). As of 30 June 2014, management properties accounted for approximately 91.4% of the market value and 81.5% of the area of the property portfolio, respectively, while projects properties and land and development properties accounted for approximately 6.8% and 1.8% of the market value and 7.4% and 11.1% of the area of the property portfolio, respectively. Total lettable area of the management properties was more than 1.0 million square metres as of 30 June 2014, with an occupancy rate of 95.2%. The portfolio of management properties is diversified between public sector tenants and private sector tenants. Based on the Group's experience in negotiating lease agreements with public sector tenants, public sector tenant counterparties make independent leasing decisions, and no single tenant accounts for more than 6% of the Group's aggregate contractual rent. The Group is organised in four geographic operating segments: (i) Central Oslo, (ii) Greater Oslo, (iii) South/West Norway and (iv) Mid/North Norway. Central Oslo comprises all the Group's properties located in Oslo, except for Helsfyr-Bryn and Stovner. Greater Oslo covers the Group's properties at Helsfyr-Bryn and Stovner, as well as the Group's properties in Drammen, Bærum, Skedsmo and Østfold. South/West Norway covers the Group's properties in Bergen, Stavanger, Kristiansand, Arendal and Skien, while Mid/North Norway covers the Group's properties in Trondheim, Bodø and Tromsø.
B.4a Significant recent trends	With respect to the Norwegian economy since 30 June 2014, DNB Markets forecasts an annual Mainland GDP growth rate of 2.1% for all of 2014 (DNB, "Economic Outlook", August 2014). DNB forecasts a gradual rise in the unemployment rate from 3.5% as of 30 June 2014 (as measured by the Labour Force Survey (AKU by Statistics Norway 2014, 30 July 2014)) to 4.0% in 2016 (DNB, "Economic Outlook", August 2014). DNB Markets forecasts that inflation will remain at 2.1% in 2014 before rising to 2.4% in 2015, then declining to 2.1% in 2016 and 2.0% in 2017. DNB Markets forecasts that core inflation will peak at 2.5% in 2014, before declining to 2.3% in 2015, and 2.1% in 2016 and 2017. With respect to the Norwegian commercial property market since 30 June 2014, DNB expects transaction volume in the second half of 2014 to increase to NOK 29 billion, compared to NOK 21 billion in the second half of 2013, as a result of the stable Norwegian economy, banks' willingness to provide lending at attractive interest rates, capital available from both domestic and international investors and a healthy rental market. Investor demand for both city centre properties and development properties in Oslo has been strong, leading to increased pressure on yields. DNB expects the vacancy rate in Bergen to be higher in 2015 and 2016, compared to the period 2009 – 2014, as a result of high levels of new construction. DNB expects that declining investments by the petroleum industry until 2017 will cause market office vacancy levels in Stavanger to increase. DNB

		expects that the vacancy rates will remain relatively stable in Oslo and Trondheim in 2014. DNB also expects that continued urbanisation will further widen the existing gap between property prices in Norway's large cities and in its smaller cities and towns. The Group expects that these economic and market conditions will support continued positive value development for its property portfolio. The Group also believes that customers will to an increasing degree prefer environmentally sustainable office premises. The Group is continuing to work systematically to achieve environmentally and economically efficient solutions. The Group believes that efficient operations, good project implementation and active portfolio management are the most important parameters for delivering the Group's objective of profitable growth. The Group aims to achieve the highest customer satisfaction in the sector through its operational strength and follow-up with customers.
B.5	**Description of the Group**	The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.
B.6	**Interests in the Company and voting rights**	Shareholders owning 5% or more of the Shares will, following the Listing, have an interest in the Company's share capital, which is notifiable pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, the Company has one shareholder, the Selling Shareholder, holding all the issued and outstanding Shares in the Company. There are no differences in voting rights between the Shares. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
B.7	**Selected historical key financial information**	The following selected financial information has been extracted from the Group's unaudited interim consolidated financial statements as of, and for the three and six months ended, 30 June 2014 and 2013 (the Interim Financial Statements) and the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2013, 2012 and 2011 (the Financial Statements). The Company was incorporated on 20 December 2012 as a result of the Selling Shareholder contributing 100% of the shares in Entra Eiendom to the Company in exchange for issuance of shares in the Company. Prior to the transaction, Entra Eiendom was the ultimate parent company of the Group. Hence, the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2013 and 2012 and the Group's unaudited consolidated financial statements as of, and for the three and six months ended, 30 June 2014 and 2013 have been prepared with the Company as the ultimate parent company of the Group, while the Group's audited consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group. Accordingly, with respect to the Financial Information, the definition "Group" refers to the Company and its subsidiaries for the six month periods ended 30 June 2014 and 2013 and for the years ended 31 December 2013 and 2012 and to Entra Eiendom and its subsidiaries for the year ended 31 December 2011. The Financial Statements, included in Appendix B to this Prospectus, have been prepared in accordance with IFRS. The Interim Financial Statements, included in Appendix C to this Prospectus, have been prepared in accordance with IAS 34. The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements and Interim Financial Statements included in Appendix B and Appendix C, respectively, of this Prospectus and should be read together with Section 11 "Operating and financial review".

In NOK millions	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	2014	2013	2014	2013	2013	2012	2011[1]
Selected statement of comprehensive income							
Total operating revenue	481.2	417.2	905.0	795.2	1,575.4	1,532.7	1.467.8
Total operating costs	140.4	132.9	243.4	228.0	468.7	464.9	463.7
Net income from property management	340.8	284.2	661.6	567.2	1,106.8	1,067.8	1,004.1
Operating profit	622.7	92.2	954.4	300.2	847.2	1,705.5	1,604.8
Net realised financial items	-135.3	-141.1	-268.2	292.2	-564.9	-591.9	-591.3
Net financial items	-292.4	-4.1	-539.0	-169.1	-381.3	-864.0	-799.3
Profit before tax	330.3	88.2	415.4	131.1	466.0	841.5	805.6
Profit/loss for the period	249.7	67.5	315.6	96.7	469.9	737.8	579.0
Total comprehensive income for the period	249.7	71.1	315.6	100.4	467.0	772.6	579.0

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

In NOK millions	As of 30 June	As of 31 December		
	2014	2013	2012	2011[1]
Selected balance sheet				
Total intangible assets	177.2	30.9	36.3	16.5
Total property, plant and equipment	25,109.6	23,182.0	22,234.5	21,875.3
Total non-current financial assets	2,059.5	2,074.6	2,450.8	1,623.6
Total non-current assets	27,346.4	25,287.5	24,721.5	23,515.4
Total current receivables	1,118.5	793.0	190.2	140.1
Total current assets	1,328.3	970.4	255.0	188.4
Total assets	28,949.8	26,646.1	25,710.8	23,740.3
Total equity	8,316.6	7,993.0	7,942.6	7,391.4
Total non-current liabilities	16,778.0	15,290.9	13,398.9	12,356.9
Total current liabilities	3,855.2	3,362.2	4,369.2	3,992.0
Total liabilities	20,633.3	18,653.1	17,768.2	16,348.9
Total equity and liabilities	28,949.8	26,646.1	25,710.8	23,740.3

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

In NOK millions	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	2014	2013	2014	2013	2013	2012	2011[1]
Selected statement of cash flows							
Net cash flows from operating activities	179.0	122.2	353.6	214.2	508.4	656.0	517.2
Net cash flows from investing activities	-205.4	-248.2	-515.2	-60.0	-999.7	-1,238.2	-1,052.5
Net cash flows from financing activities	17.0	-131.0	194.0	-73.5	603.9	598.8	434.6
Cash and cash equivalents at the end of the period	209.9	145.5	209.9	145.5	177.4	64.8	48.3

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

B.8	**Selected key pro forma financial information**	Not applicable. There is no pro forma financial information.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecasts or estimates are made.
B.10	**Audit report qualifications**	Not applicable. There are no qualifications in the audit reports.

B.11	**Insufficient working capital**	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C – Securities

C.1	**Type and class of securities admitted to trading and identification number**	The Company has one class of Shares in issue and all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO0010716418.
C.2	**Currency of issue**	The Shares are issued in NOK.
C.3	**Number of shares in issue and par value**	As of the date of this Prospectus, the Company's share capital is NOK 142,194,000 divided into 142,194,000 Shares, with each Share having a par value of NOK 1.00.
C.4	**Rights attaching to the securities**	The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 15.10 "The Articles of Association and certain aspects of Norwegian law".
C.5	**Restrictions on transfer**	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors. See also Section 19 "Selling and transfer restrictions".
C.6	**Admission to trading**	The Company will on or about 6 October 2014 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on or about 9 October 2014, subject to certain conditions being met. See Section 18.14 "Conditions for completion of the Offering—Listing and trading of the Offer Shares". The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on an "if sold/if issued" basis, on or around 17 October 2014, and on an unconditional basis on or around 21 October 2014. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7	**Dividend policy**	Entra will target a dividend pay-out ratio of approximately 60% of cash earnings (defined as net income from property management less net realised financials and payable tax). The proposal in any year to pay dividend is, in addition to the legal restrictions as set out in Section 6.2 "Legal constraints on the distribution of dividends", further subject to any restrictions under the Group's borrowing arrangements or other contractual arrangements in place at the time. See Section 11.5.4 "Borrowing and funding sources".

Section D – Risks

D.1	**Key risks specific to the Company or its industry**	*Risks relating to prevailing economic conditions* • The value of the Group's assets is exposed to macroeconomic fluctuations • The Group's properties are all located in Norway, in particular Central Oslo and Greater Oslo, and slowdowns in the economic activity in these geographic areas could materially and adversely affect the commercial property industry in which the Group operates

	• A lower rate of inflation or reduced consumer price index could lead to lower than anticipated rental rates for the Group's properties *Risks related to the business of the Group and the industry in which the Group operates* • The Group may not be able to successfully implement its strategy • The Group could be unable to let a property or re-let a property following the expiry of a tenancy at economically attractive rates or at all • The failure by tenants of the Group to meet their obligations, or the termination of lease agreements by tenants, could result in significant loss of rental income, increase in bad debts and decrease in the value of the Group's properties • The majority of the Group's tenants are public sector entities, and there is no assurance that such public sector entities will continue to renew existing leases or enter into new leases with the Group following the privatisation • Competition within the markets in which the Group operates could materially and adversely affect the Group's business, financial conditions, results of operations and cash flows • Due to the potentially illiquid nature of the commercial properties in which the Group has invested, the Group could be unable to sell any portion of its total portfolio on favourable terms or could be unable to sell at all • The Group's insurance coverage could be insufficient for potential liabilities or other losses • The Group owns and operates a portion of its property portfolio through subsidiaries with significant non-controlling interests or jointly controlled entities, exposing it to risks and uncertainties, many of which are outside its control • The Group's costs of maintaining, replacing and improving its existing properties could be higher than estimated • The Group is subject to development risks in its business of development of commercial properties • The Group is dependent on the services of external construction companies and service providers in connection with the development and construction of its new projects • Environmental issues related to the Group's land and buildings could entail additional costs and/or liability for the Group that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows • Purchase options and pre-emption rights applicable to the Group's properties could limit the Group's flexibility and/or reduce the value on the Group's properties • The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenue • The Group could be unable to complete proposed acquisitions on acceptable terms or at all or successfully integrate acquired assets or businesses • Acquired properties could expose the Group to unknown liability, which could adversely affect its business, financial condition, results of operations and cash flows • The Group could be subject to liability claims for several years after selling properties • Failure to attract or retain highly skilled personnel could materially

	and adversely affect the Group's business and operations • The Group relies on information technology systems to operate its business, including to follow-up with tenants, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations • The Group's corporate social responsibility and environmental policies could impose additional costs and have an adverse impact on its business and results of operations • Damage to the Group's reputation and business relationships could have an adverse effect on its business and results of operations • The Group is subject to the risk of objects falling from the facades and roofs of the Group's properties, which could damage the Group's reputation and have an adverse effect on its business and results of operations • The Group could be subject to financial reporting risks *Risks related to valuation of the Group's property portfolio* • Adjustment based on changes in the fair value of the Group's properties or inaccuracies in calculations of fair value could negatively affect the Group's financial condition and results of operations • The Property Appraisal Reports and Financial Information contained in this Prospectus could incorrectly assess the value of the Group's properties *Risks relating to the financial profile of the Group* • The Group's degree of leverage and ability to incur additional indebtedness could have a material and adverse effect on the Group's ability to obtain additional financing or make it more vulnerable in the event of a downturn in the business or the economy generally • Interest rate fluctuations could materially and adversely affect the Group's business, financial condition, results of operations and cash flows • The Group could require additional capital in the future in order to execute its strategy, which may not be available on favourable terms, or at all • The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders • The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders *Risks related to laws and regulations applicable to the Group* • Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate or otherwise • A change in laws and regulations regarding tax and other duties/charges could result in higher tax expense and duties/charges for the Group • The Group could be subject to litigation and disputes that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows • Some of the Group's properties are protected as cultural heritage or regulated as special area preservation, which could restrict the

		Group's ability to utilise its properties • Changes in, or completion of, planning regulations and existing exemption practices by authorities could significantly affect the operations of the Group and changes in infrastructure could materially impact the Group's properties • The Group faces risks in relation to title and ownership to its properties • Changes in accounting rules, assumptions and/or judgments could materially and adversely affect the Group *Risks related to partial ownership of the Company by the Norwegian Government* • The Company could be influenced by the Norwegian Government whose interest may not always be aligned with the interests of the Company's other shareholders • Political, economic or other policies of the Norwegian Government may impact the business and operations of the Company • There will be no guarantee, undertaking or assurance that the Norwegian Government will support the Company or any other member of the Group in any way in the future
D.3	**Key risks specific to the securities**	*Risks related to the Listing and the Shares* • Several of the Group's financing agreements include change of control provisions which could delay, defer or prevent a merger, equity offering, takeover or other business combinations involving the Group • The Group will incur increased costs as a result of being a publicly traded company • The price of the Shares could fluctuate significantly • There is no existing market for the Shares, and an active trading market may not develop • Future sales, or the possibility for future sales of substantial numbers of Shares could affect the Shares' market price • Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares • Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders • Investors could be unable to exercise their voting rights for Shares registered in a nominee account • The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions • The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future • Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway • Norwegian law could limit shareholders' ability to bring an action against the Company • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK • Market interest rates could influence the price of the Shares • The Group may be classified as a passive foreign investment company for United States federal income tax purposes, which

	could subject U.S. investors in the Shares to significant adverse tax consequences • The Shares are listed on an "if sold/if issued" basis until delivery of the Shares, which could result in all conditional trades being reversed • The limited free float of the Shares may have a negative impact on the liquidity of and market price for the Shares

Section E – Offer

E.1	**Net proceeds and estimated expenses**	The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and the Additional Shares, if any, and the Company will receive the proceeds from the sale of the New Shares in the Offering. The total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to approximately NOK 130 million (including VAT) if all the New Shares, the mid-point of the range of Sale Shares and all the Additional Shares are sold by the Selling Shareholder and the Company, and the Selling Shareholder and the Company decide to pay the incentive fee in full (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range).
E.2a	**Reasons for the Offering and use of proceeds**	The Company will apply for the Listing of all of its Shares on the Oslo Stock Exchange. The Company believes that the benefits of the Offering and the Listing include the following: (i) **Facilitating a sustainable shareholding structure which supports the Company's long-term strategy**. The Selling Shareholder and the Board of Directors have decided to apply for the Listing of all of the Shares on the Oslo Stock Exchange in order to offer the Selling Shareholder an opportunity to sell a portion of its Shares. Assuming that all the Sale Shares and New Shares are sold in the Offering, and that no Additional Shares are sold, the Selling Shareholder will retain a shareholding in the Company of no less than 42% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). If the Over-Allotment Option is exercised in full by the Managers, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold, the shareholding of the Selling Shareholder in the Company following such sale will amount to no less than 34% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). (ii) **Increasing strategic flexibility and enhancing financing sources for future growth opportunities.** While the Company expects to fund the current development pipeline through operating cash flows, the Company will continue to evaluate incremental growth investments and acquisitions and may, among other things, decide to raise additional equity financing in order to fund attractive opportunities in the future. (iii) **Enhancing the Company's ability to attract talent.** The Company believes that its attractiveness as an employer will increase as a publicly listed company as the Listing is expected to raise the profile of the Group and thereby improve perceptions of the Group's business and brand with current and potential employees. The ability to attract qualified employees is important to maintain and grow the business of the Group. The Company intends to use the net proceeds from issuance of the New Shares in the Offering to repay all credit facilities in Brattørkaia AS as described in Section 11.5.4.3 "Credit facilities", with a total outstanding amount of NOK 905 million as of 30 June 2014. The remaining amount will

		be used to reduce borrowings outstanding under revolving credit facilities in Entra Eiendom, including revolving credit facilities drawn to pay an extraordinary dividend of NOK 650 million to the Selling Shareholder. On 26 September 2014, the General Meeting resolved to distribute an extraordinary dividend of NOK 650 million to the Selling Shareholder, subject to completion of the Listing. The Selling Shareholder's entitlement to the dividend arises upon the date of unconditional trading in the Shares on the Oslo Stock Exchange. The extraordinary dividend will be paid by drawing on the Group's existing revolving credit facilities. See Section 11.5.4.3 "Credit facilities" for more information on the terms of the credit facilities of Brattørkaia AS and Entra Eiendom. The interest rate derivatives related to these facilities will not be terminated following repayment of the outstanding amounts. The Company will not receive any proceeds from the sale of the Sale Shares or Additional Shares by the Selling Shareholder.
E.3	**Terms and conditions of the Offering**	The Offering consists of (i) an offer of New Shares to raise an amount of NOK 2,700 million by the issuance of up to 44,262,296 New Shares, each with a par value of NOK 1.00, and (ii) an offer of between 29,009,265 and 64,673,913 Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a par value of NOK 1.00, offered by the Selling Shareholder. The Joint Bookrunners may elect to over-allot up to 16,340,432 Additional Shares, equalling up to approximately 15% of the aggregate number of New Shares and Sale Shares (assuming that all the Sale Shares are sold in the Offering). The Selling Shareholder has granted Goldman Sachs International, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments. Assuming the Over-Allotment Option is exercised in full and that all the Sale Shares and New Shares are sold in the Offering, the Offering will amount to up to 125,276,641 Offer Shares. The sum of the allocated Sale Shares and Additional Shares will in no event be less than 40,000,000 Shares or more than 80,000,000 Shares. The Offering consists of: • An Institutional Offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements and (c) investors in the United States who are QIBs. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000. • A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor, with a right to receive Bonus Shares (subject to the terms set out in Section 18.5.1 "Offer Price"). Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. • An Employee Offering, in which Offer Shares are being offered to Eligible Employees (as defined below) subject to a lower limit per application of an amount of NOK 1,500 or 15 Offer Shares (in the event a number of Offer Shares is applied for) and an upper limit per application of NOK 4,999,999 or 150 Offer Shares (in the event a number of Offer Shares is applied for) for each Eligible Employee, with a right to receive Bonus Shares (subject to the terms set out in Section 18.6.2 "Offer Price"). Eligible Employees who intend to place an order in excess of NOK 4,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Employee Offering are not allowed. All Eligible Employees will

		receive full allocation in the Employee Offering. Eligible Employees may not order Shares in both the Employee Offering and the Retail Offering. Entra Eiendom will grant Eligible Employees a loan of up to the lower of (i) NOK 50,000 and (ii) 20% of such Eligible Employee's net annual salary after deduction of withholding tax, for the financing, in whole or in part, of such Eligible Employee's payment for the Offer Shares allocated to such Eligible Employee in the Employee Offering. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. The Bookbuilding Period for the Institutional Offering is expected to take place from 6 October 2014 at 09:00 hours (CET) to 16 October 2014 at 15:00 hours (CET). The Application Period for the Retail Offering is expected to take place from 6 October 2014 at 09:00 hours (CET) to 15 October 2014 at 12:00 hours (CET) for physical orders and 12:00 hours (CET) on 16 October 2014 for Online Orders. The Application Period for the Employee Offering is expected to take place from 6 October 2014 at 09:00 hours (CET) to 15 October 2014 at 12:00 hours (CET). The Company and the Selling Shareholder, in consultation with the Joint Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and Application Period at any time. The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 17 October 2014, by issuing contract notes to the applicants by mail or otherwise. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 21 October 2014. Swedbank, acting as settlement agent for the Retail Offering and the Employee Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering and Employee Offering on or about 17 October 2014, by issuing allocation notes to the applicants by mail or otherwise. The due date of payment in the Retail Offering and Employee Offering is on or about 20 October 2014. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering and the Employee Offering is expected to take place on or about 20 October 2014.
E.4	**Material and conflicting interests**	The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services as well as providing financing to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering. The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and any Additional Shares and the Company will receive the proceeds from the sale of New Shares in the Offering. Subject to completion of the Listing, the Selling Shareholder will also receive a dividend of NOK 650 million. Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

E.5	**Selling shareholder and lock-up agreements**	The Selling Shareholder is the Norwegian Government, represented by the Ministry of Trade, Industry and Fisheries. As of the date of this Prospectus, the Selling Shareholder holds 142,194,000 Shares, corresponding to 100% of the issued and outstanding Shares. Assuming that all the Sale Shares and New Shares are sold in the Offering, and that no Additional Shares are sold, the Selling Shareholder will retain a shareholding in the Company of no less than 42% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). If the Over-Allotment Option is exercised in full by the Managers, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold, the shareholding of the Selling Shareholder in the Company following such sale will amount to no less than 34% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). Pursuant to the Purchase Agreement, each of the Company and the Selling Shareholder will provide an undertaking that will restrict their ability to issue, sell or dispose of Shares, as applicable, for a period of 180 calendar days after the date of the Purchase Agreement. In addition, Klaus-Anders Nysteen, Arve Regland, Sonja Horn, Mona Aarebrot, Jorunn Nerheim, Karl Fredrik Torp, Anders Solaas and Kristin Haug Lund will provide undertakings that will restrict their ability to sell or dispose of Shares for a period of 12 months after the date of the Purchase Agreement. For more information about these restrictions, see Section 18.17 "Lock-up".
E.6	**Dilution resulting from the Offering**	Following completion of the Offering, the immediate dilution from issuance of the New Shares for the Selling Shareholder is expected to be between approximately 20.9% and 23.7% assuming issuance of all the New Shares.
E.7	**Estimated expenses charged to investor**	Not applicable. The expenses related to the Offering will be paid by the Company and the Selling Shareholder.

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Information (as defined below). The risks and uncertainties described in this Section 2 are the known risks and uncertainties faced by the Group as of the date hereof that the Company believes are relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the same.

*Investors should note that the Group has chosen, in line with the International Financial Reporting Standards ("**IFRS**"), as adopted by the European Union ("**EU**") and the International Accounting Standard Board (the "**IASB**"), to record investment properties (that is, the real estate held to generate rental income) at fair value. Fair value is the amount at which an asset or liability could be exchanged in an arm's length transaction between informed and willing parties, other than in a liquidation or forced sale. The Group determines fair value quarterly based on the average of two external, independent valuations, conducted by Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations are based on each individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with individual risk-adjusted required rate of return. In addition, for the purpose of the Offering, the Group has obtained property appraisal reports as of 30 June 2014 (the "**Property Appraisal Reports**") prepared by Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS (the "**Independent Appraisers**"), the reports of which are included in Appendix H to this Prospectus. Any change in the fair value of the investment properties is reflected in the Group's consolidated income statement. Therefore, the materialisation of any of the following risks or uncertainties or of other, not yet identified risks, could have an adverse impact not only on the Group's business, financial condition, and results of operations, but also on the valuation of the Group's investment properties. Any such adverse impact could be material.*

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operations, cash flows and/or prospects. The risks mentioned herein could materialise individually or cumulatively.

2.1 Risks relating to prevailing economic conditions

The value of the Group's assets is exposed to macroeconomic fluctuations

The Group is exposed to the economic cycle and macroeconomic fluctuations, since changes in the general economic situation, such as the level of inflation and the rate of economic growth, could materially affect rent levels and the value of the Group's assets, including the value of the property portfolio of the Group. In particular, an economic downturn may decrease the market value of some or all of the Group's investment properties. In recent years, the global economy has declined. This global economic downturn resulted in a significant reduction in the values of the Group's investment properties and increased the Group's financing costs for the year ended 31 December 2008. Although there are signs that the economic recession has abated in many countries, there is still considerable instability in the world economy that could initiate a new economic downturn. Under the Group's accounting policies, investment property is recognised at fair value, based on market values estimated by two independent valuers. The valuations are based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. Gains or losses as a result of changes in the market value of investment properties are recognised in profit or loss as they arise. See Section 2.3 "Risks related to valuation of the Group's property portfolio – Adjustment based on changes in the fair value of the Group's properties or inaccuracies in calculations of fair value could negatively affect the Group's financial condition and results of operations". A future economic downturn is also likely to reduce demand for office space, which could slow the general development of commercial properties and reduce rent levels for various segments and locations where the Group owns properties, reduce the availability of financing for commercial properties and slow the market for sales of commercial properties. Negative changes in the general economic situation could thus have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows. See Section 7.2 "Macroeconomic developments in the Norwegian economy".

The Group's properties are all located in Norway, in particular Central Oslo and Greater Oslo, and slowdowns in the economic activity in these geographic areas could materially and adversely affect the commercial property industry in which the Group operates

All of the Group's properties are located in Norway, and as of 30 June 2014, approximately 74% of the market value of the property portfolio was located in Central Oslo or Greater Oslo. Even in the absence of a global or regional economic downturn, slowdowns in Norwegian economic activity, and in particular slowdowns in economic activity in Central Oslo and Greater Oslo, could materially and adversely impact the commercial property industry in which the Group operates, including, among other things:

- Reducing the demand for commercial properties;
- Decreasing the market values of commercial properties;
- Reducing the availability, and increasing the cost, of financing for commercial properties; and
- Slowing the market for the sale of commercial properties.

Any of the above events could materially and adversely affect the Group's business, financial condition, results of operations and cash flows.

A lower rate of inflation or reduced consumer price index could lead to lower than anticipated rental rates for the Group's properties

Norges Bank's (the Norwegian Central Bank) objective is to maintain annual long-term inflation at a level of 2.5%. However, the inflation level could deviate from this target for long periods of time. The majority of the lease agreements in the Group's property portfolio have a 100% consumer price index ("**CPI**") adjustment clause, allowing the Group to increase rental rates based on an increase in the CPI each year. However, a number of the lease agreements limit the Group's right to adjust the rent with 100% of any increase in the CPI and/or to adjust for such development each year. A lower rate of inflation or reduced CPI levels could lead to lower than anticipated rent levels, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

2.2 Risks related to the business of the Group and the industry in which the Group operates

The Group may not be able to successfully implement its strategy

The Group's strategy as described in Section 8.3 "Strategy" is to actively manage existing tenants to ensure maximum retention, pursue strategic development projects, expand its commitment to environmental sustainability and optimise its property portfolio through focused acquisitions and divestments. Maintaining and expanding the Group's operations and achieving its other objectives involve inherent investments, costs and uncertainties and there is no assurance that the Group will achieve its objectives or other anticipated benefits. Further, there is no assurance that the Group will be able to undertake its activities within their expected time frame, that the investments and costs of any of the Group's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Group's ability to successfully implement its strategy could also be affected by factors beyond its control, such as the economic development in the markets in which it operates and the availability of acquisition and development opportunities in each market. Any failures, material delays or unexpected costs related to implementation of the Group's strategy, including the amount already invested, could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group could be unable to let a property or re-let a property following the expiry of a tenancy at economically attractive rates or at all

As of 30 June 2014, the Group's portfolio of management properties comprised more than 1.0 million square metres across 96 properties. The occupancy rate as of 30 June 2014 was 95.2% and the weighted average unexpired lease term ("**WAULT**") of the Group's portfolio of management properties was 7.8 years. 322 lease contracts representing NOK 344 million in contractual rent are due to expire by 30 June 2017, representing approximately 18% of the Group's lease contracts as of 30 June 2014. The ability of the Group to attract new tenants will depend on demand for space at the relevant property which can be influenced by a number of factors. Rental levels and the affordability of rents, the size and quality of the building, the facilities offered, the convenience, location and local environment of the relevant property, the amount of competing space available and the transport infrastructure are examples of factors which influence tenant demand. Similarly, changes to the infrastructure, demographics, planning regulations and economic circumstances relating to the surrounding areas on which the relevant property depends for its tenant base could adversely affect the demand for such properties. The supply of office property is influenced by construction and renovation activity. Historically, periods with good market conditions in the office property market have been followed by increased construction of office properties. This increased construction could subsequently lead to oversupply and increased vacancies and reduced occupancy rates. The long lead time of construction could further increase this effect, as construction that has been started in general will be finalised regardless of any market slowdown.

In the event the Group is unable to let any of its management properties, the Group will suffer a rental shortfall, and may be obliged to cover the common costs for the vacant areas until the property is re-let. Even if tenant renewals or replacements are effected, there is no assurance that such renewals or replacements will be on terms that are as favourable to the Group as before or that the new tenants will be as creditworthy as the previous tenants.

In addition, significant expenditures related to each property, such as service charges and renovation and maintenance costs, are generally not reduced in proportion to any decline in rental income from that property. Any vacancies or decline in rental income from a property, without a corresponding decline in the related costs or the ability of the Group to pass on or recoup such costs, could have a material and adverse effect on the Group’s business, financial condition, results of operations and cash flows.

The failure by tenants of the Group to meet their obligations, or the termination of lease agreements by tenants, could result in significant loss of rental income, increase in bad debts and decrease in the value of the Group’s properties

In the six months ended 30 June 2014, 92% of the Group’s revenues derived from rental income. The Group’s top 20 tenants accounted for approximately 51% of the Group’s contractual rent as of 30 June 2014, and the WAULT for these contracts was 9.5 years. Public sector tenants accounted for approximately 72% of the Group’s tenants as of 30 June 2014 as measured by contractual rent. The Group considers the financial status and strength of the Group’s tenants, and thus their ability to service the rent, to be a decisive factor when evaluating risk. A downturn in business, bankruptcy or insolvency could force certain tenants to default on their rental obligations and/or vacate the premises. A default of a lease agreement, in particular by a series of the Group’ tenants or by any of the Group’s significant tenants, could result in a material loss of rental income and increase in bad debts, and decrease the value of the Group’s property portfolio. Public sector tenants are normally not required to provide security for rental payments. The Group monitors the creditworthiness of tenants on a continuing basis, and the Group normally requires bank guarantees for six months of lease payments in respect of any private sector tenants. As of 30 June 2014, bank guarantees were provided by approximately 85% of the private sector tenants. Further, there is no assurance that such bank guarantees could be adequately enforced, or that any amounts recovered in the event of default by any tenant would be sufficient to offset losses in contractual rent. Any of the above consequences of a default by a series of tenants or a significant tenant could have a material and adverse effect of the Group’s business, financial condition, results of operations and cash flows.

The exercise of contractual termination rights by tenants could also result in significant loss of rental income, increase in bad debts and decrease in the value of the Group’s properties. Under several of the Group’s lease agreements with public sector tenants, the tenant has a termination right. Lease agreements with termination rights accounted for approximately 0.1% of the Group’s annual contractual rent under its 20 largest lease agreements as measured by annual contractual rent as of 30 June 2014. The specific wording of the termination right varies among the relevant lease agreements, however a practical example is that the public sector tenant may terminate the lease agreement in the event of reorganisation decided by the Norwegian Parliament, the Norwegian Government or other government authority, which causes the tenancy to be impractical for the tenant’s business. For example, the lease agreements with (i) the Norwegian Tax Directorate in Fredrik Selmers vei 4 in Oslo municipality, with a contractual rent as of 30 June 2014 of approximately NOK 60 million, (ii) the Agency for Planning and Building Services in Vahlsgate 1-3 in Oslo municipality, with a contractual rent as of 30 June 2014 of approximately NOK 26 million, and (iii) the Norwegian Directorate for Education and Training in Schweigaards gate 15 B in Oslo municipality, with a contractual rent as of 30 June 2014 of approximately NOK 24 million, contain termination clauses. The termination of lease agreements by a series of tenants or a significant tenant could have a material and adverse effect of the Group’s business, financial condition, results of operations and cash flows.

The majority of the Group’s tenants are public sector entities, and there is no assurance that such public sector entities will continue to renew existing leases or enter into new leases with the Group following the privatisation

Public sector tenants accounted for approximately 72% of the Group’s tenants as of 30 June 2014 as measured by contractual rent. Historically, the Group’s main purpose was to provide premises to meet the needs of central government and municipalities, and, prior to the completion of the Offering, the Group is owned by the Selling Shareholder. Following the privatisation of the Group, there is no assurance that public sector tenants will renew existing lease agreements or enter into new lease agreements with the Group, and any failure to maintain or extend leasing activities with public sector tenants could have a material and adverse effect of the Group's business, financial condition, results of operations and cash flows.

Competition within the markets in which the Group operates could materially and adversely affect the Group's business, financial conditions, results of operations and cash flows

The commercial property business is highly competitive and fragmented and several companies compete in the markets in which the Group operates. The Group faces competition from both larger and smaller competitors. Its larger competitors may have greater resources than the Group, better withstand industry downturns, compete more effectively and retain skilled personnel to a larger degree than the Group. The Group's smaller competitors may be able to respond more quickly to local market changes and may be better positioned to develop relationships with their tenants. The Group's operations could also be materially and adversely affected if its current competitors or new market players introduce commercial properties with better features (including environmental features), rental prices or other characteristics than the Group. Competition could also result in significant price competition, particularly during market downturns. All of these factors could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Due to the potentially illiquid nature of the commercial properties in which the Group has invested, the Group could be unable to sell any portion of its total portfolio on favourable terms or could be unable to sell at all

The commercial property market in which the Group invests and operates may potentially have lower liquidity than investment markets for other types of assets. To the extent the Group wished to engage in divestment activities, its general ability to sell parts of its property portfolio would depend on the state of investment markets and on market liquidity. In particular, these risks could arise from weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which the Group's properties are located. The illiquidity of the commercial property market has in the past caused the Group to retract certain sales processes and take longer than expected to sell certain properties. If the Group were required to liquidate any part of its property portfolio for any reason, there is no assurance that the Group would be able to sell any portion of its property portfolio on favourable terms or at all, which could have a material and adverse effect on Group's business, financial condition, results of operations and cash flows.

The Group's insurance coverage could be insufficient for potential liabilities or other losses

The Group currently maintains insurance coverage of types and amounts that it believes to be customary in the industry, including property insurance for all properties in the Group's property portfolio, specific project insurance for each ongoing project as well as liability insurances covering the Group's operations and insurances specific for the Board of Directors. The Group's insurer is IF Skadeforsikring NUF. See Section 8.12 "Insurance" for further information about the Group's insurances.

The Group's insurance policies could be inadequate to compensate for losses associated with damage to its property assets or other assets, including loss of rent. In particular, certain types of risk (such as risks of war or terrorist acts, certain natural disasters or weather catastrophes such as flooding) could be, or could become in the future, uninsurable or not economically insurable. The Group could incur significant losses or damage to its assets or business for which it may not be compensated fully or at all. For example, the Group's insurance policies only cover up to three to five years of lost rent in the event of a total loss of a property caused by fire (depending on the reconstruction period). Insurance may not cover loss of rental income in the event that property damage leads tenants to terminate or not renew their lease agreements. Should an uninsured loss or a loss in excess of insured limits occur, the Group could also lose capital invested in the affected property, as well as future revenue from that property. In addition, the Group could be liable to repair damage caused by uninsured risks. The Group could also remain liable for any debt or other financial obligation related to a damaged building.

Additionally, there is no assurance that material losses in excess of insurance coverage limits or losses not insured at all will not occur in the future. Any uninsured losses or losses in excess of insured coverage limits could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group owns and operates a portion of its property portfolio through subsidiaries with significant non-controlling interests or jointly controlled entities, exposing it to risks and uncertainties, many of which are outside its control

A portion of the Group's property portfolio is owned and operated through subsidiaries with significant non-controlling interests or jointly controlled entities, the most significant being Oslo S Utvikling AS (of which the Group owns 33.33%), Entra OPF Utvikling AS (of which the Group owns 50%), Papirbredden Eiendom AS (of which the Group owns 60%), Hinna Park Eiendom AS (of which the Group owns 50%) and Sundtkvartalet AS (of which the Group owns 50%). Due to the nature of the shareholding structure of the Group's jointly controlled entity arrangements, the Group may not control an overall majority of the votes available for shareholders or otherwise control actions taken by the subsidiaries or jointly controlled entities. In addition, shareholders' agreements governing shareholdings in subsidiaries or jointly controlled entities may contain veto rights with respect to certain resolutions. For example, the shareholders' agreements governing the shareholdings in Oslo S Utvikling AS and Papirbredden Eiendom AS stipulate, amongst other things, that each shareholder has a veto right with respect to acquisitions and sales. As such, the subsidiaries or jointly controlled entities may be unable to pass decisions, including decisions to acquire, sell or retain assets, even if such decisions are in the best interests of such subsidiaries or jointly controlled entities, to the extent one shareholder exercises its veto right or fails to approve any action for which its approval is necessary. In the absence of dispute resolution, major conflict with partners could result in the Group being unable to pursue its desired strategy or exit the subsidiary or jointly controlled entity other than on disadvantageous terms. See Section 8.7 "Partner strategy" for additional information regarding certain of the Group's subsidiaries with significant non-controlling interests and jointly controlled entities.

The bankruptcy, insolvency or severe financial distress of another shareholder in a subsidiary with significant non-controlling interests or a jointly controlled entity could materially and adversely affect the relevant subsidiary or jointly controlled entity or the property or properties held through that subsidiary or jointly controlled entity. This could result in a significant decline in the value of the subsidiary or jointly controlled entity's assets, the subsidiary's or jointly controlled entity's insolvency, or both. Alternatively, a shareholder's interest in the subsidiary with significant non-controlling interests or jointly controlled entity could be acquired by a party whose interests differ or are in conflict with the Group's, which could require the Group to exit such subsidiary or jointly controlled entity on disadvantageous terms. In addition, if properties held by such subsidiary or jointly controlled entity in which the Group has an interest are sold due to their dissolution, less than their anticipated value could be realised, which could have a material adverse effect on the Group 's business, financial condition, results of operations and cash flows.

The Group's costs of maintaining, replacing and improving its existing properties could be higher than estimated

The Group's lease agreements generally stipulate that the Group, as lessor, is responsible for external maintenance and replacement of technical installations (for example elevators, escalators, ventilation and cooling and heating installations). In general, the Group's tenants are responsible for internal maintenance of the leased premises, while general maintenance of common areas and technical installations are covered through common costs paid by tenants. The costs expected to be incurred by the Group in respect of maintenance and upgrading of its properties in the short to medium term depend on the technical state of the properties. These costs also depend on construction costs in the regions in which the Group's properties are located, which may be influenced by activity in the residential property markets in those regions. Even if office property market activity is subdued, high levels of activity in the residential property market could increase the cost of construction materials. The Group is exposed to the risk that costs relating to the maintenance, replacements and upgrading of the properties for which the Group is responsible pursuant to the lease agreements could be higher than estimated by the Group or reflected in the pricing of the relevant leases, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group's potential obligation will depend on the technical state of the different properties in the Group's property portfolio, and the Group may in particular incur upgrading costs in conjunction with possible changes in tenants. Any estimates of future costs of maintenance and future costs associated with upgrading of the Group's properties are subject to inherent uncertainties. Should the lease agreements terminate resulting in material upgrading costs associated with procuring new tenants, or should the technical state of the Group's properties materially deviate from the Group's anticipations, such fact or occurrence could have a material and adverse effect on the Group's business, financial condition, result of operations and cash flows.

Further, three of the Group's properties (Vøyenenga school, Borgarting Court of Appeal and the National Library) are accounted for under IFRIC Interpretation 12 "Service Concession Arrangements" of the IFRS Interpretations Committee ("**IFRIC 12**"). IFRIC 12 applies to service concession agreements whereby a public sector party enters into a contract with a private operator to develop, upgrade, operate or maintain the public sector party's infrastructure assets. Under IFRIC 12, the Group's investment in the infrastructure asset cannot be classified as property, plant and equipment of the Group, but must instead be classified as either a financial asset or an intangible asset. Because the Group has a contractual right to receive specified amounts of compensation from the relevant public sector counterparties for the operation and maintenance of Vøyenenga school, Borgarting Court of Appeal and the National Library, these three properties are recognised on the balance sheet as financial assets at amortised cost. Provisions for maintenance in respect of these IFRIC 12 properties are recognised by the Group in the income statement under maintenance. Actual maintenance costs in respect of these properties may be higher than estimated by the Group or reflected in the provision for maintenance, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group is subject to development risks in its business of development of commercial properties

As of 30 June 2014, the Group's portfolio of project properties had a total market value of approximately NOK 1,835 million, representing approximately 6.8% of the market value of the Group's total property portfolio. The Group is exposed to the risk that the completion of a development or construction project may be delayed and/or that the construction costs will exceed the cost budget. Over the recent years, construction costs have increased materially. The increase has primarily been driven by the high level of activity in the residential sector as many of the subcontractors are sourced from the same market (for example ventilation, electrical installations and elevators). According to DNB, construction costs in Oslo have risen steadily since 2009, primarily driven by the high level of activity in the residential sector and higher technical requirements. As residential activity and prices have stabilised over the last six months, according to the Norwegian Association of Real Estate Agents ("House price statistics", 4 August 2014), construction costs have declined by between 2% and 4%. However, residential prices are beginning to increase again. This may lead to higher construction activity, and DNB estimates that construction costs may level off in the medium term. To the extent that the Group continues to engage in development and redevelopment activities, it will thus be subject to certain risks, including but not limited to:

- the availability and pricing of financing on favourable terms or at all;
- damage to third party property during construction or renovation of properties;
- the availability and timely receipt of zoning and other public approvals;
- locating and acquiring land suitable for development;
- the potential for the fluctuation of occupancy rates and rents at developed properties due to a number of factors, including market and economic conditions, which could result in the Group's investment not being profitable;
- start up, repositioning and redevelopment costs could be higher than anticipated;
- the potential of ground contamination, which could result in substantial clean-up costs and/or delay the construction project with associated financial costs;
- unforeseen soil mechanics could complicate construction and result in additional costs and/or delay the construction projects with associated financial costs;
- archaeological findings could result in substantial costs and/or delay the construction project with associated financial costs;
- the cost and timely completion of construction (including risks beyond the Group's control, such as weather or labour conditions, or material or components shortages);
- the potential that the Group fails to recover expenses already incurred if it abandons development or redevelopment opportunities after it begins to explore them;
- the potential that the Group expends funds on and devote management time to projects which it does not complete;
- the inability to complete construction and leasing of a property on schedule, resulting in increased debt service expense and construction or renovation costs, as well as possible breach of contractual obligations towards lessees;
- defaults under ground leases or investment contracts, such as those due to delays with completion of construction;

- costs related to termination of ground leases, such as costs of acquiring land or costs relating to removal of buildings and clean-up costs if the lessee does not acquire the land upon expiry of the lease;
- local opposition to development projects;
- failure to finalise and/or execute formal agreements that may be required for certain projects; and
- the possibility that developed or redeveloped properties will be leased at below expected rental rates.

The above-mentioned risks, as well as other unforeseen events, could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of development and redevelopment activities or the completion of development and redevelopment activities once undertaken, any of which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group is dependent on the services of external construction companies and service providers in connection with the development and construction of its new projects

The Group uses and will continue to use the services of external construction companies and service providers in connection with the development and construction of its new projects. As a result, the Group depends upon a well-functioning construction market both in terms of the number of contractors, construction capacity, price competitiveness and quality of delivery. The Group will be exposed to and could suffer losses and additional costs on projects if a contractor should experience financial or other difficulties. In addition, the Group will also be exposed to cost overruns and delays on projects, for instance in the event of changes in plans, if additional work outside the scope originally agreed should become necessary during the construction phase or in the event of disputes with external construction companies or services providers. The Group is currently involved in disputes and legal and arbitration proceedings with two external construction companies, Skanska Norge AS and Caverion Norge AS. The Group could, through its sub-contractors, encounter difficulties with respect to engineering, equipment or deliveries of material, schedule changes, delays in designs, weather-related delays, health and safety and other problems associated with construction projects and the use of sub-contractors and such problems could impact the Group's ability to complete a project in accordance with the original delivery schedule or result in other direct or indirect losses to the Group. Any of these risks could have a material and adverse effect on the Group's business, financial position, results of operations and cash flows.

Environmental issues related to the Group's land and buildings could entail additional costs and/or liability for the Group that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows

In the course of its business, the Group acquires land for development of commercial property projects and environmental risks related to ground contamination are an inherent part of such business. On a general basis, any known ground contamination or any ground contamination that may be discovered in the future related to the Group's properties involves the risk of incurring clean-up costs. In particular, the Group is obligated to clean up ground contamination found on properties that it plans to develop, where this ground contamination is considered an environmental risk. A high degree of heavy metal contamination has been revealed on land no 110 title no 274 in Drammen municipality (Kreftingsgate 33), and an action plan for clean-up measures is currently being prepared by Papirbredden Eiendom AS (a subsidiary of Entra in which Entra holds 60% of the shares). In addition, the following properties owned by the Group have been registered with ground contamination "level 2" in the Norwegian land registry (the "**Land Registry**"): land no 208 title no 534, 535 and 536 in Oslo municipality (Pilestredet 28, 30 A, 30 C and 30 D), land no 203 title no 274 in Oslo municipality (Schweigaards gate 16, 16 A and 16 B) and land no 439 title no 123, 124, 197, 200, 201, 203, 204 and 205 in Trondheim municipality (Brattørkaia 17 A etc.). Ground contamination "level 2" implies that no clean-up measures are required by law to the extent that no development activities are undertaken on the property. An action plan regarding clean-up measures at Schweigaards gate 16 A and B has been prepared and approved by the municipality, and the clean-up measures have been completed, and an action plan regarding clean-up measures at Brattørkaia 17 A has been prepared, but has not yet been filed with the municipality. The lack of registration of ground contamination in the Land Registry does not imply that other properties owned by the Group are free of ground contamination. See Section 8.14 "Regulations" for an overview of the process for clean-up of ground contamination. Further, the Group is subject to risks relating to pollution in the existing properties and associated buildings, including the potential of asbestos, polychlorinated biphenyl (PCB) and glycol from cooling units. These or other environmental issues related to land and buildings could entail additional costs and/or liability for the Group that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Purchase options and pre-emption rights applicable to the Group's properties could limit the Group's flexibility and/or reduce the value on the Group's properties

In respect of some of the Group's properties, there are purchase options, typically in favour of the tenant of the relevant property under the lease agreement. In addition, there are pre-emption rights applicable to some of the Group's properties. For a description of the purchase options and the pre-emptive rights applicable to the Group's properties, see Section 8.5.5 "Purchase options and pre-emptive rights". For example, the ground lessor under the ground lease agreement regarding Lømslandsvei 23 in Kristiansand municipality has a pre-emptive right to acquire the property in the event of a sale of the property or a sale of the company holding the property. Even if such, or other, pre-emptive rights have been waived, not used or were not applicable in the Group's acquisition of the relevant property, such rights may be exercised in a subsequent transaction. The existence of purchase options and pre-emption rights could limit the Group's flexibility and/or reduce the value on the Group's properties, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenue

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in demand for real property, office space or other, which in turn affect property prices and letting levels. In addition, maintenance costs fluctuate depending upon the type of activity the property serves and the age and condition of the property. In connection with new projects, the Group may incur expenses relating to preparation for operations under a new contract. The expenses may vary based on the scope and length of such required preparations and the duration of the firm contractual period over which such expenditures are amortised. There can be no assurance that the Group will be successful in reducing its costs, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group could be unable to complete proposed acquisitions on acceptable terms or at all or successfully integrate acquired assets or businesses

The Group believes that acquisition opportunities may arise from time to time, and that any such acquisition could be significant. At any given time, discussions with one or more potential sellers may be at different stages. However, it is possible that any such discussions may not result in the consummation of an acquisition transaction, and that the Group may not be able to identify or complete any acquisitions, including as a result of inability to obtain financing, and there is no assurance that any acquisitions the Group makes will perform as expected or that the returns from such acquisitions will support the investment required to acquire or develop them. The Group cannot predict the effect, if any, that any announcement or consummation of an acquisition or the failure to complete a previously-announced acquisition would have on the trading price of the Shares.

Any future acquisitions could present a number of risks, including:

- The risk of using management time and resources to pursue acquisitions that are not successfully completed;
- The risk of failing to identify material problems during due diligence;
- The risk of over-paying for assets;
- The risk of failing to arrange financing for an acquisition as may be required or desired;
- The risk of incorrect assumptions regarding the future results of acquired operations;
- The risk of failing to integrate the operations or management of any acquired operations or assets successfully and timely;
- The risk of taking over off-market lease agreements or lease agreements with provisions that are unfavourable to the lessor; and
- The risk of diversion of management's attention from existing operations or other priorities.

In addition, the integration and consolidation of acquisitions requires substantial human, financial and other resources, including management time and attention, and could depend on the Group's ability to retain the acquired business' existing management and employees or recruit acceptable replacements. Ultimately, if the Group is unsuccessful in integrating any acquisitions in a timely and cost-effective manner, the Group's business, financial condition, results of operations and cash flows could be materially and adversely affected.

Acquired properties could expose the Group to unknown liability, which could adversely affect its business, financial condition, results of operations and cash flows

The Group could acquire properties or property holding companies subject to liabilities and without any recourse, or with only limited recourse, against the prior owners or other third parties with respect to unknown liabilities. As a result, if a liability were asserted against the Group based upon ownership of those properties, the Group might have to pay substantial sums to settle or contest such liabilities, which could adversely affect the Group's business, financial condition, results of operations and cash flows. Unknown liabilities with respect to acquired properties might include, among others things:

- liabilities for clean-up of undisclosed environmental contamination;
- claims by tenants, vendors, persons, companies or public authorities (including with respect to tax and VAT) against the property holding company; and
- liabilities incurred in the ordinary course of business.

The Group could be subject to liability claims for several years after selling properties

In connection with property sales or sales of property companies, the Group usually makes representations and warranties to the purchasers with respect to certain characteristics of the relevant properties and property companies, including representations and warranties relating to environmental matters. The resulting obligations usually continue to exist after the sale, for a period of several years. In particular, the Group could be subject to claims for damages from purchasers, who could assert that the Group failed to meet its obligations, or that the representations it made to them were untrue. In general, the agreements regarding sale of property or property companies entered into by the Group during the last three years include representations and warranties considered to be market standard for sale of properties in Norway. Under some of these agreements, the Group could still be subject to claims for damages from the respective purchasers, for example with respect to the sale of Gimlemoen 19 in Kristiansand municipality in the fourth quarter of 2013. The Group could be required to make payments to the purchasers following legal disputes or litigation. Legal or settlement costs, including the costs of defending lawsuits, whether justified or not, as well as potential damages associated with liability for properties that the Group has sold could have a material and adverse effect on the Group's business, net assets, financial condition, results of operations and cash flows.

Failure to attract or retain highly skilled personnel could materially and adversely affect the Group's business and operations

The successful development and performance of the Group's business depends on the Group's ability to attract and retain skilled professionals with appropriate experience and expertise. Further, if the Group loses the service of its senior management or key personnel, it may not be able to execute its business strategy. There is no assurance, however, that the Group will be able to attract or retain such personnel on acceptable terms or at all. Any failure to attract or retain such personnel could have a material and adverse effect on the Group's business and operations.

The Group relies on information technology systems to operate its business, including to follow-up with tenants, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations

The Group relies on information technology ("**IT**") systems in order to operate its business, including to follow-up with tenants, for example with respect to invoicing, rent adjustments and expiring leases. The Group uses industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, the Group's IT systems could be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber-attacks or other malicious software programmes. The failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in significant remediation costs, transaction errors, loss of data, processing inefficiencies, downtime and litigation. A significant disruption or failure could adversely affect the Group's business, financial condition, results of operations and cash flows.

The Group's corporate social responsibility and environmental policies could impose additional costs and have an adverse impact on its business and results of operations

The Group's strategy includes a focus on implementing environmentally sustainable solutions. The Group's corporate social responsibility work also focuses on urban development, health, safety and environment, working conditions and ethics, and corporate social responsibility is an integrated part of the Group's corporate governance. The Group's policies and practice for corporate governance are established in accordance with Section 3-3b of the Norwegian Accounting Act of 17 July 1998 no. 56 (the "**Norwegian Accounting Act**") and the Norwegian Code of Practice for Corporate Governance of 23 October 2012 (the "**Corporate Governance Code**"). The costs associated with compliance with such corporate responsibility and environmental policies could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

In addition, the Group's corporate social responsibility policy also applies to its suppliers. The Board of Directors has adopted guidelines on socially responsible procurement, including a competitive bidding process in which all bidders are treated equally. Suppliers must undergo annual supplier verification and accept the Group's guidelines for socially responsible procurement in order to qualify as a supplier. The Group aims to further increase its procurement expertise and raise awareness about socially responsible purchasing. Both manufacturing processes and finished products must meet defined environmental standards, and the procurement policies require that fundamental rights of employees must be respected by all the direct and indirect suppliers. The application of the Group's corporate social responsibility policies to suppliers could limit the suppliers available to the Group or increase costs for the Group with respect to goods and services provided by suppliers complying with such policies, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Damage to the Group's reputation and business relationships could have an adverse effect on its business and results of operations

The Group's business depends on the Group's reputation and on maintaining good relationships with its tenants, partners, suppliers and employees. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships could lead to a broader adverse effect and prospects than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, clients, partners and employees or the devaluation of the Group's brand image. Any of the above-mentioned effects could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group is subject to the risk of objects falling from the facades and roofs of the Group's properties, which could damage the Group's reputation and have an adverse effect on its business and results of operations

The Group is subject to risks of objects falling from the facades and roofs of the Group's properties, which could lead to personal injury or damage to property of third parties and result in damage to the Group's reputation as well as financial costs. Should this risk materialise, it could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group could be subject to financial reporting risks

As part of its responsibility to prevent and detect errors and fraud affecting its financial statements, the Group's management has set up specific accounting and reporting procedures in relation to, amongst other things, revenue recognition process, taxation and other complex accounting issues. Any failure to prevent and detects errors and fraud within the implementation of such procedures could affect its reputation, business, financial results, as well as its ability to meet its commercial objectives, and could expose the Group to penalties and fines for violations of accounting or reporting obligations, any of which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

2.3 Risks related to valuation of the Group's property portfolio

Adjustment based on changes in the fair value of the Group's properties or inaccuracies in calculations of fair value could negatively affect the Group's financial condition and results of operations

The Group's investment properties are measured at their fair value each quarter by two independent, external valuers. The valuations at 30 June 2014 were obtained from the Independent Appraisers. The valuations are based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. The Independent Appraisers perform their valuations on the basis of the information they have received from the Group, including estimated development costs and expected lettable area, and estimate future market rents, yields, inflation and other relevant parameters. The Independent Appraisers have not undertaken any technical inspection of the properties nor made any assessment of legal concerns related to the properties, such as title, tenure, right of use, zoning issues, completion certificates, environmental matters or other legal issues. Because of the uncertainty surrounding inputs, in particular expected market rents, discount rates and inflation, estimates of sellable or lettable areas and estimated development costs for projects still in development, and the reliance of the Independent Appraisers on information provided by the Group's employees, there is no assurance that the fair values assigned to the Group's properties in the Group's existing or future published annual or interim financial information accurately reflect the proceeds that the Group can generate from the sale of the valued properties. Moreover, valuation methods that are currently generally accepted and that have been used for the purpose of developing the fair value of the Group's properties could subsequently be determined to have been unsuitable. Revised valuation techniques, erroneous valuations in connection with acquisition of property portfolios and other unforeseeable events could result in the Group being unable to achieve its projected yields and could have significant adverse effects on the Group's business, financial condition, results of operations and cash flows.

In addition, the fair value of the properties is impacted by a number of external factors, including interest rates, rental market for the properties, credit margins, the financial institution's lending conditions (including covenants, requirements for equity in transactions and availability of funds) and conditions in the investor market (including investors required return on capital and balance in the transaction market for properties). Changes in fair value are recorded quarterly in the income statement and are based on third party valuations. Consequently, any adjustment to the value of the Group's property portfolio based on changes in fair value could negatively affect the Group's financial condition, results of operations and equity. This could in turn, among other things, have an impact on the Group's ability to satisfy the financial covenants under its loan agreements.

The Property Appraisal Reports and Financial Information contained in this Prospectus could incorrectly assess the value of the Group's properties

The Property Appraisal Reports prepared by the Independent Appraisers contained in this Prospectus are based on standard valuation principles, and represent the opinions of the Independent Appraisers that prepared the reports. The Property Appraisal Reports are based on assumptions that could subsequently turn out to have been incorrect. The valuations of real estate contained in the Property Appraisal Reports are subject to numerous uncertainties. Moreover, appraisal methods that are currently generally accepted and that have been used for the purpose of developing the Property Appraisal Reports could subsequently be determined to have been unsuitable. Also, the assumptions underlying the appraisals of the properties in the past or in the future could later be determined to have been erroneous. The values assigned to the appraised properties in the Property Appraisal Reports could exceed the proceeds that the Group can generate from the sale of the appraised properties, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows. Accordingly, the Property Appraisal Reports do not necessarily represent future or current realistically achievable sales prices of its properties or of the property portfolio.

2.4 Risks relating to the financial profile of the Group

The Group's degree of leverage and ability to incur additional indebtedness could have a material and adverse effect on the Group's ability to obtain additional financing or make it more vulnerable in the event of a downturn in the business or the economy generally

The Group has incurred, and may in the future incur, significant amounts of debt. As of 30 June 2014, the Group had net nominal interest-bearing debt of NOK 15,432.4 million and an equity ratio of 28.7%. The Group's organisational documents do not contain any limitation on the amount of indebtedness it may incur. While there are covenants in the Group's bank loan agreements relating to the value-adjusted equity ratio, interest cover ratio and the loan-to-value of property that restrict the Group's ability to incur indebtedness above a certain level, the Group's degree of leverage could affect its ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes. The Group may now or in the future have a greater degree of leverage than its regional or international peers, or both. The Group's degree of leverage could also make it more vulnerable to a downturn in business or the economy generally. The Group could default on its debt service obligations, or, if the Group becomes more leveraged in the future, the resulting increase in debt service requirements could cause the Group to default on its obligations, any of which could materially and adversely affect the Group's business, financial condition, results of operations and cash flows. Moreover, any changes that increase the Group's leverage could be viewed negatively by investors and cause a decline in the price of the Shares.

Interest rate fluctuations could materially and adversely affect the Group's business, financial condition, results of operations and cash flows

The Group is exposed to interest rate risk primarily in relation to its long-term borrowings issued at floating interest rates and has adopted a hedging strategy in relation to such exposure. The Group evaluates the share of interest rate hedging based on an assessment of the Group's total interest rate risk and the Group's strategy to manage interest rate risk in order to achieve a balance between the desired interest rate expense and interest rate risk. The Group's interest rate risk is managed through the requirements for fixed interest rates for at least 50% of the debt portfolio, an average duration in the range of two to five years and diversification of the maturity structure for fixed interest rates. The average interest rate maturity of the total loan portfolio (including derivatives) was 2.9 years as of 30 June

2014. For example, as of 30 June 2014, a decrease in market interest rates of 100 basis points would have resulted in a decrease in total profit (after tax) in relation to interest-bearing debt of NOK 312.0 million. Such interest rate fluctuations could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

As of 30 June 2014, the Group had hedged 60% of its interest rate exposure through the use of interest rate derivatives, including forward rate agreements, interest rate options, swaps, swaptions or other forms of derivative instruments. The use of interest rate derivatives exposes the Group to the risk of losses on its positions, which may not always be offset by corresponding gains on the related physical position, as a result of unanticipated market changes. For example, the Group previously entered into certain long-term derivative transactions in order to reduce its overall interest expense in an increasingly high interest rate environment. As market interest rates have since decreased, these derivatives, included in the interest rate maturity profile in Section 11.6.3 "Interest rate risk", have led the Group's average interest cost (4.45% as of 30 June 2014) to be significantly higher than current market interest rates. In addition, the Group could be exposed to market interest rate risk when the interest rate swaps that the Group entered into in connection with its financing arrangements expire, if the Group requires financing and cannot hedge its interest rate exposure on commercially reasonable terms, or at all. To the extent that the Group does not hedge its exposure to interest rate fluctuations, or to the extent that such hedging is inaccurate or otherwise ineffective, the Group could incur higher than expected interest rate expenses, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows. In addition, the Group will recognise changes in fair value of its derivative positions as a result of changes to market interest rates. For example, as of 30 June 2014 a decrease in the market interest rate by 100 basis points would have resulted in a decrease in total profit (after tax) in relation to derivatives of NOK 146.3 million. Any such change in fair value of derivatives could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Interest rate developments could not only directly impact the Group's financing costs, but could also have an impact on the valuation of its properties. The Group's investment properties are recorded at fair value in its financial statements based on market values estimated by two independent valuers. The valuations are based on the individual property's assumed future cash flows and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. Gains or losses as a result of changes in the market value of investment properties are recognised as profit or loss as they arise. Any change in the discount rate and the market yield (exit yield) applied by the Independent Appraisers following changes in market interest rates will be reflected in changes in the value of investment properties. For example, as of 30 June 2014, an increase in the market yield (exit yield) of 25 basis points would have resulted in a loss on change in value of investment properties of NOK 495 million (based on valuation estimates from DTZ Realkapital Verdivurdering AS, one of the Independent Appraisers). As a result, changes in interest rates during a given period may have a significant impact on changes in value of investment properties, which will in turn influence the Group's results of operations for such period.

Further, a change in interest rate levels affects the Group's provisions for pensions and similar commitments, which amounted to NOK 57 million as of 30 June 2014. These obligations are determined by discounting the expected future payment obligations. Pursuant to International Accounting Standard 19 "Employee Benefits" ("**IAS 19**"), these expected cash flows are discounted at interest rates determined on the basis of high-grade corporate bonds with comparable maturities. The current comparatively low level of interest rates payable for high-grade corporate bonds could have a negative impact on the Group's equity; a decrease in the discount rate by 50 basis points would have had a negative effect on the value of the Group's portfolio of NOK 11.2 million as of 31 December 2013.

The occurrence of any of these factors could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group could require additional capital in the future in order to execute its strategy, which may not be available on favourable terms, or at all

The Group's business is capital intensive and, to the extent the Group does not generate sufficient cash from operations, the Group could need to raise additional funds through public or private debt or equity financing to execute the Group's strategy and to fund capital expenditures, as well as for other corporate purposes such as unexpected costs and liabilities incurred by the Group. The Group has historically financed its capital requirements from debt financing and cash flow from operations. A decline in the credit markets could materially and adversely affect the Group's ability to obtain additional financing on favourable terms or at all, and could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows, and could also negatively impact the Group's operations by affecting the solvency of its suppliers and/or tenants, which could lead to disruptions in the delivery of supplies, cost increases for supplies, accelerated payments to suppliers, tenants bad debts or reduced revenues.

If the Group raises additional funds by issuing additional equity securities, the existing shareholders could be diluted. If funding is insufficient at any time in the future, the Group could be unable to fund its development projects, maintenance requirements and acquisitions, take advantage of business opportunities, respond to competitive pressures or secure its other funding requirements, any of which could materially and adversely impact on the Group's business, financial condition, results of operations and cash flows.

The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders

The Group's existing loan agreements contain, and any future borrowing arrangements may contain, covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, such as value-adjusted equity ratio, interest cover ratio, loan-to-value of property and change of control provisions, which could affect the operational and financial flexibility of the Group. The satisfaction of these restrictive covenants and performance requirements could be affected by factors outside of the Group's control, such as a slowdown in economic activity which could result in a decline in the value of the Group's properties. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group's ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could further limit the Group's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. For a description of the restrictions applicable to the Group's existing loan arrangements, see Section 11.5.4 "Borrowing and funding sources". There is no assurance that such restrictions will not materially and adversely affect the Group's ability to finance its future operations or capital needs.

The Group's future cash flows could be insufficient to meet all of its debt obligations and contractual commitments. To the extent that the Group is unable to repay its indebtedness as it becomes due or at maturity, the Group could need to refinance its debt, raise new debt, sell assets or repay the debt with the proceeds from equity offerings. See Section 11.5.4 "Borrowing and funding sources" for a description of the main covenants applicable under the Group's existing loan agreements.

The Group is also subject to the risk that counterparties to any of the Group's undrawn credit facilities will not, and/or will become unable to, perform on their obligations. If any of the Group's counterparties were to default on their obligations under such financial agreements, it could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders

The Group currently conducts its operations through, and most of the Group's assets are owned by, the Company's subsidiaries. As such, the cash that the Group obtains from its subsidiaries is the principal source of funds necessary to meet its obligations. Contractual provisions or laws, as well as the Group's subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, could limit the Group's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its current or future debt service obligations or to pay dividends to its shareholders. See Section 6.2 "Legal constraints on the distribution of dividends" for a description of certain legal constraints on the Company's ability to pay dividends to shareholders.

The Group may not be able to make necessary transfers from its subsidiaries in order to provide funds for the payment of its obligations, for which the Group is or may become responsible under the terms of the governing agreements of the Group's indebtedness. A payment default by the Group, or any of the Group's subsidiaries, on any debt instrument would have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

2.5 Risks related to laws and regulations applicable to the Group

Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate or otherwise

The Group is subject to complex laws and regulations, including tax and environmental regulations that can adversely affect the cost, manner or feasibility of doing business. The industry in which the Group operates is affected by changing laws and regulations relating to the commercial property business in general. The laws and regulations affecting the Group's business and services include, among others, laws and regulations relating to;

- construction of commercial properties;
- sale of commercial properties;
- planning and building of commercial properties;
- tenancy regulations in commercial leases;
- ground leases;
- protection of the environment;
- quality, health and safety;
- conservation and the protection of cultural heritage;
- land registration; and
- taxation, including VAT.

The Group and its suppliers are required to commit significant financial and managerial resources to comply with these laws and regulations. The Group cannot predict the future costs of complying with these laws and regulations, and any new laws or regulations could materially increase the Group's expenditures in the future. Existing laws or regulations or adoption of new laws or regulations imposing more stringent restrictions on the Group's activities, or any non-compliance with these, could have a material and adverse effect on the Group by increasing its operating costs, reducing the demand for its services and/or restricting its ability to operate.

A change in laws and regulations regarding tax and other duties/charges could result in higher tax expense and duties/charges for the Group

Changes in laws and regulations regarding tax and other duties/charges, including, but not limited to, VAT and the stamp duty on transfer of properties, could involve new and changed parameters applicable to the Group and taxation of/charges for the Group at higher levels than as of the date hereof. For example, the municipalities of Norway could impose new or increased property value taxes. In particular, given the Group's concentration of properties in the municipality of Oslo, any introduction of property taxes in Oslo could have a material and adverse effect. In addition, the VAT rules relating to real property are under review by the Ministry of Finance, which has indicated that it is considering possible changes that would *inter alia* make leasing of real property subject to VAT regardless of the VAT status of the lessee. It is uncertain if or when such changes may be proposed in the Norwegian parliament. Changes in tax and charges laws and regulations could, among other things, reduce the profitability of investing in property, the demand for the Group's properties and hence the profitability of the Group. In particular, new Norwegian tax legislation effective from 1 January 2014 has been adopted which limits the deductibility of interest expense on related party debt and, in certain circumstances, also on third party debt which is guaranteed by related parties or secured by the assets of related parties, which could result in an increased effective cost of borrowings. The Group's current loan arrangements under which Entra Eiendom AS ("**Entra Eiendom**") is the borrowing entity are not affected by the new tax legislation. However, certain of Hinna Park AS' subsidiaries have loans which have been secured by related parties, and may therefore be subject to the limitations, resulting in an increased effective cost of their borrowings. As of the date of this Prospectus, Hinna Park Eiendom AS has accepted a committed refinancing offer to replace all the existing loans of Hinna Park Eiendom AS and its subsidiaries, including the above-mentioned loans to subsidiaries. The committed new loans are not subject to the limitations. Further, tax implications of transactions and dispositions of the Group are to some extent based on judgment of applicable laws and regulations pertaining to taxes and duties/charges. There is no assurance that the tax authorities and courts would assess the applicability of taxes and charges to the Group in the same way that the Group has assessed such applicability to itself. An occurrence of one or more of the above-mentioned factors could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group could be subject to litigation and disputes that could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows

The operating hazards inherent in the Group's business, especially with respects to the Group's development projects, could expose the Group to, amongst other things, litigation, including contractual litigation with tenants or contractors, environmental litigation, tax litigation, and litigation with counterparties in sales transactions due to warranty claims or otherwise, as well as other litigation that arises in the ordinary course of business.

The Group is currently involved in legal or arbitration proceedings or disputes with Norwegian Datasenter Group AS, Greenfield Property AS, Evry ASA/Evry AS, Skanska Norge AS and Caverion Norge AS. The legal and arbitration proceedings between the Group and each of Norwegian Datasenter Group AS, Greenfield Property AS and Evry ASA/Evry AS relate to the development of a data centre through Greenfield Property AS. Norwegian Datasenter Group AS and Greenfield Property AS have filed a claim against the Group for compensation in the range of NOK 370 – 390 million related to alleged material breach of the shareholders' agreement between Entra Eiendom AS, Norwegian Datasenter Group AS and Greenfield Property AS, while Evry ASA/Evry AS, the prospective tenant for the data centre, has filed a claim against the Group for alleged damages suffered by Evry ASA/Evry AS as a result of the termination of the agreement between Greenfield Property AS and Evry ASA/Evry AS. The claim from Evry ASA/Evry AS in an action for declaration only, meaning that the amount of any liability will be determined in a subsequent proceeding. The legal proceeding with Skanska Norge AS relates to a claim by the Group for compensation from Skanska Norge AS in the amount of approximately NOK 39.5 million relating to construction defects at Nonnesetergaten 4 in Bergen. The arbitration proceeding with the contractor Caverion Norge AS relates to the renovation of Fredrik Selmers vei 4, and involves several claims by Caverion Norge AS against Entra relating to additional work and delay and disruption of Caverion Norge AS' work at Fredrik Selmers vei 4 totalling approximately NOK 108 million and a counterclaim by Entra against Caverion Norge AS of approximately NOK 11 million. For further description of these legal and arbitration proceedings and disputes, see Section 8.10 "Legal and arbitration proceedings". Further, the Group could in the future be involved in other legal and arbitration proceedings and disputes from time to time. The Group cannot predict with certainty the outcome or effect of any claim or other legal or arbitration proceedings. The ultimate outcome of any legal or arbitration proceeding and the potential costs associated with prosecuting or defending such legal or arbitration proceedings, including the diversion of the management's attention to these matters, could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Some of the Group's properties are protected as cultural heritage or regulated as special area preservation, which could restrict the Group's ability to utilise its properties

Pursuant to the Norwegian Cultural Heritage Act of 9 June 1978 no. 50 (the "**Norwegian Culture Heritage Act**"), regulations have been issued regarding protection of structures and sites owned by the Norwegian Government. This regulation applies to 16 of the properties owned by the Group, including Henrik Ibsens gate 110 (the National Library) and Middelthunsgate 29. For the protected properties, the Group is required to prepare plans for management and operation, and measures apart from maintenance require permission from the Norwegian Directorate for Cultural Heritage. Further, provisions in the Norwegian Cultural Heritage Act regarding obligation to rehabilitate in the event of damage and general maintenance obligations apply to the protected properties. The regulation shall still apply if protected structures and sites are no longer owned by the Norwegian Government. Further, there are monuments and/or sites on several of the properties owned or leased by the Group which are automatically protected by the Norwegian Culture Heritage Act, meaning that unless approved by competent authority, no measure which may damage, destroy, dig up, change, cover, conceal or in any other way unduly disfigure any monument or site shall be initiated. Also, the Group owns some properties that are regulated for preservation purposes, which entails a general ban on demolishing and restrictions concerning renovation and expansion, and some properties which are considered worthy of preservation, for example by being included on the Cultural Heritage Management Office's "yellow list" or in the SEFRAK register. While, there are no restrictions as such on a property considered worthy of preservation, the status of the property being worthy of preservation will be considered when applying for a permission to carry out measures on the property. The above facts could restrict the Group's ability to utilise its properties and/or imply increased costs, which again could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Changes in, or completion of, planning regulations and existing exemption practices by authorities could significantly affect the operations of the Group and changes in infrastructure could materially impact the Group's properties

Changes in, or completion of, planning regulations by relevant authorities, and changes in existing exemption practices from current planning regulations by relevant authorities, which could prevent the Group from utilising its properties as contemplated and/or reduce the Group's ability to acquire suitable properties for development, could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows, including the interest of potential tenants in future rental of premises or interest of future purchasers of the properties. Further, existing planning regulations could limit the possibility to further develop the Group's properties and could lead to increased costs. Any of the foregoing risks could, if they materialise, have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

Further, the floor space ratio permitted by the relevant authorities will typically affect the profitability of a project (the floor space ratio is the ratio of a project’s total floor area to the area of the land on which the building is built). There is no assurance that the Group will obtain permits for floor space ratio at the assumed levels and there are several factors beyond the Group’s control that can materially and adversely affect the planned floor space ratio and the planning of the projects, including projected time frame and volume for the development, and, consequently, the Group’s profitability. In addition, the planning authorities have discretion to set conditions for the Group’s permits, including the right to require the Group to make costly investments or the right to set conditions based on environmental or other considerations, which could have a material and adverse effect on a project’s profitability and the value of the Group’s properties and hence on the Group’s business, financial position, results of operations and cash flows.

The Group faces risks in relation to title and ownership to its properties

In order to achieve full title and legal protection for the acquisition of a property, the Norwegian Land Registration Act of 7 June 1935 no. 2 (the “**Norwegian Land Registration Act**”) requires that the acquisition be registered in the Land Registry. In this context, legal protection means that the buyer of the property is protected from the seller’s or former owner’s creditors seizing the property and further against subsequent competing legal rights over the property. If an acquisition is not registered in the Land Registry, and if, among other things, the seller or another former owner goes bankrupt or the seller’s or another former owner’s creditors seize the property, the buyer’s ownership rights to the property could be challenged. However, registering the acquisition and thus obtaining legal title is subject to stamp duty of 2.5% of the property’s market value at the time of the registration. There are a few examples of the Group having acquired properties through either acquisition of both the property owning company and the title holding company, or acquisition of a property owning company without the property owning company having registered the property acquisition in the Land Registry, and by this obtained the title. Such properties represent approximately 1.6% of the market value of the Group’s property portfolio as of 30 June 2014.

The Group has not registered such acquisitions in the Land Registry *inter alia* because this would trigger stamp duty. In respect of one of the properties (an office building) acquired through the acquisition of both the property owning company and the title holding company, the risk of previous owner’s creditors seizing the property is considered limited due to the current financial condition of the seller of such property, whereas for the other properties the consequences of seizure are considered limited as such properties mainly comprise areas for roads and green zones. The seizure of any of these properties from the Group by the seller’s or another former owner’s creditors would result in the loss of the properties for the Group, and, in respect of the office building, could have a material and adverse effect on the Group’s business, financial condition, results of operations and cash flows.

The Group is free to carry out the registration with the Land Registry, which, in turn, would trigger stamp duty of 2.5% of the property’s market value at the time of the registration. However, the Group would not be able to obtain legal protection for the acquisition of the property if the seller or another former owner is already declared bankrupt or a creditor of the seller or another former owner has already seized the property prior to its registration.

Further, there is a risk that parts of some buildings owned by the Group, for example roofs or outdoor mezzanines, are situated partly outside the boundaries of the Group’s properties. This could expose the Group to claims from, and disputes with, the owners of adjacent properties. However, no such claims or disputes have been made.

Changes in accounting rules, assumptions and/or judgments could materially and adversely affect the Group

Accounting rules for certain aspects of the Group’s business and operations are highly complex and involve significant judgment and assumptions. These complexities could lead to a delay in the preparation of the Group’s financial statements and the delivery of this information to holders of the Shares, which could have a negative impact on the reputation of the Group and depress the price of the Shares. Further, changes in accounting rules or in the Group’s accounting assumptions and/or judgments, such as asset impairments, could materially impact the Group’s financial statements. Any such changes could have a material and adverse effect on the Group’s business, financial condition, results of operations or cash flows.

2.6 Risks related to partial ownership of the Company by the Norwegian Government

The Company could be influenced by the Norwegian Government whose interest may not always be aligned with the interests of the Company’s other shareholders

Prior to completion of the Offering, the Selling Shareholder will hold 100% of the Shares. Following completion of the Offering, assuming that all the New Shares and the Sale Shares are sold in the Offering (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range), the Selling Shareholder will hold no less than

42% of the Shares (or no less than 34% if the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold). Because of this significant shareholding and because many shareholders of listed companies typically do not exercise their voting rights, the Selling Shareholder could continue to have the power to determine matters submitted for a vote of shareholders, including electing a majority of the Board of Directors, as well as approving of the annual financial statements and declaration of dividends and capital increases in connection with acquisitions, investments or otherwise. The interests of the Selling Shareholder in deciding these matters and the factors it considers in exercising its votes could be different from the interests of the Company or the Company's other shareholders. The Norwegian Government has adopted corporate governance policies which set out the principles upon which the Government's ownership in commercial companies shall be exercised. In particular, the corporate governance policies specify that the Norwegian Government's ownership shall be exercised in a professional manner in accordance with Norwegian law and based on generally accepted ownership principles. Nevertheless, the policy of the Selling Shareholder in relation to the Company or the Group may change over time, in particular as a result of a change in the Norwegian Government. Any of these factors could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flow or the price of the Shares.

Political, economic or other policies of the Norwegian Government may impact the business and operations of the Company

The Norwegian Government could enact laws, policies or regulations requiring that the companies in which it is invested maintain higher environmental, health, safety, procurement, corporate social responsibility, financial risk or other standards than the Group currently is required to meet. Any such changes may be generally applicable to companies organised in or conducting operations in Norway, or may be applicable to the Group solely as a result of the shareholding of the Selling Shareholder in the Company. The costs associated with compliance and implementation of such laws, policies or regulations could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

There will be no guarantee, undertaking or assurance that the Norwegian Government will support the Company or any other member of the Group in any way in the future

Investors should be aware that neither the Selling Shareholder, nor any other department or agency of the Norwegian Government, nor any of its or their respective employees, servants or agents has given any guarantee, undertaking or assurance (whether express or implied and whether or not the same is legally binding) to provide any financial or other support (whether in the form of debt, equity or otherwise) to the Company or any other member of the Group or any of its associates at any time in the future. Accordingly, there can be no assurance that the Norwegian Government or any other such person will do so. In particular, there can be no assurance that the Norwegian Government or any other such person would undertake any of the above-mentioned actions if the Company, or if any other member of the Group, encounters financial, trading or other difficulties in the future. Investors should not assume that any such support would be provided by any such person in those circumstances. If the Company or any other member or members of the Group were to encounter financial, trading or other difficulties in the future and the Norwegian Government does not provide support to the Company or to the relevant member or members of the Group, the Group's business, financial condition, results of operations and cash flow could be materially and adversely affected.

2.7 Risks related to the Listing and the Shares

Several of the Group's financing agreements include change of control provisions which could delay, defer or prevent a merger, equity offering, takeover or other business combinations involving the Group

Several of the Group's financing agreements include change of control provisions which if triggered could result in the Group having to immediately prepay all amounts, including interest, accrued and owing under the relevant facility. For example, most of the Group's bond loan agreements contain a change of control provision which is triggered in the event a person or a group of persons acting in concert, other than the Norwegian Government, directly or indirectly, (i) acquires a majority (i.e. more than 50%) of the voting rights or (ii) becomes entitled to elect or remove a majority of the members of the board of directors of Entra Eiendom. If the change of control clause is triggered, each bondholder has the right to require Entra Eiendom to redeem its bonds at a price of 100% of the principal amount plus accrued interest. Further, most of the Group's financing agreements contain cross default provisions. Consequently, the existence of such change of control provisions could delay, defer or prevent a merger, equity offering, takeover or other business combinations involving the Group. For these reasons, triggering the change of control provision in one or more of the Group's financing agreements could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group will incur increased costs as a result of being a publicly traded company

As a publicly traded company with its Shares listed on the Oslo Stock Exchange, the Group will be required to comply with the Oslo Stock Exchange's reporting and disclosure requirements and with corporate governance requirements. The Group anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and quarterly reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation.

The price of the Shares could fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly. Securities markets in general and real estate shares in particular have been volatile in the past. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy described in this Prospectus, as well as the evaluation of the related risks, changes in general economic conditions, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the real estate industry. Those changes could occur without regard to the operating performance of these companies. General fluctuations in share prices, particularly of shares of companies in the same sector, could lead to pricing pressures on the Shares, even where there may not necessarily be a reason for this in the Group's business or earnings outlook. Any of these risks could materially affect the price of the Shares.

There is no existing market for the Shares, and an active trading market may not develop

There is currently no public market for the Shares, and there is no assurance that an active trading market for the Shares will develop or be sustained or that the Shares could be resold at or above the Offer Price. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following the completion of this Offering.

Future sales, or the possibility for future sales of substantial numbers of Shares could affect the Shares' market price

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Offering, or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. In particular, a sale of the Shares retained by the Selling Shareholder in the future, or a perception that such a sale may occur, may receive significant publicity and could adversely affect the market price of Shares. Although the Selling Shareholder is subject to an agreement with the Joint Global Coordinators that restricts its ability to sell or transfer its Shares for 180 calendar days after the date of the Purchase Agreement, the Joint Global Coordinators may, in their sole discretion and at any time, waive the restrictions on sales or transfer in the agreement during this period. Additionally, following this period, all Shares owned by the Selling Shareholder will be eligible for sale in the public market, subject to applicable securities laws and restrictions.

Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. There is no assurance that the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted.

Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders (the "**General Meeting**"), existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act in connection with the Offering or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so, is under no obligation to do so, and doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. See Section 19 "Selling and transfer restrictions". In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the General Meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Company's Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, the Company is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest. As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a public limited company organised under the laws of Norway. All of the members of its Board of Directors and of the Company's corporate management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will however receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA. The current policy of DNB Bank ASA is to apply the exchange rate(s) on the date of issuance, and there is no guarantee that DNB Bank ASA will not adopt an alternative policy in the future. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

Market interest rates could influence the price of the Shares

One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

The Group may be classified as a passive foreign investment company for United States federal income tax purposes, which could subject U.S. investors in the Shares to significant adverse tax consequences

Depending on whether the Company is deemed to perform active and substantial management and operational functions with respect to its managed properties through its own officers and employees, the Company could be classified as a passive foreign investment company (a "**PFIC**"). Under United States federal income tax law, the Company will be classified as a PFIC for any taxable year if either (i) at least 75% of the Company's gross income for the taxable year is passive income or (ii) at least 50% of the value of the Company's assets (based on the average quarterly value of the Company's assets during the taxable year) is attributable to assets that produce or are held for the production of passive income. For purposes of this determination, rents and gains from real estate generally are active income and the real estate is an active asset where the lessor regularly performs active and substantial management and operational functions through its own officers and employees. The determination of whether rental real estate assets and income are active is a factual inquiry. Moreover, the rules applicable to the determination of whether rents and gains from self-managed real estate are active income are uncertain where management services are performed by affiliates of the lessor. Since the Company's real property investments are at least in part managed by affiliates that do not themselves own the real property, those investments, and income and gains from them, may not be "active" assets or income for purposes of these rules.

Based on the Company's present assets, income and activities, the Company believes that the Shares should not be treated as stock of a PFIC for United States federal income tax purposes. However, whether the Company's activities are sufficient for the Company's income and assets to be treated as "active" for these purposes is a factual determination, and how the law would be applied to the Company's activities is unclear.

If the Company is or becomes a PFIC, a U.S. holder (as defined in Section 17.2 "United States federal income tax considerations") may incur significantly increased United States federal income tax on gains recognised on the sale or other disposition of the Shares and on the receipt of distributions on the Shares to the extent any such distribution is treated as an "excess distribution" under United States federal income tax rules. Further, if the Company were a PFIC for any year during which a U.S. holder held the Shares, the Company generally would continue to be treated as a PFIC as to such U.S. holder for all succeeding years during which such U.S. holder held the Shares. Each U.S. holder is urged to consult its tax advisor concerning the United States federal income tax consequences of purchasing, holding and disposing of the Shares if the Company is or becomes a PFIC, including the possibility of making a mark-to-market election. For more information, see Section 17.2 "United States federal income tax considerations".

A U.S. holder that owns an equity interest in a PFIC must annually file IRS Form 8621, and may be required to file other IRS forms. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of the U.S. holder's taxable years for which such form is required to be filed. As a result, the taxable years with respect to which the U.S. holder fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

The Shares are listed on an "if sold/if issued" basis until delivery of the Shares, which could result in all conditional trades being reversed

The Shares will be listed on the Oslo Stock Exchange on an "if sold/if issued" basis. Therefore, the Shares will be tradable on the Oslo Stock Exchange before the Shares are delivered to each investor. If the Purchase Agreement is terminated due to certain force majeure events or due to the default by the Manager(s), the Shares will not be delivered to the investors. As a result, all prior trades in the Shares on an "if sold/if issued" basis will be cancelled and reversed, and any payments made will be returned without interest or other compensation. Such events could adversely affect participants in the Offering and those who trade in the Shares during the period of conditional trading. The Managers, the Company and the Selling Shareholder do not accept any responsibility or liability for any loss incurred by any person as a result of a termination of the Offering or (the related) annulment of any transactions on the Oslo Stock Exchange during the period of conditional trading.

The limited free float of the Shares may have a negative impact on the liquidity of and market price for the Shares

After completion of the Offering, approximately 58% of the Company's share capital (or approximately 66% of the share capital if the Over-Allotment Option is exercised in full, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold) will be publicly held if all the Sale Shares and New Shares are sold and issued (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). The remaining approximately 42% (or approximately 34% if the Over-Allotment Option is exercised in full and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold) of the share capital is expected to be held by the Selling Shareholder. The limited free float may have a negative impact on the liquidity of the Shares and result in a low trading volume of the Shares, which could have an adverse effect on the then prevailing market price for the Shares and could result in increased volatility of the market price for the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

3.1 The Board of Directors of Entra ASA

This Prospectus has been prepared in connection with the Offering described herein and the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of Entra ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

3 October 2014

The Board of Directors of Entra ASA

Siri Beate Hatlen *Chair*	Martin Mæland *Vice Chair*	Ingrid Therese Tjøsvold *Board member*
Kjell Bjordal *Board member*	Arthur Sletteberg *Board member*	Birthe Helén Smedsrud Skeid *Board member*
	Frode Erland Halvorsen *Board member*	

3.2 The Selling Shareholder

The Selling Shareholder confirms that the Sale Shares are being offered free of any liens or encumbrances.

3 October 2014

For the Norwegian Government,
represented by the Ministry of Trade, Industry and Fisheries

Mette I. Wikborg
Director General

4 GENERAL INFORMATION

4.1 Other important investor information

The Company has furnished the information in this Prospectus. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company, the Selling Shareholder or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk factors" beginning on page 14.

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares.

4.2 Presentation of financial and other information

4.2.1 Financial information

The Company is a holding company that was incorporated on 20 December 2012 as a result of the Selling Shareholder contributing 100% of the shares in Entra Eiendom to the Company in exchange for shares in the Company. The transaction was outside the scope of IFRS 3 "Business Combinations". As a result, the financial statements of the Group reflect a carryover basis of accounting, whereby:

- The carrying amount of the assets and liabilities of the Group are based on the historical carrying amounts of Entra Eiendom;
- The results and cash flows of the Group are presented as though the transaction occurred on 1 January 2012 and reflects the results and cash flows of Entra Eiendom; and
- The amounts recognised in the equity of the Group are based on the historical carrying amounts recognised by Entra Eiendom.

Prior to the transaction, Entra Eiendom was the ultimate parent company of the Group. Hence, the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2013 and 2012, included in Appendix B to this Prospectus, have been prepared in accordance with IFRS with the Company as the ultimate parent company of the Group, while the Group's audited consolidated financial statements as of, and for the year ended, 31 December 2011, included in Appendix B to this Prospectus, have been prepared in accordance with IFRS with Entra Eiendom as the ultimate parent company of the Group (collectively referred to as the "**Financial Statements**"). The financial and operating data and other information included in the Prospectus reflect the financial position, financial performance, cash flows and historical information of Entra Eiendom and its subsidiaries as of, and for the year ended, 31 December 2011 and of the Company and its subsidiaries, including Entra Eiendom, as of, and for the six months ended, 30 June 2014 and 2013 and the years ended 31 December 2013 and 2012. Accordingly, with respect to the Financial Information, the defined term "Group" refers to the Company and its subsidiaries for the six month periods ended 30 June 2014 and 2013 and for the years ended 31 December 2013 and 2012 and to Entra Eiendom and its subsidiaries for the year ended 31 December 2011.

The Group's unaudited condensed consolidated financial statements as of, and for the three and six month periods ended, 30 June 2014, with comparable figures as of, and for the three and six month periods ended, 30 June 2013 (the "**Interim Financial Statements**"), included in Appendix C to this Prospectus, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**"). The financial statements as of, and for the years ended, 31 December 2013 and 2012 have been audited by Deloitte AS, as set forth in their report thereon included herein, while the financial statements as of, and for the year ended, 31 December 2011 have been audited by PricewaterhouseCoopers AS, as set forth in their report thereon included herein. Deloitte AS has issued a review report on the interim financial statements as of, and for the three and six month periods ended, 30 June 2014, as set forth in their report included herein. The Financial Statements and Interim Financial Statements are together referred to as the "**Financial Information**".

The Group established a regional model at the end of the second quarter of 2013, and with effect from the fourth quarter of 2013, the business of the Group is reported under four geographic operating segments: (i) central Oslo comprising the Group's properties located in Oslo, except for Helsfyr-Bryn and Stovner ("**Central Oslo**"), (ii) greater Oslo comprising the Group's properties located at Helsfyr-Bryn and Stovner, as well as the Group's properties located in Drammen, Bærum, Skedsmo and Østfold ("**Greater Oslo**"), (iii) southern and western Norway comprising the Group's properties located in Bergen, Stavanger, Kristiansand, Arendal and Skien ("**South/West Norway**") and (iv) mid and northern Norway comprising the Group's properties located in Trondheim, Bodø and Tromsø ("**Mid/North Norway**").

The Company presents the Financial Information in NOK (presentation currency).

4.2.2 Factors affecting comparability of financial information

The financial and operating data and other information included in this Prospectus reflect the financial position, financial performance, cash flows and historical information of Entra Eiendom and its subsidiaries as of, and for the year ended, 31 December 2011 and of the Company and its subsidiaries, including Entra Eiendom, as of and for the three and six months ended, 30 June 2014 and 2013 and the years ended 31 December 2013 and 2012. See Section 8.4 "History and important events" for more information on the legal restructuring of the Group.

The Group believes the financial statements of Entra Eiendom for the year ended 31 December 2011 provide all information necessary for prospective investors in their evaluation of the Group's financial performance in the year ended 31 December 2011. The comparative financial information of the Group as of, and for the year ended, 31 December 2011 included in the consolidated statement of comprehensive income, balance sheet and cash flow statement in the financial statements of the Company as of, and for the year ended, 31 December 2012 are identical to the consolidated statement of comprehensive income, balance sheet and cash flow statement of Entra Eiendom as of, and for the year ended, 31 December 2011, included in the financial statements of Entra Eiendom as of, and for the year ended, 31 December 2011, except for the following:

- The paid–in equity was NOK 731.7 million higher and the other equity was NOK 732 million lower in the comparative financial information of the Company, reflecting the acquisition by the Company of the shares in Entra Eiendom where, under the principle of continuity, the total booked equity in Entra Eiendom was recorded as paid-in equity and share premium.

- The trade payables and other payables are NOK 0.3 million higher in the comparative financial information of the Company, reflecting the costs of incorporation of the Company.

- The interest-bearing current liabilities in the comparative financial information of the Company did not include NOK 123.8 million of accrued interest, as a result of a change in accounting principle for the year ended 31 December 2012. The accrued interest of NOK 123.8 million is instead presented under trade payables and other payables in the comparative financial information of the Company.

In addition, the IAS 19 Employee Benefits standard was amended in June 2011. The amendments require that all actuarial gains and losses are recognised in comprehensive income as they arise, that all costs relating to pension liabilities accrued in previous periods be immediately recognised, and that interest expenses and anticipated return on pension assets be replaced with a net interest amount, calculated by applying the discount rate to the net pension liability (asset). The Group has applied the amended standard with effect from 1 January 2013, with a restatement of comparable figures with implementation effect as at 1 January 2012. Implementation of the new standard involved an increase in the pension liability of NOK 17.3 million, a reduction in deferred tax of NOK 4.8 million and a net effect on equity of NOK 12.4 million for the year ended 31 December 2011. Application of the new standard resulted in a restatement of comparable figures for 2012 with a decrease in administrative owner costs of NOK 0.4 million, increased interest costs of NOK 1.9 million and an pension estimate difference after tax included in comprehensive income of NOK 34.8 million for the year ended 31 December 2012. The standard has not been applied to the results of the Group for the year ended 31 December 2011 as this is not required by applicable IFRS accounting standards.

There were no other new or amended standards brought into use by the Group that have an effect on the financial statements of the Group.

4.2.3 Non-IFRS financial measures

In this Prospectus, the Company presents certain non-IFRS financial measures and ratios, including property market value, net rental income, adjusted EBITDA, profit before value change and tax, net interest-bearing debt, net nominal interest-bearing debt, debt ratio (loan-to-value), interest cover ratio, net asset value - EPRA NAV, triple net asset value - EPRA NNNAV and EPRA earnings.

The non-IFRS financial measures presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The non-IFRS financial measures presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the non-IFRS measures presented herein are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred) or based on non-operating factors. Accordingly, the Group discloses the non-IFRS financial measures presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the Group's ability to service its debt. Because companies calculate the non-IFRS financial measures presented herein differently, the Group's presentation of these non-IFRS financial measures may not be comparable to similarly titled measures used by other companies.

Property market value

The Group defines property market value as the market value of all properties (including IFRIC 12 properties) legally owned by the Company and its subsidiaries, regardless of the classification of such properties for accounting purposes (adjusted for VAT compensation). As a result, property market value does not include the market value of properties in associates and jointly controlled entities.

The following table sets forth the reconciliation of investment properties to property market value for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**As of 30 June**		**As of 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Investment properties	**25,071.7**	**22,357.2**	**23,144.8**	**22,202.5**	**21,843.9**
Plus:					
Investment properties held for sale	275.2	402.9	388.1	734.2	36.5
Market value of IFRIC 12 properties[1]	1,289.8	1,280.4	1,285.0	1,296.7	1,318.7
Properties for use of the Group[2]	8.3	8.6	8.2	8.0	8.5
Housing units held for sale[3]	275.4	162.0	227.0	105.4	-
Prepaid VAT compensation[4]	-88.6	-87.0	-89.8	-82.0	-63.0
Property market value	**26,831.8**	**24,116.4**	**24,963.3**	**24,264.8**	**23,144.5**

1 Market value of IFRIC 12 properties relates to the three properties accounted for under IFRIC 12, which are recognised in the balance sheet at amortised cost in accordance with IAS 39 and are presented under other current receivable and other non-current receivables. The market value of IFRIC 12 properties included in property market value is determined by the independent valuers based on estimated cash flows from the concession arrangement.

2 Market value of properties for use of the Group relates to market value of two properties, one property in South/West Norway that Group uses as offices and another recreational property available for the use of the Group's employees, which in each case are recognised in the Financial Statements at their carrying value. The market value of these properties is determined by the independent valuers.

3 Housing units held for sale relates to market value of housing units located at Ringstabekkveien 105 Bærum, which are recognised in the Financial Statements at the lower of cost and net realisable value in accordance with IAS 2. The market value of these properties is determined by the independent valuers based on the expected sale prices of the housing units.

4 Prepaid VAT compensation relates to two VAT compensation agreements entered into between the Group and two VAT-exempt public sector tenants. Generally, the gross rent payable to the Group by public sector tenants is higher than for equivalent private sector tenants as a result of the VAT-exempt status of such tenants. The higher rent levels compensate the Group for the loss of VAT deductions on investments made on the properties leased by VAT-exempt tenants and the loss of VAT deductions on ongoing operating costs relating to the properties. In two cases, the Group has instead agreed to enter into separate VAT compensation agreements. The VAT compensation agreed under these VAT compensation agreements is linearly accrued as rental income during the term of the lease. However, the VAT-exempt tenant may pay the VAT compensation at its discretion during the term of the lease. If the VAT-exempt tenant pays the VAT compensation in advance of the linear accrual of rental income, the remaining cash flow

under the relevant lease agreement will be reduced by the amount of the prepayment. As a result, the amount of the VAT compensation prepayment is reflected as a change in the value of the investment property in the statement of comprehensive income. Any such prepaid VAT compensation is recorded in the balance sheet under prepayments and provisions. VAT compensation in respect of a property will terminate when the related lease agreement for the property terminates.

Net rental income

The Group defines net rental income as rental income less repairs and maintenance and operating costs plus other operating revenue.

The following table sets forth the reconciliation of total operating revenue to net rental income for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**Six months ended 30 June**		**Year ended 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Total operating revenue..	**905.1**	**795.2**	**1,575.4**	**1,532.7**	**1,467.8**
Less:					
Repairs and maintenance...	20.4	24.0	65.9	66.2	61.9
Operating costs	42.0	40.5	91.5	86.9	88.6
Net rental income	**842.7**	**730.7**	**1,418.0**	**1,379.6**	**1,317.3**

Adjusted EBITDA

The Group defines adjusted EBITDA as profit for the period, less tax expense, net financial items, share of profit from associates and jointly controlled entities and changes in value of investment properties, plus net income from IFRIC 12 properties, adjusted for depreciation and write-downs.

The following table sets forth the reconciliation of profit for the period to adjusted EBITDA for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**Six months ended 30 June**		**Year ended 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Profit for the period	**315.6**	**96.7**	**469.9**	**737.8**	**579.0**
Less:					
Tax expense..	-99.8	-34.3	4.0	-103.8	-226.5
Net financial items	-539.0	-169.1	-381.3	-864.0	-799.3
Share of profit from associates and jointly controlled entities..	27.2	10.8	235.5	508.7	-28.4
Changes in value of investment properties	265.5	-277.8	-495.1	129.0	629.2
Net income from property management	**661.6**	**567.1**	**1,106.8**	**1,067.8**	**1,004.1**
Plus:					
Depreciation and write-downs[1]	8.5	20.7	32.7	40.0	12.3
Non-cash adjustments[2]..	-5.4	21.0	15.5	11.8	56.5
Cash EBITDA...	**664.8**	**608.9**	**1,155.0**	**1,119.5**	**1,072.9**
Plus:					
Adjusted EBITDA from IFRIC 12 properties[3]	44.1	40.0	81.9	83.0	70.6
Less:					
Non-cash adjustments[2]..	-5.4	21.0	15.5	11.8	56.5
Adjusted EBITDA	**714.3**	**627.9**	**1,221.4**	**1,190.8**	**1,087.0**

1 Depreciation and write-downs relate to depreciations and write-down on property plant and equipment not recognised in the balance sheet as investment properties.

2 Non-cash adjustments comprise non-cash impact of IFRIC 12 and amortisation of receivables.

The following table sets forth the calculation of non-cash adjustments for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**As of 30 June**		**As of 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Non-cash impact of IFRIC 12	-5.4	8.7	3.2	-10.9	56.5
Amortisation of receivables.......................................	-	12.3	12.3	22.6	-
Total non-cash adjustments	**-5.4**	**21.0**	**15.5**	**11.8**	**56.5**

3 Adjusted EBITDA from IFRIC 12 properties relates to net income from property management for the three properties accounted for under IFRIC 12 adjusted for depreciation and write downs. The related income is recognised in the statement of comprehensive income under interest and other finance income and the related operating costs and provisions for repairs and maintenance are recognised in the statement of comprehensive income under interest and other finance expense and repairs and maintenance, respectively.

The following table sets forth the calculation of net income from IFRIC 12 properties for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**As of 30 June**		**As of 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Rental income	45.4	44.1	88.4	87.2	86.2
Other operating revenue	-2.8	-3.2	-6.6	-7.1	-8.6
Total operating revenue	**42.6**	**40.9**	**81.8**	**80.0**	**77.6**
Repairs and maintenance	1.5	-0.9	0.0	3.0	-7.0
Depreciation and write-downs	-8.2	-8.2	-16.5	-16.5	-16.5
Total operating costs	**-6.8**	**-9.2**	**-16.4**	**-13.5**	**-23.5**
Net income from property management IFRIC 12 properties	**35.8**	**31.7**	**65.4**	**66.6**	**54.1**
Add back depreciation and write-downs	8.2	8.2	16.5	16.5	16.5
Adjusted EBITDA from IFRIC 12 properties	**44.1**	**40.0**	**81.9**	**83.0**	**70.6**

Profit before value changes and tax

The Group defines profit before value changes and tax as profit before tax adjusted for changes in value of investment property and unrealised changes in value of financial instruments. Profit before value changes and tax is a measure to reflect the operational business including operations from associates and jointly controlled entities.

The following table sets forth the reconciliation of profit before tax to profit before value changes and tax for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**Six months ended 30 June**		**Year ended 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Profit before tax	**415.4**	**131.1**	**466.0**	**841.5**	**805.6**
Less:					
Changes in value of investment property	265.5	-277.8	-495.1	129.0	629.2
Unrealised changes in value of financial instruments	-270.8	123.1	183.7	-272.0	-208.0
Profit before value changes and tax	**420.7**	**285.8**	**777.4**	**984.5**	**384.4**

Net interest-bearing debt

Group defines net interest-bearing debt as the aggregate book value of outstanding bank loans, bonds, commercial paper and other interest-bearing liabilities less cash and bank deposits valued in accordance with the accounting principles as set out in the Financial Statements. Interest-bearing liabilities that satisfy the criteria for using the fair value option under International Accounting Standard 39 "Financial Instruments: Recognition and Measurement" ("**IAS 39**") are classified in the category at fair value through profit or loss. The Group uses the fair value option for interest-bearing liabilities at fixed interest rates incurred to finance the acquisition of investment properties. Interest-bearing liabilities are recognised at fair value when the loan is received. Subsequently loans are measured at fair value through the statement of comprehensive income and are presented under net financial items. Ordinary interest expenses are presented on the statement of comprehensive income under net financial items. Interest-bearing liabilities with variable interest rates are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method.

The following table sets forth the reconciliation of outstanding bank loans, bonds, commercial paper and other interest-bearing liabilities less cash and bank deposits to net interest-bearing debt for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**As of 30 June**		**As of 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Non-current interest-bearing liabilities					
Bank loans	5,671.6	3,861.0	4,918.4	3,792.0	5,717.8
Bonds	7,120.0	6,676.7	6,881.0	5,944.5	3,368.5
Current interest-bearing liabilities					
Bank loans	21.2	1,500.0	16.6	2,000.0	20.5

In NOK millions	As of 30 June 2014	As of 30 June 2013	As of 31 December 2013	As of 31 December 2012	As of 31 December 2011
Bonds	1,142.5	-	1,142.5	-	727.6
Commercial paper	1,800.0	1,480.0	1,650.0	1,890.0	2,848.5
Other interest-bearing liabilities	-	-	-	20.0	20.0
Less:					
Total cash and bank deposits	209.9	145.5	177.4	64.8	48.3
Net interest-bearing debt	**15,545.4**	**13,372.2**	**14,431.0**	**13,581.6**	**12,654.5**

Net nominal interest-bearing debt

The Group defines net nominal interest-bearing debt as the aggregate nominal value of outstanding bank loans, bonds, commercial paper and other interest-bearing liabilities less cash and bank deposits.

The following table sets forth the reconciliation of nominal value of outstanding non-current bank loans, current and non-current bonds, commercial paper and other interest bearing liabilities less cash and bank deposits to net nominal interest-bearing debt for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	As of 30 June 2014	As of 30 June 2013	As of 31 December 2013	As of 31 December 2012	As of 31 December 2011
Non-current interest-bearing liabilities					
Bank loans	5,671.6	3,861.0	4,918.4	3,792.0	5,854.0
Bonds	6,800.0	6,592.5	6,800.0	5,825.0	3,350.0
Current interest-bearing liabilities					
Bank loans	21.2	1,500.0	16.6	2,000.0	-
Bonds	1,139.6	-	1,142.5	-	670.0
Commercial paper	1,800.0	1,480.0	1,650.0	1,890.0	2,800.0
Other interest-bearing liabilities	-	-	-	20.0	20.0
Nominal interest-bearing debt	**15,432.4**	**13,433.5**	**14,527.5**	**13,527.0**	**12,694.0**
Less:					
Total cash and bank deposits	209.9	145.5	177.4	64.8	48.3
Net nominal interest-bearing debt	**15,222.5**	**13,288.0**	**14,350.1**	**13,462.2**	**12,645.7**

Debt ratio (loan-to-value)

The Group defines debt ratio (loan-to-value) as net nominal interest-bearing debt divided by the sum of property market value and the share of properties of Entra OPF Utvikling AS. The Group expects to target a debt ratio (loan-to-value) of 50% following completion of the Offering.

The following table sets forth the calculation of debt ratio (loan-to-value) for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	As of 30 June 2014	As of 30 June 2013	As of 31 December 2013	As of 31 December 2012	As of 31 December 2011
Net nominal interest-bearing debt	**15,222.5**	**13,288.0**	**14,350.1**	**13,462.2**	**12,645.7**
Property market value	26,831.7	24,116.4	24,963.3	24,264.8	23,144.5
Share of properties of Entra OPF Utvikling AS (50%)[1]	366.1	363.0	370.7	377.4	-
Total market value of the property portfolio	**27,197.7**	**24,479.0**	**25,334.0**	**24,642.4**	**23,144.5**
Debt ratio (loan-to-value) (%)	**56.0%**	**54.3%**	**56.6%**	**54.6%**	**54.6%**

1 Share of properties of Entra OPF Utvikling refers to the Group's proportional interest in the market value of properties held through the jointly controlled entity Entra OPF Utvikling AS, which are included in the calculation of debt ratio (loan-to-value) because all investments made by Entra OPF Utvikling AS are fully equity financed by the shareholders. The market value of the properties in jointly controlled entities that are not consolidated and are separately financed, such as Oslo S Utvikling AS, is not included in the calculation of debt ratio (loan-to-value).

Interest cover ratio

The Group defines interest cover ratio as net income from property management, adjusted for net income from IFRIC 12 properties, excluding depreciation and write-downs and including share of EBITDA of Entra OPF Utvikling AS, divided by interest cost and other finance expense.

The following table sets forth the reconciliation of total net income from property management to interest cover ratio for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	Six months ended 30 June		Year ended 31 December		
	2014	2013	2013	2012	2011
Net income from property management	**661.6**	**567.2**	**1,106.8**	**1,067.8**	**1,004.1**
Plus:					
Depreciation and write-downs[1]	8.5	20.7	32.5	40.0	12.3
Adjusted EBITDA from IFRIC 12 properties[2]	44.1	40.0	81.9	83.0	70.6
Adjusted EBITDA	**714.2**	**627.9**	**1,221.3**	**1,190.8**	**1,087.0**
Share of EBITDA of Entra OPF Utvikling AS[3]	14.3	24.0	46.2	22.4	-
EBITDA adjusted for share of EBITDA of Entra OPF Utvikling AS	**728.5**	**651.9**	**1,267.5**	**1,213.2**	**1,087.0**
Interest cost[4]	337.9	331.4	668.0	683.0	636.7
Other finance expense[4]	7.8	10.2	19.0	15.6	-
Applicable net interest cost	**345.7**	**341.6**	**687.0**	**698.5**	**636.7**
Interest cover ratio	**2.1**	**1.9**	**1.8**	**1.8**	**1.7**

1 Depreciation and write-downs are presented in the statement of comprehensive income under the line item other property costs.

2 Adjusted EBITDA from IFRIC 12 properties relates to net income from property management for the three properties accounted for under IFRIC 12 adjusted for depreciation and write downs. The related income is recognised in the statement of comprehensive income under interest and other finance income and the related operating costs and provisions for repairs and maintenance are recognised in the statement of comprehensive income under interest and other finance expense and repairs and maintenance, respectively. For the calculation of net income from IFRIC 12 properties, see footnote 1 to the section headed "Adjusted EBITDA" above.

3 Share of EBITDA of Entra OPF Utvikling AS refers to the Group's proportional interest in the EBITDA of the jointly controlled entity Entra OPF Utvikling AS, which is included in the calculation of interest cover ratio because all investments made by Entra OPF Utvikling AS are fully equity financed by the shareholders. The market value of the properties in jointly controlled entities that are not consolidated and are separately financed, such as Oslo S Utvikling AS, is not included in the calculation of interest cover ratio.

4 The following table sets forth the reconciliation of interest and other finance expense to interest cost and other finance expense for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	Six months ended 30 June		Year ended 31 December		
	2014	2013	2013	2012	2011
Interest and other finance expense	**330.5**	**349.6**	**674.8**	**690.2**	**706.0**
Capitalised interest	16.9	21.6	45.3	43.9	29.2
Interest expense pension scheme	-0.8	-0.7	-1.3	-1.9	-
Loss realisation of shares	-1.1	-12.3	-12.4	-23.6	-
Interest expense IFRIC 12 properties	-1.4	-15.4	-16.7	-2.2	-89.9
Other interest expense	3.3	-0.3	-0.9	-3.7	-4.9
Other finance expense	-1.7	-0.9	-1.8	-4.2	-3.7
Applicable net interest cost	**345.7**	**341.6**	**687.0**	**698.5**	**636.7**

Net asset value - EPRA NAV

The Group calculates net asset value – EPRA NAV using the definition of net asset value recommended by the European Public Real Estate Association ("**EPRA**") in the Best Practices Recommendations (August 2011). According to EPRA, EPRA NAV is a measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. For this reason, deferred taxes on property revaluations are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialise. In addition, the fair value of financial instruments which the company intends to hold to maturity is excluded as these will cancel out on settlement. All other assets including trading property, finance leases, and investments reported at cost are adjusted to fair value. In accordance with EPRA guidance, the Group calculates net asset value – EPRA NAV as net asset value per the financial statements adjusted to include properties at fair value and to exclude fair value adjustments of financial instruments and deferred tax arising on revaluation moments.

The following table sets forth the reconciliation of total equity to net asset value – EPRA NAV as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

In NOK millions	As of 30 June		As of 31 December		
	2014	2013	2013	2012	2011
Total equity	**8,316.6**	**7,626.4**	**7,993.4**	**7,942.6**	**7,391.4**
Less:					
Non-controlling interests	387.2	102.3	114.6	98.0	119.2
NAV per the financial statements	**7,929.4**	**7,524.1**	**7,878.8**	**7,844.7**	**7,272.2**
Plus:					
Adjustments to value of property portfolio[1]	161.0	161.4	164.4	161.5	214.5
Revaluation of investments made in the JV[2]	295.5	543.0	265.3	456.6	840.5
Fair value adjustments of financial instruments[3]	705.0	699.8	644.5	791.0	769.5
Adjustment to deferred tax[4]	2,211.6	2,156.2	1,969.5	2,124.6	2,098.3
Net asset value – EPRA NAV[5]	**11,302.6**	**11,084.4**	**10,922.4**	**11,378.3**	**11,194.9**

1 To adjust for the market value for assets that are currently not marked to market in the Financial Statements. These assets include IFRIC 12 properties, property used by owner, housing units for sale and the VAT compensation further described in Section 11.3.1 "Rental income".

2 To adjust for properties held through jointly controlled entities that are currently carried at historic cost rather than marked to market. For the period reported, this relates only to Oslo S Utvikling AS, where the zoned land, properties under development and finalised properties are recorded in accordance with IAS 18/IAS 2 and/or IAS 11/IFRIC 15 at historic cost rather than marked to market.

3 To adjust for the market value of financial instruments. The financial derivatives used by the Group to provide an economic hedge are typically held until maturity. As a result, the theoretical gains or losses recognised at each balance sheet date as the financial derivatives are marked to market are not expected to crystallise and the calculation of net asset value – EPRA NAV excludes such gains or losses.

4 To adjust for any deferred tax included in the Financial Statements in respect of the difference between the fair value and book value of investment property, interest-bearing debt and financial instruments. As the difference would only become payable if the assets were sold, the calculation of net asset value – EPRA NAV excludes the related deferred tax.

5 The calculation of net asset value – EPRA NAV does not include an adjustment for the difference between book value, recognised at fair value in financial statements, and the nominal value of interest bearing debt.

Triple net asset value – EPRA NNNAV

The Group calculates triple net asset value – EPRA NNNAV using the definition of net asset value recommended by EPRA in the Best Practices Recommendations (August 2011). According to EPRA, the objective of the EPRA NNNAV measure is to report net asset value including fair value adjustments in respect of all material balance sheet items which are not reported at their fair value as part of the EPRA NAV. In accordance with EPRA guidance, the Group calculates triple net asset value – EPRA NNNAV as net asset value - EPRA NAV less market value of tax on gain on sale (5% tax rate), net result from realisation of financial derivatives and tax on realisation (27% tax rate for the six months ended 30 June 2014 and the year ended 31 December 2013 and 28% tax rate for the six months ended 30 June 2013 and the years ended 31 December 2012 and 2011).

The following table sets forth the reconciliation of net asset value – EPRA NAV to triple net asset value – EPRA NNNAV as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

In NOK millions	As of 30 June		As of 31 December		
	2014	2013	2013	2012	2011
Net asset value – EPRA NAV	**11,302.6**	**11,084.4**	**10,922.4**	**11,378.3**	**11,194.9**
Property market value	26,831.7	24,116.4	24,963.3	24,264.8	23,144.5
Less:					
Tax value on property portfolio[1]	13,333.6	12,134.6	12,784.9	12,134.6	11,984.2
Basis for calculation of tax on gain on sale	13,498.0	11,981.8	12,178.4	12,130.1	11,160.3
Less: market value of tax on gain on sale (5% tax rate)	**674.9**	**599.1**	**608.9**	**606.5**	**558.0**
Fair value adjustments of financial instruments[2]	705.0	699.8	644.5	791.0	769.5
Less:					
Tax expense on realised net financial derivatives (27% tax rate / 28% tax rate)	190.4	195.9	174.0	221.5	215.4
Less: net result from realisation of financial derivatives[2]	**514.7**	**503.8**	**470.5**	**569.5**	**554.0**
Book value of interest-bearing debt	15,755.3	13,517.7	14,608.5	13,646.5	12,702.8
Less:					

In NOK millions	As of 30 June		As of 31 December		
	2014	2013	2013	2012	2011
Nominal value of interest-bearing debt	15,432.4	13,433.5	14,527.5	13,527.0	12,694.0
Basis for calculation of tax on realisation of interest-bearing debt	322.9	84.2	81.0	119.5	8.8
Less: tax on realisation (27% tax rate / 28% tax rate)	**87.2**	**23.6**	**21.9**	**33.5**	**2.5**
Less:					
Triple net asset value – EPRA NNNAV[3]	**10,025.9**	**9,957.9**	**9,821.1**	**10,168.8**	**10,080.4**

1 Tax value on property portfolio relates to the tax value reported to the tax authority on an annual basis in the tax filings and is included as part of the annual tax computation in the Financial Statements.

2 Market value adjustments of financial instruments relates to the net amount of financial derivative assets and financial derivative liabilities as presented gross in the Financial Statements.

3 The calculation of net asset value – EPRA NNNAV does not include an adjustment for the difference between book value, recognised at fair value in financial statements, and the nominal value of interest bearing debt.

EPRA earnings

The Group calculates EPRA earnings using the definition of net asset value recommended by the EPRA in the Best Practices Recommendations (August 2011). According to EPRA, EPRA earnings is a measure of the earnings from the core operational activities (which are recurring items for the Group). It is intended to provide an indicator of the underlying performance of the property portfolio. Therefore, the calculation of EPRA earnings excludes all components not relevant to the underlying and recurring performance of the property portfolio, including any revaluation results and results from sales of properties. In accordance with EPRA guidance, the Group calculates EPRA earnings as profit for the period less adjustments to value of investment properties, profit or losses on disposal of investment properties, tax on adjustment to value of investment properties, unrealised changes in value of financial instruments, deferred tax, non-controlling interests in respect of the above, share of profit – joint venture – fair value adjustments, IFRIC 12 adjustment and change in tax rate.

The following table sets forth the reconciliation of profit after tax to EPRA earnings for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

In NOK millions	Six months ended 30 June		Year ended 31 December		
	2014	2013	2013	2012	2011
Profit for the period	**315.6**	**96.7**	**469.9**	**737.8**	**579.0**
Less:					
Change in value of investment properties	-265.5	277.8	495.1	-129.2	-629.2
Tax on change in value of investment properties	71.7	-77.8	-133.7	36.1	176.2
Unrealised changes in value of financial instruments	270.8	-123.1	-183.7	272.0	208.0
Tax on changes in value of financial instruments	-73.1	33.2	49.6	-76.2	-58.2
Profit or losses on disposal of inventory in Oslo S Utvikling AS[1]	-13.9	-2.6	-229.2	-545.8	-
Share of profit – jointly controlled entities – fair value adjustments[2]	4.5	5.3	30.7	46.2	6.3
Non-controlling interests of subsidiaries[3]	-3.7	-2.6	-5.3	-4.2	-1.6
IFRIC 12 adjustments[4]	-	10.0	10.0	-	55.8
Change in tax rate[5]	-	-	-91.3	-	-
EPRA earnings	**306.3**	**217.0**	**412.1**	**337.0**	**336.2**

1 Profit or losses on disposal of inventory in Oslo S Utvikling AS is derived from the quarterly reporting of Oslo S Utvikling AS. Oslo S Utvikling AS reports income and costs related to sales of assets recorded in accordance with IAS 18/IAS 2 on separate line items in its statement of comprehensive income.

2 To adjust for the share of profit of associates and jointly controlled entities derived from changes in market value in order to reflect the underlying operating performance for these entities. The adjustment is net after tax.

3 To adjust for the non-controlling interest of subsidiaries. The adjustment includes the annual result before any changes in value of investment properties and financial instruments, as adjustments for change in value of investment properties and financial instruments are reflected in the adjustments in the table above under respective line items.

4 IFRIC 12 adjustments relates to the write-down of the IFRIC 12 receivable related to the property where Borgarting Lagmannsrett is tenant as a result of the Group's assessment that the Statsbygg would choose to call the option to acquire the property at an earlier date than previously estimated by the Group.

5 Change in tax rate represents the impact on the Group's total comprehensive income for the period resulting from the reduction of the Company's nominal tax rate from 28% to 27% for the year ended 31 December 2013.

4.2.4 Appraisers

The Company has appointed the Independent Appraisers, Akershus Eiendom AS of Haakon VII's gate 5, PO Box 1739 Vika, NO-0121 Oslo, Norway and DTZ Realkapital Verdivurdering AS, to prepare the Property Appraisal Reports on the Group's property portfolio as of 30 June 2014. The Property Appraisal Reports are included in Appendix H to this Prospectus. For more information on the independence of DTZ Realkapital Verdivurdering AS, see the section entitled "Independence" on page H-3 of the Property Appraisal Report prepared by DTZ Realkapital Verdivurdering AS. For more information on the independence of Akershus Eiendom AS, see the section entitled "Independence" on page H-8 of the Property Appraisal Report prepared by Akershus Eiendom AS. Each of the Independent Appraisers has consented to the inclusion of its Property Appraisal Report in this Prospectus in the unmodified form authorised by them and has approved the context in which its Property Appraisal Report is presented. The Company affirms that, as of the date of this Prospectus, no material change in the value of the properties appraised in the Property Appraisal Reports has occurred since the valuation date of 30 June 2014.

4.2.5 Industry and market data

In this Prospectus, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information, and specific market data the Company has commissioned from DNB Næringsmegling, an affiliate of DNB Bank ASA, ("**DNB**"). While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the markets in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.6 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" or "**U.S. dollar**" are to the lawful currency of the United States and all references to "**EUR**" are to the lawful common currency of the member states of the EU who have adopted the Euro as their sole national currency.

4.2.7 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in the following Sections in this Prospectus, Section 7 "Industry and market overview", Section 8 "Business of the Group" and Section 11 "Operating and financial review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- macroeconomic fluctuations and, in particular, slowdowns in the economic activity and substantial fluctuation in real estate values in Norway and specifically in Central Oslo and Greater Oslo;
- the rate of inflation and development of the CPI;
- implementation of its strategy and its ability to further expand its business and growth;
- the occupancy rate of the Group's property portfolio;
- failure by tenants of the Group to meet their obligations, or the termination of lease agreements by tenants;
- the concentration of the Group's tenants to public sector entities that may not continue to renew existing leases or enter into new leases;
- the competitive nature of the business the Group operates in and the competitive pressure and changes to the competitive environment in general;
- the liquidity in the commercial property market;
- inadequacy of the Group's insurances to cover the Group's losses;
- the operative model of the Group under which a portion of its property portfolio is owned and operated through subsidiaries with significant non-controlling interests or jointly controlled entities;
- the level of costs of maintaining, replacing and improving the Group's properties;
- delays and cost overruns in relation to the Group's development projects and dependency on the services of external construction companies and service providers in connection with the development and construction of its new projects;
- environmental issues related to the Group's land and buildings;
- purchase options and pre-emptive rights applicable to the Group's properties;
- disproportionality of the fluctuations in the Group's operating and maintenance costs compared to changes in operating revenue;
- failure to successfully integrate assets or businesses acquired from third parties;
- unknown liability related to acquired properties and liability claims from sale of properties;

- exposure to liability claims for several years after the sale of properties;
- failure to retain and attract a sufficient number of skilled personnel;
- reliance on information technology systems to operate its business;
- exposure to additional costs due to the Group's corporate social responsibility and environmental policies;
- the state of the Group's reputation and relationships with tenants, suppliers and jointly controlled entity partners, including external construction companies and service providers;
- exposure to financial reporting risks;
- changes in the fair value of the Group's property portfolio;
- incorrect assessments of the fair value of the property portfolio;
- access to funding;
- fluctuations of exchange and interest rates;
- changes in general economic and industry conditions, including changes to tax rates and regimes;
- changes in the legal and regulatory environment;
- political, governmental, social, legal and regulatory changes;
- changes in and compliance with laws and regulations, including planning regulations and existing exemption practices by authorities;
- legal and arbitration proceedings;
- restrictions on the Group's ability to utilise its properties; and
- the seizing of any of the Group's properties.

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk factors", identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.4 Exchange rates

The following table sets forth, for the previous five years as indicated, information regarding the average, high, low and period end reference rates for the Norwegian kroner, expressed in NOK per USD, in each case rounded to the nearest three decimal places, based on the daily exchange rate announced by Norges Bank (the Norwegian Central Bank):

Fiscal year	Average[1]	High	Low	Period end
2009	6.282	7.205	5.543	5.777

Fiscal year	Average[1]	High	Low	Period end
2010	6.045	6.684	5.603	5.856
2011	5.607	6.032	5.237	5.993
2012	5.821	6.147	5.535	5.566
2013	5.877	6.215	5.444	6.084
2014 (through 30 September 2014)	6.113	6.453	5.861	6.452

1 Represents the average of the daily exchange rate announced by Norges Bank (the Norwegian Central Bank).

The following table sets forth, for the previous six months indicated, information regarding the average, high, low and period end reference rates for the Norwegian kroner, expressed in NOK per USD, in each case rounded to the nearest three decimal places, based on the daily exchange rate announced by Norges Bank (the Norwegian Central Bank):

Month	Average[1]	High	Low	Period end
April	5.973	6.005	5.925	5.973
May	5.935	5.984	5.861	5.984
June	6.048	6.153	5.971	6.153
July	6.195	6.282	6.158	6.282
August	6.197	6.302	6.139	6.177
September	6.341	6.453	6.193	6.452

1 Represents the average of the daily exchange rate announced by Norges Bank (the Norwegian Central Bank).

No representation is made that the NOK amounts have been or could have been converted into USD, or vice versa, at the exchange rates indicated in the tables above or any other exchange rate.

5 REASONS FOR THE OFFERING AND THE LISTING

The Company will apply for the Listing of all of its Shares on the Oslo Stock Exchange. The Company believes that the benefits of the Offering and the Listing include the following:

(i) **Facilitating a sustainable shareholding structure which supports the Company's long-term strategy**. The Selling Shareholder and the Board of Directors have decided to apply for the Listing of all of the Shares on the Oslo Stock Exchange in order to offer the Selling Shareholder an opportunity to sell a portion of its Shares. Assuming that all the Sale Shares and New Shares are sold in the Offering, and that no Additional Shares are sold, the Selling Shareholder will retain a shareholding in the Company of no less than 42% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). If the Over-Allotment Option is exercised in full by the Managers, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold, the shareholding of the Selling Shareholder in the Company following such sale will amount to no less than 34% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range).

(ii) **Increasing strategic flexibility and enhancing financing sources for future growth opportunities.** While the Company expects to fund the current development pipeline through operating cash flows, the Company will continue to evaluate incremental growth investments and acquisitions and may, among other things, decide to raise additional equity financing in order to fund attractive opportunities in the future.

(iii) **Enhancing the Company's ability to attract talent.** The Company believes that its attractiveness as an employer will increase as a publicly listed company as the Listing is expected to raise the profile of the Group and thereby improve perceptions of the Group's business and brand with current and potential employees. The ability to attract qualified employees is important to maintain and grow the business of the Group.

The gross proceeds from the sale of New Shares in the Offering are expected to be NOK 2,700 million. After deduction of estimated expenses of NOK 60 million attributable to the Company, the Company expects to receive net proceeds of NOK 2,640 million. The Company intends to use the net proceeds from issuance of the New Shares in the Offering to repay all credit facilities in Brattørkaia AS with a total outstanding amount of NOK 905 million as of 30 June 2014. The remaining amount will be used to reduce borrowings outstanding under revolving credit facilities in Entra Eiendom, including revolving credit facilities drawn to pay an extraordinary dividend of NOK 650 million to the Selling Shareholder. On 26 September 2014, the General Meeting resolved to distribute an extraordinary dividend of NOK 650 million to the Selling Shareholder, subject to completion of the Listing. The Selling Shareholder's entitlement to the dividend arises upon the date of unconditional trading in the Shares on the Oslo Stock Exchange. The extraordinary dividend will be paid by drawing on the Group's existing revolving credit facilities. See Section 11.5.4.3 "Credit facilities" for more information on the terms of the credit facilities of Brattørkaia AS and Entra Eiendom. The interest rate derivatives related to these facilities will not be terminated following repayment of the outstanding amounts.

The Company will not receive any proceeds from the sale of the Sale Shares or Additional Shares by the Selling Shareholder.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividends and dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**") (see Section 6.2 "Legal constraints on the distribution of dividends"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Entra will target a dividend pay-out ratio of approximately 60% of cash earnings (defined as net income from property management less net realised financials and payable tax).

The proposal in any year to pay dividend is, in addition to the legal restrictions as set out in Section 6.2 "Legal constraints on the distribution of dividends", further subject to any restrictions under the Group's borrowing arrangements or other contractual arrangements in place at the time. See Section 11.5.4 "Borrowing and funding sources".

There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount will be as contemplated above.

Dividends paid by the Group to the Selling Shareholder in the years 2013, 2012 and 2011 were NOK 416.6 million, NOK 137 million and NOK 124.6 million, respectively. The dividend paid in 2013 was structured as a capital decrease in the Company as a result of the legal restructuring of the Group. In 2014, the Group paid a dividend of NOK 250 million to the Selling Shareholder. On 26 September 2014, the General Meeting resolved to distribute an extraordinary dividend of NOK 650 million to the Selling Shareholder, subject to completion of the Listing. The Selling Shareholder's entitlement to the dividend arises upon the date of unconditional trading in the Shares on the Oslo Stock Exchange. The extraordinary dividend will be paid by drawing on the Group's existing credit facilities. The resolution to distribute the dividend shall be deemed void if such date has not occurred prior to 31 December 2014.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided however that the registered share capital as of the date of the resolution to distribute dividends, shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 17 “Taxation”.

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will however receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, being the Company’s VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA. The exchange rate(s) that currently is applied is DNB Bank ASA’s rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders’ NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares.

7 INDUSTRY AND MARKET OVERVIEW

The information contained in this Section 7 "Industry and market overview" has been prepared by DNB at the request of the Company for the purpose of inclusion in this Prospectus. DNB Markets, a part of DNB Bank ASA, is acting as financial advisor to the Selling Shareholder in relation to the Offering.

DNB has based the information contained in this Section on data and research from recognised research companies and real estate analysts in Norway and abroad, as well as official financial statistics from Statistics Norway, Norges Bank and DNB Markets, and other publicly available information.

DNB confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as DNB is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, DNB has identified the source of such information.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Neither DNB nor the Company has independently verified and cannot give any assurances as to the accuracy of market data contained in this Section that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Section (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

7.1 Introduction

The Group's business and operations are influenced by numerous economic, demographic, market and regional factors. Developments in and related to the office property market in Norway will generally affect the Group, particularly with respect to the four cities – Oslo, Bergen, Stavanger, and Trondheim – where the Group has the largest portfolio exposure. Developments in the Norwegian office property market, including developments in vacancy rates, transaction market, and market rent levels, have influenced the Group's business and operations in the past and are expected to do so in the future.

7.2 Macroeconomic developments in the Norwegian economy

Norway is a country with one of the strongest economies in the world as measured by gross domestic product ("**GDP**") per capita. Norway has access to significant natural resources, including crude oil, natural gas, water, fish, seafood, forests and minerals. In the 1970s, Norway began development of its petroleum sector, which has contributed to an open economy, high standard of living and low unemployment rates. Norway ranked among the 25 largest economies in the world when measured by annual GDP in 2013 (The World Bank "Data – GDP Ranking", Statistic database, 1 July 2014), though it ranked only 117th in the world as measured by population in 2013 (The World Data Bank "Data – Population Ranking", Statistic database, 1 July 2014).

The following table sets forth certain actual and forecast Norwegian economic indicators for 2004 to 2017.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
GDP growth (%)[1].................	4.0	2.6	2.3	2.7	0.1	-1.6	0.5	1.3	2.9	0.6	1.4	1.1	1.7	2.1
- Mainland Norway GDP growth (%)[1]........................	4.5	4.4	4.8	5.3	1.5	-1.6	1.7	2.6	3.4	2.0	2.1	1.6	2.4	2.7
Employment growth (%)[1]	0.4	1.3	3.5	3.9	3.2	-0.6	-0.6	1.5	2.1	1.2	1.2	0.5	0.9	1.2
Unemployment rate (LFS) (%)[1]	4.5	4.6	3.4	2.5	2.6	3.2	3.6	3.3	3.2	3.5	3.4	3.8	4.0	3.9
Inflation (%)[1]......................	0.5	1.5	2.3	0.7	3.8	2.2	2.4	1.3	0.7	2.1	2.1	2.4	2.1	2.0
Core inflation (CPI-ATE) (%)[1].	0.4	1.0	0.8	1.4	2.6	2.6	1.4	0.9	1.2	1.6	2.5	2.3	2.1	2.1
3-month NIBOR (%)[2]	2.0	2.2	3.1	5.0	6.2	2.5	2.5	2.9	2.2	1.8	1.8	1.7	2.1	2.7

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014E	2015E	2016E	2017E
Oil price (U.S. dollars per barrel)[2]	38.2	55	66	73	97	62	80	112	112	109	107	100	98	96

1 Source: Statistics Norway, Website, "National accounts and business cycles" in relation to years 2004 to 2013, and forecasts by DNB Markets ("Economic Outlook August 2014", 20 August 2014) in relation to years 2014 to 2017

2 Source: Thomson Datastream, "Datastream Professional" in relation to years 2004 to 2013, and forecasts by DNB Markets ("Economic Outlook August 2014", 20 August 2014) in relation to years 2014 to 2017.

7.2.1 Gross domestic product

In 2013, the Norwegian economy entered a phase of more stable economic growth. "**Mainland GDP**", i.e., the GDP from all domestic production activity other than exploration of crude oil and natural gas, services activities incidental to oil and gas, transport via pipelines and ocean transport, increased by 2.0% in 2013, while the Mainland GDP growth rate was 0.5% for the first quarter and 1.2% for the second quarter of 2014. DNB Markets forecasts an annual Mainland GDP growth rate of 2.1% for all of 2014.

GDP (purchasing power parity (PPP) adjusted) per capita in Norway is 91% above the average for the 28 European Union countries, according to preliminary figures for 2013 produced by Eurostat, the official statistics bureau of the European Union, 1 June 2014. According to the International Monetary Fund ("World Economic Outlook Database", 8 April 2014), in 2013 Norway had a gross debt to GDP ratio of 30% and a current account balance as percentage of GDP of 11%, as compared to a gross debt to GDP ratio of 89% and current account balance as percentage of GDP of 2% for the Euro Area (European union countries which have adopted the euro as their currency).

The moderate forecast GDP growth rates for the period from 2014 to 2017 are largely attributable to lower levels of investment in the Norwegian petroleum industry, according to Statistics Norway ("Oil and gas activities, investments, Q2 2014", 12 June 2014), which have, in turn, broadly affected most other industries in Norway. The petroleum industry is the largest industry in Norway, accounting for 30% of government revenues in 2012, according to the Ministry of Petroleum and Energy ("Facts 2014 – The petroleum sector", 5 May 2014). In 2012, Norway ranked as the world's third largest gas exporter and the tenth largest oil exporter ("Facts 2014 – The Petroleum sector", 5 May 2014). Investment in oil and gas activity is also a major driver of the rest of the mainland economy and affects a broad range of Norwegian companies both directly and indirectly. In addition, lower housing investments and lower growth in the building and construction sector have also contributed to the moderate forecast GDP growth rate in 2014, according to DNB Markets ("Economic Outlook", 20 August 2014). At the same time, however, higher export growth and an expansive fiscal policy are expected to have a positive impact on GDP growth rates from 2014 to 2016, according to DNB Markets. In addition, certain financial indicators have improved in 2014. For example, consumer spending, which had remained modest in the last three quarters of 2013, increased in the first half of 2014 according to Statistics Norway ("Index of household consumption of goods June 2014", 13 August 2014). Housing prices, after decreasing in the second half of 2013, have also begun to recover in 2014, according to the Norwegian Association of Real Estate Agents ("House price statistics", 4 August 2014).

7.2.2 Employment growth and unemployment rate

For the period from the second quarter of 2013 to the second quarter of 2014, the unemployment rate has remained stable at approximately 3.5%, as measured by the Labour Force Survey (AKU by Statistics Norway 2014, 30 July 2014). The annual growth rate in employment in Norway for 2014 is forecast to be 1.2%. Although the forecast annual Mainland GDP growth rate of 2.1% for 2014 is below the long-term average for Norway, according to Statistics Norway ("Annual national accounts, 2013", 20 May 2014), DNB does not expect the lower rate to result in a significant increase in the unemployment rate in 2014.

According to DNB, current forecasts of future GDP growth indicate weaker growth in employment in the future. According to Statistics Norway ("Oil and gas activities, investments, Q2 2014", 12 June 2014), oil production from the continental shelf is expected to be weaker in 2015 than in previous years as a result of lower investments by the petroleum industry (which employed 150,000 people in Norway in 2012, according to the Ministry of Petroleum and Energy ("Facts 2014 – The Petroleum Sector", 5 May 2014)). Lower investment in the oil industry is also expected to have a negative impact on activity levels in other industries in Norway, as it affects a broad range of Norwegian companies both directly and indirectly. However, levels of employment in government and municipal sectors are expected to increase in the next several years partly because of a predicted increased need for staff in healthcare. According to DNB Markets ("Economic Outlook", 7 May 2014), activity in the building and construction sector is expected to recover in the second half of 2014, and employment in export-oriented activities is also expected to increase in 2014. Despite expectations for growth in these industries, DNB Markets forecasts a gradual rise in the unemployment rate from 3.4% in 2014 to 4.0% in 2016, as a result of lower forecasts of future GDP growth. However, even following such an increase, the unemployment rate would remain low by European standards, with the average unemployment rate for the Euro Area at 11.5% in July 2014 (Eurostat "Unemployment statistics", 28 August 2014).

After 2016, DNB expects that both Norwegian and global economic activity will increase, with a corresponding increase in employment levels and decrease in the unemployment rate. With respect to the Norwegian petroleum industry, DNB Markets believes the potential for future growth is limited by the magnitude of current investment in the sector. In addition, DNB Markets forecasts that the price of oil will fall from USD 107 per barrel in 2014 to USD 100 per barrel in 2015, and gradually to drop to USD 90 per barrel (adjusted for forecast inflation in the United States) between 2014 and 2020, which will reduce the profitability of investment projects on the Norwegian continental shelf. As a result of these factors, DNB Markets expects investments by the petroleum industry to decline until 2017. However, DNB expects that factors contributing to a decrease in the price of oil will be partially offset as a result of ongoing geopolitical tension and uncertainty in both Ukraine and Iraq, and therefore do not expect oil prices to decrease by enough to have a significant adverse impact on employment levels or unemployment rates.

7.2.3 Inflation and consumer price index

Core inflation (CPI adjusted for duties and energy) in Norway was 1.6% in 2013 compared to 1.2% in 2012. In 2013, the weakened Norwegian krone contributed to an increase in Norwegian inflation to 2.1% and, as a result, the growth in CPI in the first half of 2014 has been near the inflation target of 2.5% set by Norges Bank (the Norwegian Central Bank). DNB Markets forecasts that inflation will remain at 2.1% in 2014 before rising to 2.4% in 2015, then declining to 2.1% in 2016 and 2.0% in 2017. DNB Markets forecasts that core inflation will peak at 2.5% in 2014, before declining to 2.3% in 2015, and 2.1% in 2016 and 2017.

7.2.4 Interest rates

The Norwegian "key policy rate", the base interest rate set by Norges Bank, has remained unchanged at 1.5% since March 2012. At the last interest rate meeting in June 2014, Norges Bank signalled a new interest rate forecast, which was lower than expected due to increased uncertainty in financial markets. DNB therefore expects that Norges Bank will postpone the date of its first interest rate increase until the beginning of 2016. When Norges Bank begins to increase the key policy rate, DNB expects that the increase will be offset by reduced margins between the money market rates and bank lending rates, resulting in forecasted 3-month NIBOR of 1.8% in 2014, 1.7% in 2015, 2.1% in 2016 and 2.7% in 2017. DNB therefore expects that mortgage interest rates will remain similar to the current interest rate level from 2014 to 2016, which in turn is expected to have a positive effect on the commercial real estate market due to the continued availability of financing at attractive rates to finance transactions.

7.3 Demographic developments in Norway

7.3.1 Population growth

In recent decades, Norwegian population growth rates have been high compared with the rest of Europe, and as of June 2014, Norway has over 5,124,000 inhabitants (Statistics Norway, "Population and population changes", Q2 2014, 20 August 2014). The population growth rate was 1.3% in 2012 and 1.1% in 2013, somewhat lower than the population growth rate in the period from 2008 to 2011, due primarily to higher emigration and lower immigration and birth figures. The growth in population is expected to continue for the foreseeable future, with the population expected to reach 6 million inhabitants in 2031 (Statistics Norway, "Population projections, 2014-2100", 17 June 2014).

Growth is expected to be highest in and around Norway's largest cities, such as in counties Hordaland (which includes Bergen), Rogaland (which includes Stavanger) and Vest Agder (which includes Kristiansand), though the number of inhabitants nationwide is also expected to grow until 2040 (Statistics Norway, "Population projections, 2014-2100", 17 June 2014). For Norway as a whole, the population is projected to increase at an annual rate of 1.08% from 2014 to 2020, with the annual rate falling to 0.75% from 2020 to 2040 as a result of an expected decline in immigration levels during the latter period (Statistics Norway, "Population projections, 2014-2100", 17 June 2014). Population growth rates are expected to be highest in Oslo, whose population is expected to grow from 617,000 in 2013 to 832,000 in 2040, or 1.16% per year, according to the medium alternative in the population projections of Statistics Norway ("Population projections, 2014-2100", 17 June 2014), a projection that assumes medium levels of fertility, life expectancy, domestic migration and immigration.

7.3.2 Urbanisation and employment

Population growth in Norway in recent decades has been concentrated in the largest cities, a trend that is expected to continue. Norway's population is most concentrated in central Eastern Norway, particularly in Oslo and the surrounding county of Akershus, as well as in the other large cities, such as Bergen, Stavanger/Sandnes, Trondheim, Fredrikstad/Sarpsborg and Drammen. In 2012 more than 30% of the Norwegian population lived in the country's ten largest cities according to Statistics Norway ("Population and land area in urban settlements, 1 January 2013", 1 July

2014). Norway's largest cities are expected to experience higher population growth rates than Norway as a whole until at least 2040 (Statistics Norway, "Population projections, 2014-2100", 17 June 2014).

The following table sets forth certain population data for the eight largest regions by population in Norway as of 1 January 2013 (Statistics Norway, "Population and land area in urban settlements, 1 January 2013", 1 July 2014).

Rank	Region	Population	Growth from 2000 to 1 January 2013	Area	Population density
			(%)	*(km²)*	*(per km²)*
1	Oslo region	1,191,097	+ 23%	422.4	2,820
2	Bergen region	345,898	+ 26%	160	2,162
3	Stavanger region	288,872	+ 29%	115.5	2,500
4	Trondheim region	225,068	+ 24%	90.5	2,486
5	Drammen region	143,327	+ 20%	71.8	1,996
6	Kristiansand region	130,636	+ 20%	68.4	1,910
7	Tromsø region	62,691	+ 23%	22.8	2,752
8	Moss region	52,137	+ 20%	28.2	1,849

Population growth from 2000 to 2013 in each of Norway's eight largest regions by population exceeded the 12.8% increase in Norway's population during that period (Statistics Norway, "Population and population changes", Q2 2014, 20 August 2014). Population growth rates during this period were highest in the areas surrounding Norway's four largest cities, Oslo, Bergen, Stavanger and Trondheim. Oslo/Bærum accounted for the largest proportion of Norwegian office jobs in 2013 at 34%, and experienced growth in office jobs at 7.6% from 2008 to 2013, while employment in office jobs in the next largest cities, Bergen, Stavanger/Sandnes and Trondheim, accounted for 7%, 5% and 5% of office employment in 2013, respectively (Statistics Norway, "Employment, register-based, 2013, 4th quarter", 13 June 2014). Between 2008 and 2013, the number of office jobs in Bergen, Stavanger/Sandnes and Trondheim increased at 10.3%, 11.6% and 8.9%, respectively, while the number of employees located in Norway as a whole increased at an annual rate of only 3.7% from 2008 to 2013 (Statistics Norway, "Employment, register-based 2013, 4th quarter", 13 June 2014). Collectively, Oslo/Bærum, Bergen, Stavanger/Sandnes and Trondheim comprised 30% of Norway's population and 35% of its job market as of 2013 (Statistics Norway, "Employment, register-based, 2013", 13 June 2014).

One significant driver of urbanisation has been the location of many of Norway's leading universities and hospitals in its largest cities. Eight Norwegian cities have universities: Oslo, Ås, Bergen, Stavanger, Trondheim, Kristiansand, Bodø and Tromsø. The major university hospitals are also located in Oslo, Bergen, Stavanger, Trondheim and Tromsø. The presence of universities, university hospitals and related research & development institutes makes these regions attractive to technology and biomedical businesses, which benefit from the opportunities for collaboration and access to an educated workforce that proximity to these institutions affords. DNB expects that continued urbanisation will further widen the existing gap between property prices in Norway's large cities and in its smaller cities and towns.

7.4 Transaction market in Norway

7.4.1 Transaction market overview

According to DNB ("Market Report 1. Half 2014", 6 March 2014), the volume of property transactions with a value of over NOK 50 million ("transaction volume") over the last ten years averaged NOK 37 billion per year, with significant variation from year to year. Transaction volume was generally higher from 2004 to 2008, before decreasing considerably to NOK 28 billion in 2008 and NOK 14 billion in 2009 as a result of the financial crisis. Following the financial crisis, transaction volume increased to NOK 36 billion in 2010 and NOK 35 billion in 2011, and reached NOK 52 billion in 2012. According to DNB, the increase in transaction volume in 2012 occurred as a result of the one-off effects of the sale of several significant property portfolios and despite historically high risk premiums in the bank lending market, investor risk aversion and relatively restrictive bank lending practices due to expectations of stricter liquidity and capital ratio requirements. Transaction volume subsequently fell to NOK 42 billion in 2013, though the number of property transactions increased to 165 transactions in 2013, as compared to 137 in 2012.

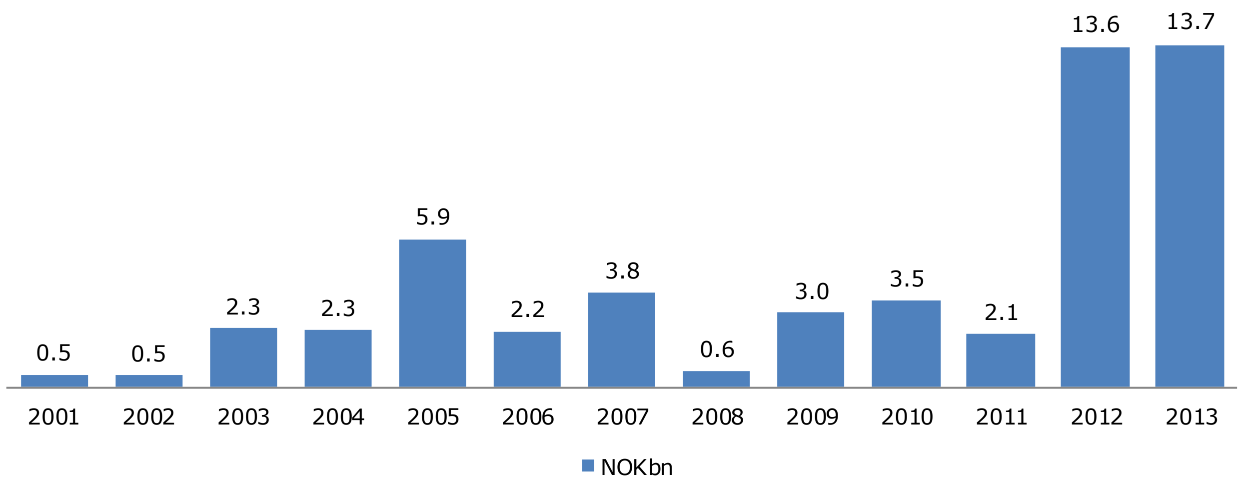
DNB estimates that transaction volume in the first half of 2014 was NOK 21 billion, the same level as the first half of 2013. Transaction volume comprised primarily office buildings (33%), retail properties (15%), logistics or industrial properties (13%), residential (12%), development properties (12%) and hotels (11%). During the same period, purchasers of property with a value of over NOK 50 million were primarily real estate companies (46%), followed by closed-end funds (12%), foreign purchasers (12%) and property funds (7%). According to DNB, transaction volume in the first half of 2014 was driven by historically low long-term interest rates and relatively lower bank lending margins due to lower risk premiums in the money market and increasing competition between banks to finance real estate projects. After a modest start, DNB has registered a significant increase in activity throughout 2014. DNB expects transaction volume in the second half of 2014 to increase to NOK 29 billion, compared to NOK 21 billion in the second half of 2013, as a result of the stable Norwegian economy, banks' willingness to provide lending at attractive interest rates, capital available from both domestic and international investors and a healthy rental market.

7.4.2 Transaction market financing

Activity levels in the commercial real estate transaction market are significantly affected by the availability of debt financing. In general, commercial real estate transactions are debt financed with approximately 60-75% loan-to-value, according to DNB. From 2009 to 2012, the availability of debt financing for commercial real estate transactions was negatively influenced by historically high risk premiums in the bank lending market and relatively restrictive bank lending practices due to expectations of stricter liquidity and capital ratio requirements (DNB, "Market Reports", 2012-2014).

According to DNB, the sentiment in the bond market improved considerably during 2012 as investors' appetite for risk increased after the European Central Bank (ECB) gave European banks access to unlimited liquidity in December 2011 and February 2012. While banks' appetite for commercial property continued to be affected negatively by both higher capital adequacy requirements and relatively high funding costs, a number of large property companies, seeking to be less reliant on bank financing, increased their issue activity in the bond market. As a result, bond financing became a significant source of debt financing for large property companies with investment grade credit ratings from 2012 to 2014. According to DNB, several large real estate companies refinanced bank loans with borrowings in the bond market at lower interest rates in 2012 and 2013.

The following chart sets forth bond issues by real estate companies in the Norwegian market between 2001 and 2013.



Source: DNB Markets, DNB Market Report 1. Half 2014, 6 March 2014.

Since the end of 2012, risk premiums in credit markets have declined. DNB Markets' indicative trading level spreads for five year bonds for a range of Norwegian bank issuers was 62 basis points as of 6 August 2014, as compared to the five-year high of 201 basis points in August 2012 ("DNB Markets Weekly Credit Report, 33/2014", 14 August 2014). Refinancing of bank debt in the bond market reduced the balance sheets of large Norwegian lenders, which allowed banks to provide more financing for property transactions. Reduced risk premiums also resulted in lower margins on bank financing for commercial real estate transactions during 2013. Although banks remain selective with respect to the commercial real estate projects they are willing to finance, increased competition between banks and lower Norwegian bank spreads have reduced interest rates on bank financing actually granted, with the average margin above NIBOR declining by at least 60 basis points from the second quarter of 2013 to the second quarter of 2014, according to DNB. Improved access to financing, combined with low interest rate levels, contributed to the increased number of transactions in 2013, and continued availability of bank and bond financing, together with continued low interest rate levels, is expected to contribute to higher transaction volume in 2014.

7.4.3 Transaction market demand

According to DNB, investor interest in city centre properties and properties for development has been relatively high, and such properties have been sold at prices that imply lower "yields", defined as the percentage of the rental income generated by a property in the first year divided by the purchase price of the property. An increasing yield gap due to continued low interest rates and reduced Norwegian bank spreads, combined with increasing competition for "prime" office properties, i.e., high-quality properties with long-term lease contracts located in central business districts or other attractive central areas, has put pressure on prime yields. Additionally, in 2013, there was increased competition in the Norwegian property market from international investors, who formed a number of partnerships with Norwegian property developers, and in 2014, several properties have been acquired by international investors acting without local partners. According to DNB, these factors have also contributed to a decrease in prime yields in the Norwegian office property market.

7.5 Regional transaction markets

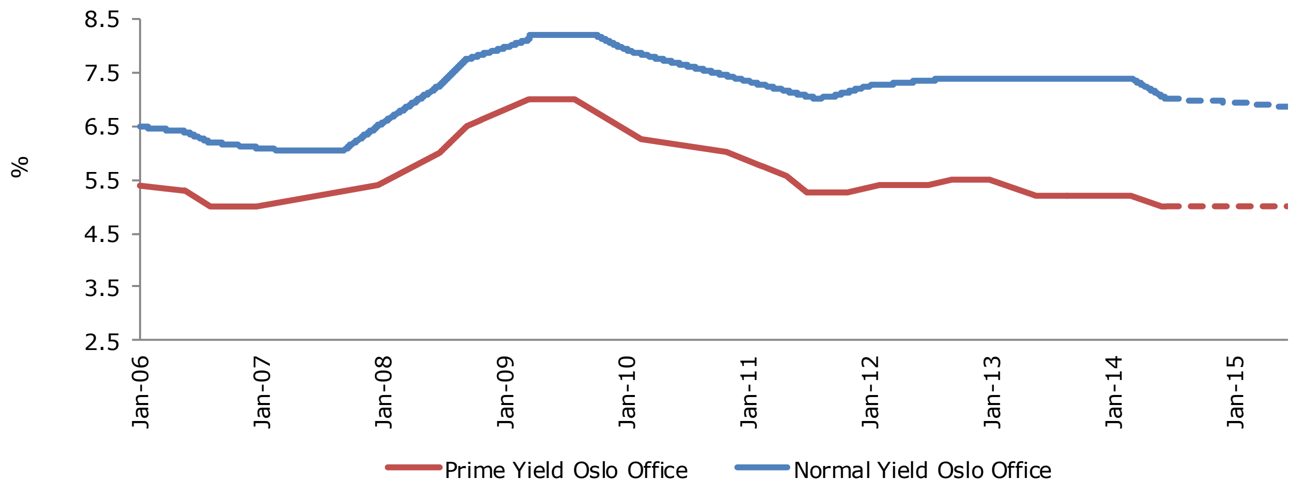
7.5.1 Oslo transaction market

Due to Oslo's size, the transaction market in Oslo, Asker and Bærum (the "**Oslo region**") represents a high proportion of property transactions in Norway, historically accounting for about 50% of Norwegian transaction volume. Transaction volume in Oslo accounted for 52%, or NOK 22 billion, of total transaction volume in 2013 as compared to 50%, or NOK 26 billion, in 2012 (DNB, "Market Report, 1. Half 2014", 6 March 2014). After the financial crisis, risk aversion on the part of investors and banks resulted in an increased focus on investing in low-risk properties, especially prime office properties.

Investor demand for both city centre properties and development properties in Oslo has been strong, leading to increased pressure on yields. According to DNB, prime yields in Oslo were approximately 5.25% as of 30 June 2013, but competition for investments in prime locations such as CBD (as defined below) and Inner City (as defined below) has increased in 2014, and prime yields in Oslo were estimated to have declined to 5.0% as of 30 June 2014.

In Oslo, DNB has also observed a reduction in yields for "normal" properties, i.e., good-quality properties renovated within the last ten years with contract terms ranging between four and eight years located outside central office areas, from 7.4% as of January 2014 to 7.0% as of June 2014. This decrease was partially attributable to increased competition in the normal segment as a result of fewer attractive investment opportunities in the prime segment. Investors seeking to increase their real estate exposure have also begun investing new geographic areas, or in properties with shorter lease lengths, and have become more willing to take on risk, resulting in increased competition and lower yields in the normal segment.

The following chart sets forth yields on prime and normal office properties in the Oslo region from 2006 to 2015.



Source: DNB, Market Newsletter 26 June 2014, Thomson Datastream (10 years swap) "Datastream Professional" in relation to years 2006 to 2014, and forecasts by DNB Markets ("Economic Outlook, August 2014", 20 August 2014) in relation to years 2014 to 2015.

7.5.2 Bergen transaction market

Transaction volume in Bergen fell from NOK 3.7 billion in 2012 to NOK 2.7 billion in 2013 (DNB, "Market Report, 1. Half 2014", 6 March 2014). Nonetheless, due in part to strong investor demand, sales prices for properties in the city centre were relatively high, despite short lease terms in many of the properties' lease contracts. Office property sales accounted for approximately 60% of transaction volume in 2013, while local investors were responsible for approximately 55% of acquisitions in 2013 (DNB, "Market Report, 1. Half 2014", 6 March 2014).

DNB estimates that prime yields in Bergen have decreased from 6.2% as of 30 June 2013 to 6.0% as of 30 June 2014, while yields for normal properties in Bergen were generally in the range of 7.0% to 8.5% as of 30 June 2014.

7.5.3 Stavanger transaction market

Transaction volume in Stavanger increased from NOK 1.8 billion in 2012 to NOK 3.3 billion in 2013 (DNB, "Market Report, 1. Half 2014", 6 March 2014). Stavanger attracts interest from national and international investors seeking exposure to tenants operating in the petroleum industry on the Norwegian continental shelf. Activity in the Stavanger transaction market increased considerably in the second half of 2013, and this trend continued in the first half of 2014.

Prime yields in the city centre and Hinna Park were approximately 6.25% as of 30 June 2014, the same level as prime yields as of 30 June 2013, while prime yields in Forus were approximately 6.75% as of 30 June 2014, again the same level as prime yields as of 30 June 2013. DNB estimates that yields for normal properties in Stavanger were approximately 7.5% to 8% as of 30 June 2014.

7.5.4 Trondheim transaction market

In 2013, transaction volume in Trondheim was NOK 3.3 billion, a decrease from NOK 4.2 billion in 2012 (DNB, "Market Report, 1. Half 2014", 6 March 2014). Office buildings formed the bulk of transferred properties, although interest in housing development projects was also strong. In small- and medium-sized transactions of NOK 50 million to NOK 100 million in value, buyers typically included local investors and property companies, as well as companies that purchase properties for their own use. Life insurance companies were active buyers in larger transactions.

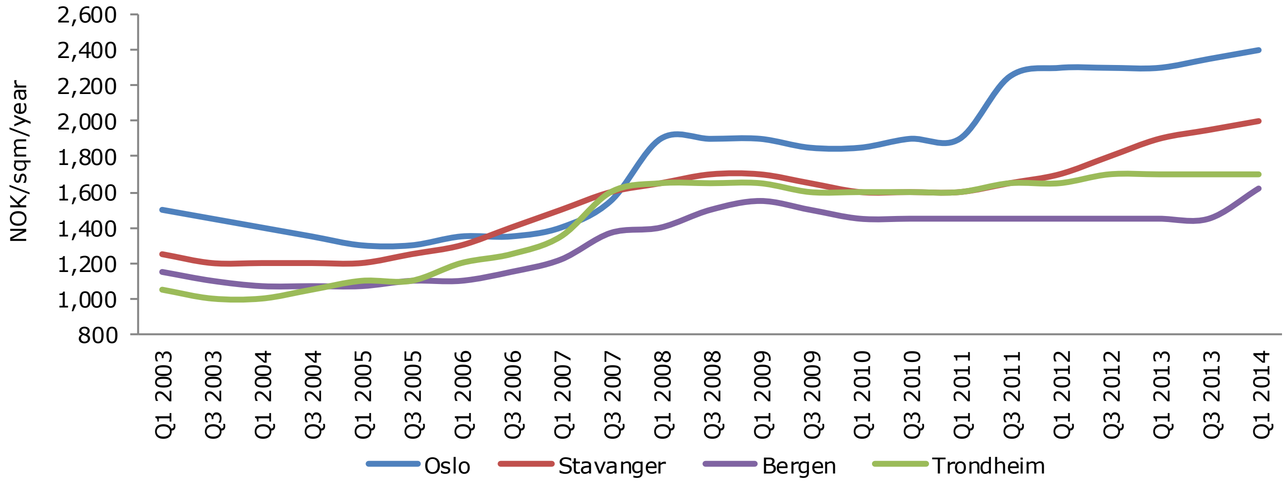
According to DNB, prime yields in Trondheim city centre were approximately 6% as of 30 June 2014, with normal yields estimated at between 8% and 9%.

7.6 The office letting market

7.6.1 Overview

Compared to market rent levels in Euro Area countries, market rent levels in Norway, and especially in Oslo, have recovered well following the financial crisis in 2008, and market rent levels in Norway are at historic highs in nominal terms (DNB, "Market Report, 1. Half 2014", 6 March 2014).

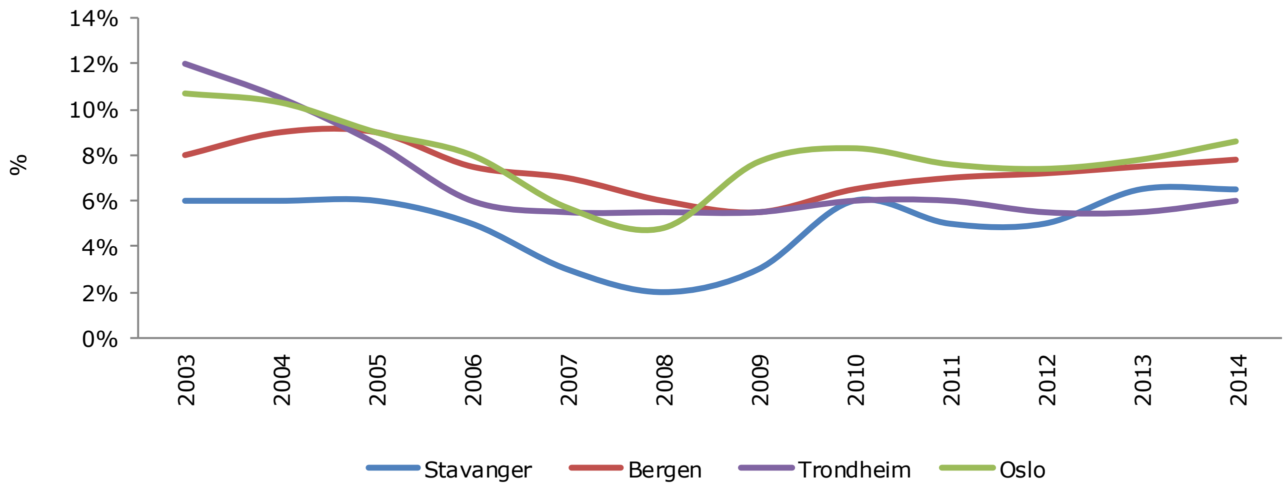
According to Dagens Næringsliv, office rents in Oslo, Bergen, Stavanger and Trondheim increased at compound annual growth rates of 4.3%, 4.4%, 4.5% and 3.2% respectively, between 2003 and 2014. The following chart sets forth development in market rent levels in these four cities from 2003 to 2014.



Source: Dagens Næringsliv 2014 (DN Expert Forum, 17 June 2014).

The vacancy rates in Oslo, Bergen, Stavanger and Trondheim were relatively stable from 2009 to 2014, as compared to prior periods. In addition, vacancy rates did not increase as much during the financial crisis in 2008 as in the financial downturn in 2003. According to DNB, the lowest vacancy rates are in Trondheim and Stavanger, whereas the highest are in Oslo, due to high levels of new construction in 2012 and 2013. DNB expects the vacancy rate in Bergen to be higher in 2015 and 2016, also as a result of high levels of new construction.

The following chart sets forth office vacancy rates for the four largest cities in Norway, Oslo, Bergen, Stavanger and Trondheim, from 2003 to 2014.



Source: DNB, Market Report 1. Half 2014, 6 March 2014.

7.6.2 Oslo office letting market

According to DNB, total office space in the Oslo region was approximately 9.5 million square metres as of June 2014. Just under 3.2 million square metres of office space were located in Oslo's central regions, which are the Central Business District ("**CBD**"), consisting of the offices properties located in Vika, Aker Brygge and Tjuvholmen ("**CBD West**") and the office properties located around Oslo Central Station ("**CBD East**"), and the other central business areas ("**Inner City**"). There are a significant number of office properties located to the east of the Inner City, in the Helsfyr and Bryn areas of Oslo ("**Helsfyr/Bryn**"). Additional office properties are located in the areas surrounding the CBD and the Inner City and outside the main artery Ring 2 ring-road (the "**Outer City**").

The following map illustrates the location of the CBD, the Inner City and the Outer City, and the most significant market segments in the central Oslo property market (other than Sandvika, which is not shown), as well as additional market segments in the central Oslo office property market.

<u>CBD West</u> is, according to DNB ("Market Report, 1. Half 2014", 6 March 2014), the most expensive and desirable area in Oslo, and enjoys close proximity to public transport (National Theatre train, airport express train, buses and trams),

the sea, high-quality office buildings, ample parking facilities and a well-established urban environment with shops and restaurants. Large parts of the area are either newly developed (Tjuvholmen) or being upgraded (Aker Brygge). The largest owners of office properties in CBD West are Norwegian Property (listed), Aspelin Ramm and Selvaag Gruppen (privately owned) and Storebrand (life insurance company). The tenants are industries typically willing to pay higher rents, such as financial institutions, law firms and consultancies.

CBD East surrounds the communication hub of Oslo Central Station, and has been the site of major changes over the last ten years, with the development not only of many new office buildings on the north side of the railway tracks, but also the development of the Opera district at Bjørvika on the south side of the railway tracks. The Norwegian National Opera and Ballet building, which was completed in 2008, has also increased the attractiveness of the area. According to DNB ("Market Report, 1. Half 2014", 6 March 2014), a total of 900,000 square metres in the district have been earmarked for development, of which about 350,000 square metres is currently complete. The district will eventually include office buildings, cultural buildings, residential buildings and some retail buildings. The railway station itself, Oslo Central Station, will undergo a major upgrade within 2020, which DNB expects will also increase the desirability of the area.

According to DNB, significant property owners in CBD East are, besides Entra, publicly-owned development companies such as ROM Eiendom and Hav Eiendom, the privately/publicly-owned Oslo S Utvikling (OSU), the life insurance companies DNB Næringseiendom and KLP Eiendom, and the privately-owned Braathen Eiendom.

DNB categorises CBD East as an increasingly attractive area under development. Several major companies and head offices have moved to the area in recent years. The largest tenants are consultancies Ernst & Young, Deloitte and PricewaterhouseCoopers, a public life insurance company, KLP, Norway's largest bank, DNB, an insurance company, Gjensidige, and public companies Norway Post and NSB Passenger and Train Division.

Inner City comprises the other central areas, including the areas around the Government District, the District Court, Parliament and the Palace. Proximity to public transport and a range of facilities make the area attractive to many tenants.

The building stock in the Inner City is of varying quality, as many of the buildings in the city centre are old, and rent levels are correspondingly varied. According to DNB, the area is particularly attractive to tenants in the public sector, including central government departments, government agencies and municipalities, who prefer to be centrally located, but who are not willing to pay CBD-level rents. Following the bombing of the government quarter on 22 July 2011, various ministries relocated to different offices in Oslo, mostly in the Inner City, resulting in a shortage of large vacant space in the area that has persisted through the first half of 2014.

According to DNB, significant office property owners are Entra, the public sector-company Statsbygg, Thon Gruppen (listed), life insurance companies such as Oslo Areal and private companies such as Eiendomsspar and Søylen Eiendom.

Outer City surrounds the city centre and is bounded by the main artery Ring 2 ring-road. The area consists of a mixture of residential and commercial buildings, though it also includes Majorstua and the Tøyen centre, smaller office clusters in which Entra is a significant property owner. Outside these clusters, ownership is diversified and tenants mainly include public sector and smaller companies.

Helsfyr/Bryn is a well-established office area east of the city centre. The Helsfyr/Bryn area is close to the main road network, and also has access to good public transport. According to DNB, significant office property owners are Entra, NCC (entrepreneur), life insurance companies Oslo Areal and DNB Liv, and property funds such as Aberdeen, Fortin and Catella.

The area is attractive to tenants who do not wish to pay city centre rent levels. The largest tenants are public agencies such as Skattedirektoratet, contractors such as NCC and AF Gruppen, and telecommunication-companies.

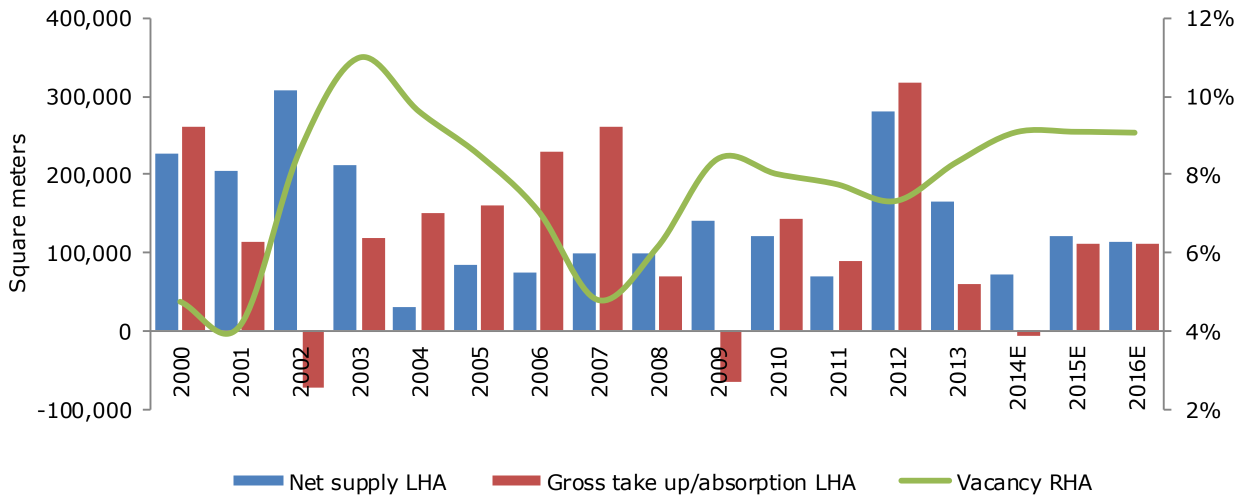
Sandvika is the municipal centre for Bærum, the municipality to the west of Oslo. Sandvika is a smaller geographic area approximately 10 minutes' drive from Oslo city centre. Sandvika is attractive for tenants who want to be located near the E18 main artery, trains and the airport express train, and is particularly attractive to companies whose employees live west of Oslo.

According to DNB, significant office property owners in Sandvika are Entra, DNB Liv, Aberdeen and privately owned companies such as Andenæs Group. Companies in the oil and oil service industries in particular have settled along the

E18 axis from Oslo west via Lysaker, Sandvika and Asker. Large tenants in Sandvika are Bærum municipality, other public tenants, oil companies such as GE Energy Oil & Gas, REC, and consultancies such as Asplan Viak and Norconsult.

Other office areas outside the central areas are along the outer Ring 3 ring road, from Lysaker and Skøyen in the west, through Nydalen, Økern/Ulven and Helsfyr/Bryn.

The following chart sets forth actual and forecast supply, demand and vacancy levels in the Oslo region for 2000 to 2016.



Source: DNB, Market Report 2. Half 2014, to be published 16 October 2014.

7.6.2.1 Oslo office tenant demand

As described in Section 7.2 "Macroeconomic developments in the Norwegian economy", the labour market is expected to be somewhat weaker going forward, with a slight increase in the unemployment rate, and slightly weaker growth in employment.

However, over the last ten years, employment in office-intensive industries has risen slightly more than employment generally (23% as compared to 17%), according to DNB ("Market Report, 1. Half 2014", 6 March 2014). DNB expects the growth for employment in office-intensive industries in the Oslo region to be stronger than for Norwegian employment as a whole.

Manpower's quarterly Employment Outlook Survey from the second quarter of 2014 also suggests there will be moderate growth in office-intensive industries and the Oslo region. Of the 750 Norwegian employers who participated in the nationwide survey, 8% expect to increase their workforce, while 2% expect to reduce staffing levels. Employers' staffing plans are positive in all regions, and in seven out of nine industries. Employers in the Oslo region are planning to increase their staffing levels by 5%. Compared with the previous quarter, anticipated staffing levels increased in four out of five regions. In the finance and consulting industry, which is an office-intensive industry, employers report an increase in staffing levels of 19%, which is 12 percentage points higher than in the previous quarter and 6 percentage points higher than the same time last year.

The most important driver of demand for new office premises is the expiry of existing rental contracts. Arealstatistikk AS Q1 2014 expects that only 320,000 square metres of lease agreements for greater than 1,000 square metres will terminate in 2015 and 365,000 square metres will terminate in 2016, which DNB expects will result in significant competition for large tenants.

The following table sets forth the expected expiry in square metres of large commercial property leases from 2014 to 2019 according to Arealstatistikk AS ("Q1 2014", 11 April 2014).

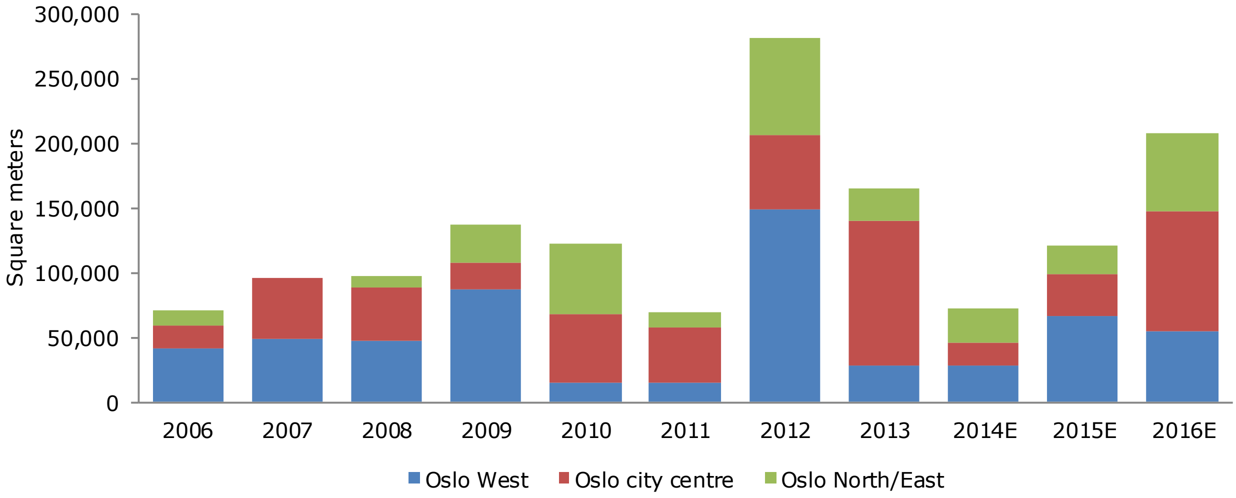
	2014E	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**
Lease agreements for greater than 1000 sqm	470,000	320,000	365,000	285,000	385,000	380,000
Lease agreements for greater than 5000 sqm	237,000	60,000	170,000	285,000	152,000	253,000

Most large tenants advertise when they are looking for new premises. Through an analysis of the "premises wanted" advertisements for 2013 and 2014, DNB concludes that over a third of tenants are looking for premises in CBD and the Inner City. A large number of tenants are seeking high-quality office space in locations near stations served by the airport express train. Many tenants are looking for smaller premises than those they are currently leasing, and most tenants are looking for open-plan and flexible premises. In 2013 to 2014, the aggregate "premises wanted" in each of CBD and the Inner City was more than 50,000 square metres.

7.6.2.2 Oslo office construction activity

Construction activity in the Oslo region was high in 2012 and 2013, with a total of 440,000 square metres of new office premises completed (DNB, "Market Report 1. Half 2014", 6 March 2014), the largest increase in capacity in ten years. DNB expects completions to fall to 70,000 square metres in 2014, but projects that 2015 could see the completion of up to 120,000 square metres of new space. Construction activity in 2016 and 2017 will depend on developers securing signed leases for the majority of the space, as few developers can obtain bank financing or are willing to take the risk to begin construction without having leases in place.

The following chart sets forth the total volume of new office buildings in Greater Oslo (sqm).



Source: DNB Market database, 10 August 2014.

Although DNB expects the volume of new construction to fall in the near term, there are a large number of premises that were vacated in 2012 and 2013 that, according to DNB, were not adequate to satisfy the demands of new tenants. Certain of these premises are being renovated or upgraded to a new-build standard, and are competing with new buildings to attract major tenants, affecting the supply side of the market.

Because Oslo is bordered by the sea to the south and a protected forest to the north, areas available for further development are largely limited to the harbour areas, existing properties in the city centre or new developments to the east or west of the city centre. According to DNB, the largest proposed developments are centred around Økern/Ulven (east of the city centre) and the harbour areas of Bjørvika and Filipstad (in the city centre).

According to DNB, construction costs in Oslo have risen steadily since 2009, primarily driven by the high level of activity in the residential sector and higher technical requirements. As residential activity and prices have stabilised over the last six months, construction costs have declined by between 2% and 4% (Norwegian Association of Real Estate Agents, "House price statistics", 4 August 2014). However, residential prices are beginning to increase again. This may lead to higher construction activity, and DNB expects that construction costs may level off in the medium term.

7.6.2.3 Oslo office vacancies

According to DNB ("Market Report 2. Half 2014", to be published 16 October 2014), the Oslo region had vacant office properties comprising approximately 860,000 square metres, or 9.1% as of September 2014 (including space that is currently vacant or will be available for rent within the next 12 months), as compared to 6.9% as of September 2012, when vacancy rates reached their lowest levels following the financial crisis. According to DNB, the increase in the Oslo vacancy rates is largely due to the high volume of new buildings completed in 2012 and 2013.

DNB expects that demand for office space in Oslo will continue to increase, but at a slower pace in 2014 and 2015, than in recent years. Few major contracts will be expiring in the next few years. DNB also believes that more companies adapt to a lower long-term GDP growth rate in the Norwegian economy by adopting a more cautious attitude towards moving to new and more expensive office premises. In addition, DNB expects that an increased focus on efficiency and open-plan offices may result in tenants requiring less space.

DNB expects that decreasing demand will be counterbalanced by a somewhat lower supply of new office space in 2014 and that the vacancy rate will stabilise in 2014 and 2015.

By 2016, the high availability of large office spaces, combined with weaker demand, may result in the postponement of some planned new-build projects in 2016, which DNB believes may further stabilise the vacancy rate in Greater Oslo.

7.6.2.4 Oslo office market rent levels

According to market surveys conducted by DNB, market rent levels for prime office properties in the Oslo city centre have been increasing steadily since 2010, when market rent levels reached historic lows as a result of the global financial crisis, and rose by 3.5% year-on-year to NOK 3,000 per square metre as of 30 June 2014 in central Oslo, as compared to NOK 2,900 as of 30 June 2013. Increases in market rent levels for office properties during this period have been, according to DNB, particularly strong in CBD East (increasing from NOK 2,400 per square metre for year 2010 to 3,000 per square metre per year in 2014), CBD West (increasing from NOK 2,650 per square metre per year 2010 to 3,750 per square metre per year in 2014), the Inner City (increasing from NOK 1,850 per square metre per year 2010 to 2550 per square metre per year 2014) and Skøyen (increasing from NOK 1,950 per square metre per year in 2010 to 2,750 per square metre per year in 2014). According to DNB, inflation-adjusted average market rent levels in the Oslo region are at historically high levels, due in part to tenants' steadily increasing interest in upgrades and high-quality office space.

According to DNB ("Market Report 1. Half 2014", 6 March 2014), the combination of growth in market rent levels and a high vacancy rate has created significant inequalities in the market. Modern, environmentally-friendly buildings, in central locations near communication hubs are in high demand. Older buildings that do not meet tenants' standards for quality and location are failing to attract tenants. Such buildings may remain vacant for some time, despite substantially reduced market rent levels, and DNB expects the market for low-standard premises and less popular locations to remain poor.

According to DNB, a large supply of high quality office premises, combined with a strong price growth in the city centre since 2010, will limit price increases in the prime segment over the next year. DNB believes that centrally located properties will continue to remain attractive going forward, but competition for tenants is strong, which will partly stabilise rents.

7.6.3 Bergen office letting market

Bergen is Norway's second largest city, with 272,000 inhabitants as of 1 January 2014 (Statistics Norway, "Population and population changes, Q2 2014", 20 August 2014). The city has historically been a hub of coastal trade, including overseas trade and trade with other regions in Norway.

The Bergen region has strong industries with a high capacity for growth, including the maritime and marine industry, energy, media and cultural industries, as well as culture and tourism. Retail, finance, health and telecommunication are also important industries for the city. Bergen also has several educational institutions, with 25,000 students as of 1 October 2013 (Statistics Norway, "Education, Students at universities and colleges, 1 October 2013", 23 May 2014).

In the city centre, there are several white collar businesses such as law firms, financial services companies, shipping companies and maritime companies. According to DNB, tenants in the centre of Bergen tend to be smaller companies representing a diversified range of industries, while large industrial companies, including companies in the petroleum industry, are located outside of the centre. Most major Norwegian media companies are also located in Bergen.

According to DNB ("Market Report 1. Half 2014", 6 March 2014), the office rental market in Bergen comprises about two million square metres, divided into seven market areas, with market office vacancy level at approximately 7.5% as of 30 June 2014. Popular areas include the city centre, particularly for new-build projects and renovated properties, and along the Industrial Corridor, which has good quality buildings and high market rent levels.

DNB registers high new construction activity in the Bergen area; several large tenants are relocating, which has increased the vacancy rate to approximately 7.8% and made differences in market rent levels between old and new premises more pronounced. According to DNB, it is expected that approximately 100,000 new square metres will be added to the market during 2014-2016 through completion of projects currently under construction. The largest project is the new building for Statoil on Sandsli with 40,000 square metres, which will be completed in 2015. The same year, the new headquarters of Sparebank Vest of 20,000 square metres will be completed in the city centre.

New buildings or fully renovated projects in the city centre are now rented at between NOK 2,000 and NOK 2,200 per square metre per year as of June 2014, as compared to NOK 1,850 per square metre per year as of 2010, according to market surveys conducted by DNB. Rents for older buildings appear to be decreasing slightly. In the intermediate segment, market rent levels remain stable, in the region of NOK 1,400 to 1,700 per square metre per year as of June 2014, according to DNB.

7.6.4 Stavanger office letting market

There has been significant population growth in the Stavanger region since the discovery of oil in the North Sea at the end of the 1960s. As of 1 January 2014 Stavanger and the neighbouring municipality of Sandnes had 129,000 and 70,000 inhabitants, respectively (Statistics Norway, "Population, 1 January 2014", 20 February 2014). Statistics Norway projects that the population of Rogaland, the county in which Stavanger is located, will increase by approximately 40,000 by 2020 and by approximately 87,000 by 2030 ("Population projections, 2014-2100", 17 June 2014).

The Stavanger region has been the main centre for the development of Norway's petroleum industry. According to DNB, the majority of the international operating companies, such as Total, ENI, ConocoPhillips and Shell, have their headquarters in the Stavanger region. Oil-related governmental entities such as Petoro, the Norwegian Petroleum Directorate and Norway Oil and Gas also have their head offices in Stavanger.

According to DNB, the office clusters in the Stavanger region include Stavanger city centre, Hinna Park and Forus, as well as the oil clusters at Dusavika and at Tananger, located in the city's outer zone. There are few modern office premises adapted for large tenants in the Stavanger city centre, and the market is dominated by older medium-sized properties.

The office rental market in the Stavanger region is largely dominated by activity in the petroleum industry, where there has been an increasing focus on cost. According to DNB, after several quarters of growth, market rent levels have stabilised, and there are increasing differences between prices for high-standard offices in contemporary buildings and those for older office premises. Unlike tenants elsewhere in Norway, tenants in the petroleum sector in Stavanger tend to be project-oriented and to seek three to five year leases on short notice. The market office vacancy level was approximately 7% as of 30 June 2014, according to DNB. DNB expects that declining investments by the petroleum industry until 2017 will cause market office vacancy levels in Stavanger to increase further.

According to DNB ("Market Report 1. Half 2014", 6 March 2014), the largest tenants in Stavanger city centre relocate infrequently, leading to stable market rent levels. The market rent level for prime office properties in the city centre was NOK 2,500 per square metre per year as of 2014, as compared to NOK 2,100 per square metre per year as of 2010, according to DNB. In Forus, there are large plot reserves, a significant amount of new construction and a high level of vacancy in older building stock, which is putting pressure on the market rent levels in the area. Market rent levels for prime office properties in Forus have been stable at approximately NOK 1,900 per square metre per year from 2010 to 2014. At Hinna Park, where Entra is a significant developer, DNB expect increased activity over the next several years. Market rent levels in Hinna Park are about NOK 2,500 per square metre per year in August 2014, according to DNB.

7.6.5 Trondheim office letting market

With 180,000 inhabitants as of 1 January 2014, Trondheim is Norway's third largest city (Statistics Norway, "Population and population changes, Q2 2014", 20 August 2014). The city is a regional capital, a centre of trade and industry, and a hub of education, research and technology.

The city is known as the country's technology capital, due in part to the fact that the Norwegian University of Science and Technology (NTNU) is located there. The city has a thriving culture of entrepreneurs and venture capital companies. The Trondheim region is also home to many energy and environmental businesses, including wind and water power and oil and gas companies. Materials, especially silicon, are also researched and developed within Trondheim's technological clusters.

According to DNB, educational institutions, financial institutions, law firms and media companies dominate the city centre. Brattøra, a newly developed district directly north of the city centre in which Entra has an interest, has attracted several major tenants, including accounting firms, law firms, and the Norwegian Environment Agency. A new footbridge has linked Brattøra to the city centre, and DNB expects that the attractiveness of the area to tenants will increase further following the scheduled removal of a nearby freight terminal.

According to DNB ("Market Report 1. Half 2014", 6 March 2014), the office market in Trondheim is around 1.9 million square metres. Vacancies remained stable at approximately 6% in 2013 and 2014, although approximately 30,000 square metres of new office space were added to the market in 2013, according to DNB. This development was mainly driven by growth in employment and enterprises that have grown due to mergers.

The number of signed lease contracts in Trondheim has remained at a stable level for some time. DNB observes that, to an increasing degree, tenants are looking for modern buildings, which are pushing older, less space-efficient buildings out of the market. Factors such as building quality and energy-efficiency are also increasingly important.

In 2014, almost 35,000 square metres of new office space is expected to be added to the market (DNB, "Market Report, 1. Half 2014", 6 March 2014). DNB expects a more dynamic rental market in the next several years, which will favour newer buildings. The difference between market rent levels for new, modern office buildings and for older office buildings is also likely to increase over this period.

The market rent level for prime office properties in the city centre is NOK 2,000 per square metre per year as of June 2014, as compared to NOK 1,650 per square metre per year as of June 2010, according to market surveys conducted by DNB. In the intermediate segment, market rent levels remain stable, in the region of NOK 1,200 to 1,500 per square metre per year as of June 2014, according to DNB.

7.7 Competition

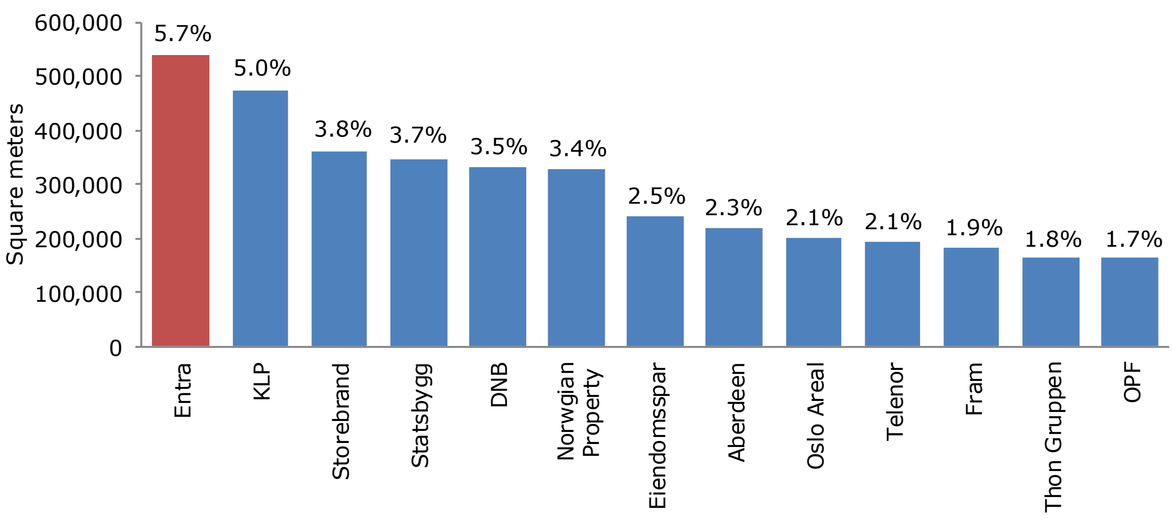
7.7.1 Oslo and nationwide

The Norwegian commercial real estate market consists of a relatively large number of smaller and larger property owners and managers.

According to DNB, public sector entities Statsbygg, Rom Eiendom and Entra each have significant market share in both the Oslo region and nationwide, as do life insurance companies such as KLP Eiendom, Storebrand Eiendom and DNB Næringseiendom. Aberdeen Property Investors has a diversified portfolio of office properties throughout Norway. While its portfolio primarily comprises shopping centres, Thon Gruppen, a listed company, also has significant market share in office properties in Oslo.

Norwegian Property ASA is among the dominant property owners in Oslo, together with the privately-owned companies Eiendomsspar and Fram Eiendom, and Oslo Areal, a company owned by the insurance company Gjensidige.

The following chart sets forth the market share of commercial real estate companies in office properties in the Oslo region in 2014.



Source: DNB Market database, 10 August 2014.

7.7.2 Other large cities

Significant office property owners in Bergen's city centre include public sector entities, such as Entra and DNB Næringseiendom, as well as private sector companies such as Real Forum and Bara group. In Stavanger, the largest property owners are Entra, other public sector entities and the private sector companies Øgreid, the Ertvaag-family, Norsea and Cator. Norwegian Property ASA also has a portfolio of properties located in Stavanger. In Trondheim, significant office property owners include public sector entities, including Entra, as well as private sector companies such as E.C. Dahls Eiendom, Koteng, and Realinvest, the life insurance company KLP Eiendom, and Aberdeen Property Investors.

8 BUSINESS OF THE GROUP

8.1 Overview

Entra is a leading owner, manager and developer of office properties in Norway, focused on centrally-located, high quality properties in Oslo, Bergen, Stavanger and Trondheim. As of 30 June 2014, Entra had a property portfolio of 107 properties totalling approximately 1.3 million square metres. The market value of the Group's property portfolio as of 30 June 2014 was approximately NOK 26.8 billion. The Group has a particular expertise in the public sector, which represented approximately 72% of the Group's contractual rent as of 30 June 2014. The proportion of private sector tenants has increased from 12% in 2004, at a compound annual growth rate of 9%, while the total rent from public sector tenants has increased since 2004 at a compound annual growth rate of 6%. Entra is currently wholly owned by the Selling Shareholder, which announced that preparations were being made to privatise the Company on 14 January 2014. Entra has been independently operated on arm's length principles since 2000.

A key value driver for Entra is its ability to attract and retain tenants in its management properties. As of 30 June 2014, the Group maintained a portfolio of 96 management properties totalling more than 1.0 million square metres. These management properties offer a stable yield from solid tenants with long lease contracts, with a WAULT of 7.8 years and an occupancy rate of 95.2% as of 30 June 2014. The Group operates all its management properties with its own staff. The Group also has a solid and long track record of property development and has finalised several large renovation and new building projects throughout its history, including the construction of a new office building at Brattørkaia 15 in Trondheim completed in the first quarter of 2013, the total renovation of the office building at Fredrik Selmers vei 4 in Oslo completed in the fourth quarter in 2013 and the total renovation of the office building at Kjørbo ("**Powerhouse Kjørbo**") in Sandvika (Bærum) completed in the first quarter of 2014. In addition to these completed projects, the Group has a significant portfolio of ongoing property projects and an extensive pipeline of potential projects. The Group also selectively gains access to development projects and manages the associated risks through its shareholding in subsidiaries with significant non-controlling interests and jointly controlled entities. The Group's interests currently include Oslo S Utvikling AS (of which the Group holds 33.33%), Entra OPF Utvikling AS (of which the Group holds 50%), Hinna Park Eiendom AS (of which the Group holds 50%), Papirbredden Eiendom AS (of which the Group holds 60%) and Sundtkvartalet AS (of which the Group holds 50%).

The following table sets forth an overview of the property portfolio as of 30 June 2014.

	Number of properties[1]	**Area (sqm)**	**Market value (MNOK)**
Management properties	96	1,037,735	24,518
Project properties	6	94,679	1,835
Land and development properties	5	140,892	479
Total	**107**	**1,273,306**	**26,832**

1 The number of properties are categorised based on the primary classification of each property. It should be noted that some properties consist of both management area, project area and/or land and development area, and as a result, the number of properties within each property category presented elsewhere in this Prospectus may not correspond to the number of properties presented in this table.

For definitions of certain terms used in this Section 8, see Section 22 "Definitions and glossary".

8.2 Competitive strengths

Large, high quality portfolio offering an attractive and stable yield

Entra is a leading owner, manager and developer of office properties in Norway, with a property portfolio of 107 properties comprising approximately 1.3 million square metres as of 30 June 2014, concentrated in Norway's four largest cities, which are Oslo, Bergen, Trondheim and Stavanger. According to DNB, Entra is the largest owner of office property in Oslo as of the date of this Prospectus. The Group focuses on centrally located properties with good access to public transportation. The Group's property portfolio has grown from approximately 0.9 million square metres in 2004 to approximately 1.3 million square metres as of 30 June 2014.

As of 30 June 2014, lettable assets actively managed by the Group, which the Group refers to as "management properties", comprised approximately 91.4% of the property portfolio by value and 81.5% of the property portfolio by area. As of 30 June 2014, the gross and net yield of the management properties were 7% and 6.5%, respectively.

Entra benefits from the high quality of its management properties in terms of occupancy rate, rental income and WAULT. The management properties had an occupancy rate of 95.2% as of 30 June 2014, and the occupancy rate has consistently been over 95% since 2004. The average market rent per square metre was NOK 1,676 in the six months ended 30 June 2014, a 38% increase over the average rent per square metre in 2004, representing a compound annual growth rate of 3.3%, or 1.4% after inflation. As of 30 June 2014, approximately 98.1% of Entra's lease agreements (measured by contractual rent) included adjustments in rent for increases in the CPI. Lease maturities of the management properties are staggered, with a WAULT of 7.8 years as of 30 June 2014. As of the same date, no single tenant comprised more than 6% of the Group's contractual rent.

High quality tenant base and strong tenant relationships

Entra benefits from the quality of its tenants, which include both a strong public and private sector tenant base. Entra has diversified its tenant base from primarily public sector tenants to include an increasing number of private sector tenants, which grew from 12% of the tenant base by total contractual rent as of 31 December 2004 to 28% as of 30 June 2014. The contractual rent from public sector tenants also grew during this period, from NOK 107 million as of 31 December 2004 to NOK 530 million as of 30 June 2014, representing a compound annual growth rate of 6%. As of 30 June 2014, public sector tenants constituted 72% of the tenant base (measured by contractual rent). Entra's public sector tenants are, or are wholly owned by, governmental, county or municipal bodies. As of 30 June 2014, the Group had more than 300 separate lease agreements with different public sector tenants, most of which run their own public tendering process and make letting decisions independently. Entra's private sector tenants include, among others, media groups, consulting companies, pharmaceutical companies and law firms.

The Group actively develops its relationships with its tenants in order to increase tenant satisfaction and maximise lease renewal rates. According to the Norwegian Tenant Index, Entra achieved above-average customer satisfaction in 2011, 2012 and 2013 and 76% of its tenants whose leases have come up for renewal since 2011 have either renewed their existing lease with Entra or entered into a lease for different premises owned by the Group. Recent renegotiations include leases with Asplan Viak, Steria, the County Governor of Østfold, the County Governor of Hordaland, the County Governor of Troms and the Norwegian Labour Inspection Authority. See Section 8.3 "Strategy – Active management of existing tenants to ensure maximum retention."

Growth potential from robust development pipeline

In addition to its management properties, Entra also holds a substantial pipeline of development projects. As of 30 June 2014, the Group had seven ongoing development projects representing an estimated individual investment of greater than NOK 50 million, with a total project area of approximately 74,800 square metres. The total project area of all of the Group's ongoing development projects was approximately 95,000 square metres as of 30 June 2014. This portfolio of ongoing development projects is supported by a robust future development pipeline, with 13 projects totalling approximately 261,700 square metres having completed or nearly completed the regulatory approvals process as of 30 June 2014. Additionally, 11 development projects totalling approximately 212,800 new square metres are in earlier stages of planning. The Group's development pipeline provides significant near-term and long-term growth potential. Entra also has good working relationships with municipal authorities in the cities in which it operates, in connection with the zoning and regulatory approvals processes for its development projects.

Entra has in-house development capabilities and structured risk management framework to ensure that investment decisions are made on a fully informed basis with the appropriate authority. The Group has a strong track-record in managing development projects and creating value from its pipeline. For example, the Group's completed development projects include the construction of a new office building at Brattørkaia 15 in Trondheim, where the Group was able to achieve lower costs and higher average rent than it had originally expected due to favourable contracts and increased investment upon request from the tenants which led to higher rent. In addition, the Group completed a total renovation of the office building at Fredrik Selmers vei 4 in Oslo, where, despite higher costs due to challenging technical contracts and alterations at the request of the tenant, the Company was able to keep total yield on cost in line with its projected development plan by increasing average rent as a result of strong focus on total cost and increased investment upon request from the tenants. See Section 8.3 "Strategy – Prudent development projects."

Investment opportunities are discussed by the Management to select the right projects through different investment phases (regulation, development and construction phase), including a full risk assessment. Entra has a staff of well-educated and experienced project managers to secure in-house control, strong project governance and risk management as well as progress, cost, decision points and quality. Entra has its own project model which helps ensure standardised processes in its development projects.

Specialised focus and leading position in stable Norwegian market

Entra's core focus is centralised and high quality office properties in Oslo, Stavanger, Bergen and Trondheim. Office properties comprised 89% of Entra's management properties by market value as of 30 June 2014 and consisted of 907,625 square metres. Each day, more than 30,000 people work in buildings owned by Entra. Geographically, Central Oslo and Greater Oslo constituted more than 74% of Entra's total property portfolio by market value as of 30 June

2014, and the major part of the remaining properties are located in and around Bergen, Trondheim and Stavanger. Given its focus on office properties, Entra benefits from the population dynamics and concentration of the Norwegian job market in and around these four cities, which, according to Statistics Norway ("Employment, register-based 2013", 13 June 2014), comprised 30% of Norway's population and 35% of its job market as of 30 June 2014.

The Group's size, reputation and long history of operation in Norway contribute to the quality of its brand, which is well-known in the Norwegian commercial property market. Entra's scale and sector focus also provide significant competitive advantages for leasing, development and acquisitions and for the future growth of its business, including lower financing and procurement costs, a standardised management approach across regions and the transfer of best practices and processes across properties and regions in which it operates.

Entra also benefits from Norway's stable economic climate. Norway has demonstrated stable gross domestic product (GDP) growth, with Mainland GDP growth of 2.6% in 2011, 3.4% in 2012 and 2.0% in 2013, as well as low unemployment rates of 3.3% in 2011, 3.2% in 2012 and 3.5% in 2013, in each case according to Statistics Norway. According to Statistics Norway, the growth rate of the Norwegian population was 1.3% in 2012 and 1.1% in 2013, and Statistics Norway forecasts that the Norwegian population will further increase at an annual rate of 1.08% from 2014 to 2020. Furthermore, Statistics Norway forecasts that the strong trend towards urbanisation, with Norway's largest cities experiencing higher population growth rates than Norway as a whole, will continue at least until 2040. These solid economic and demographic fundamentals have underpinned a healthy office real estate market. According to Dagens Næringsliv (DN Expert Forum, 17 June 2014), office rents in Oslo, Bergen, Stavanger and Trondheim increased at compound annual growth rates of 4.3%, 4.4%, 4.5% and 3.2% respectively, between 2003 and 2014. Office vacancy rates in Oslo, Bergen, Stavanger and Trondheim were relatively stable from 2009 to 2014, as compared to prior periods, according to DNB.

Solid track record of portfolio growth and value creation and strong financial profile

The Group has a solid track record of portfolio growth and value creation since its incorporation. Equity in the Company, including investments in jointly controlled entities carried on Entra's balance sheet, has grown at compound annual growth rates of 4.0%[1] from 31 December 2011 to 31 December 2013. Total equity was NOK 8,316.6 million as of 30 June 2014. Entra has also seen stable growth in cash EBITDA at compound annual growth rates of 3.8%[2] from 2011 to 2013. Cash EBITDA was NOK 665 million in the six months ended 30 June 2014.

Entra has demonstrated its ability to access external capital at competitive terms, with multiple sources of funding and a long relationship with the capital markets, having issued bonds since 2003 (see Section 11.5.4 "Borrowing and funding sources"). As of 30 June 2014, 63% of Entra's debt financing came from the capital markets, including NOK 6,843 million of bonds listed on the Oslo Stock Exchange (based on outstanding interest-bearing nominal debt, i.e. nominal bond debt share of total interest-bearing nominal debt).

Leadership in environmental sustainability in the Norwegian real estate market

Entra has implemented a range of environmental initiatives and innovations in order to reduce total energy consumption and reduce other costs at its properties. These initiatives also benefit tenants by helping them to control costs and supporting their own environmental and sustainability initiatives. The Group is able to benefit from government programs for environmental sustainability from Enova SF (a public enterprise owned by the Ministry of Petroleum and Energy) to contribute in the funding of these measures. The Group's ambition is to certify all new and fully renovated buildings by BREEAM-NOR (as defined below), and the Group's current target is to achieve a rating of BREEAM-NOR Excellent or better for all new and fully renovated projects. Entra also enters into Green Benefit Agreements with tenants, through which the Group works with the tenant to propose investments in the property to improve its environmental sustainability. Entra then pays for these improvements, in exchange for which the tenant pays increased common charges/rent in combination with reduced energy costs.

Through these and other programs, Entra has reduced the average energy consumption of its management properties by 21% from 221 kilowatt hours per square metre in 2007 to 178 kilowatt hours per square metre for the twelve months ended 30 June 2014. In 2014, Entra completed renovating Powerhouse Kjørbo, which the Group expects will generate more energy than it will consume over its lifecycle. As a result of the renovation, Powerhouse Kjørbo has become the world's first renovated energy-positive building, and is the first building outside of the United Kingdom to be certified BREEAM Outstanding. Entra will be able to use the excess energy generated by Powerhouse Kjørbo to

[1] The compound annual growth rate is based on an equity value of NOK 7,391 million as of 31 December 2011 and NOK 7,993 million as of 31 December 2013.

[2] The compound annual growth rate is based on a cash EBITDA of NOK 1,073 million in the financial year 2011 and NOK 1,155 million in the financial year 2013.

supply other buildings owned by Entra in the same area. The Group intends to expand its commitment to environmentally sustainable initiatives in its business. See Section 8.3 "Strategy – Expand commitment to environmental sustainability."

Experienced management team and enhanced operational efficiency

Entra is led by a seasoned management team with substantial industry experience and a strong organisational culture. The Group's four divisional managers, responsible for Central Oslo, Greater Oslo, South/West Norway and Mid/North Norway regions, respectively, have 102 years of combined local market experience and have longstanding relationships with many of Entra's tenants. Entra's Chief Executive Officer has 18 years of experience as Chief Executive Officer or Chief Financial Officer of several leading Norwegian companies. Since joining Entra as Chief Executive Officer in 2013, he has made a number of changes to enhance the Group's operational efficiency. These changes reduced the total number of the Group's employees, clarified mandates, roles and processes, and created an organisational structure in which each divisional manager takes responsibility for profit and loss in his or her region, while certain functions, such as sales and marketing and project development, are each handled by a single team that works across the four regions. These changes allow the Group to make decisions more quickly, leverage its scale and transfer best practices across the regions in which it operates. Accordingly, the Group believes that its central administrative costs will grow at a lower rate than rental income as the property portfolio increases.

8.3 Strategy

Active management of existing tenants to ensure maximum retention

Entra seeks to actively manage its tenant relationships in order to increase tenant satisfaction and maximise lease renewal rates. The Group aims to work together with its tenants to innovate and design workspaces that will meet their current needs and future requirements. To build its relationships with tenants, Entra is responsible for property management for all of its management properties as of 30 June 2014, and 53 of the Group's employees (33%) worked on site at the management properties as of 30 June 2014. The Group created a separate customer service centre in 2012 to provide consistent and timely follow-up to enquiries, and has also standardised its operating procedures so that property managers can move between buildings. Entra also targets early engagement with its existing tenants ahead of their lease maturities and works with tenants to develop customised extension strategies as necessary.

Prudent development projects

Entra has developed a rigorous and disciplined process to identify and evaluate potential development projects. The Group targets strategic development projects in the same core geographic areas as its acquisitions to optimise its footprint in these areas. Entra seeks to create value by refurbishing and repositioning existing properties, constructing new office buildings, and, in certain cases, engaging in complete urban development. To limit risk, Entra will not typically initiate construction of a development project until 60% of the area is pre-leased. Since 2014, it has been Entra's policy that contractors work on a "turn-key" basis, in which the contractor holds full responsibility for progress, quality, cost and design in the construction phase, except for normal risk of unexpected ground conditions, such as polluted soil, old construction, and risk related to public laws and regulations. The Group has substantial in-house development expertise, having completed 27 development projects since 2006 with a total cost of NOK 8.0 billion.

Entra's development pipeline includes projects that are currently on-going, projects that have nearly or fully completed zoning approvals and early-stage projects. As of 30 June 2014, the ongoing development projects included seven ongoing projects with estimated individual investments greater than NOK 50 million totalling approximately 74,800 square metres, of which approximately 47,000 square metres are expected to be added to the management portfolio in 2014 and the remainder in 2015. Capital expenditure on these projects was approximately NOK 1.6 billion as of 30 June 2014, and is expected to total approximately NOK 2.3 billion, all of which is expected to be spent by the end of 2015. The total project area of all of the Group's ongoing development projects was approximately 95,000 square metres as of 30 June 2014. The development pipeline also includes 13 projects that have fully or nearly completed the regulatory process totalling approximately 261,700 square metres, of which approximately 144,700 square metres are new construction. Capital expenditures for these properties, some of which are owned by jointly controlled entities, are estimated to be approximately NOK 6 – 7 billion, of which Entra's share is expected to be approximately NOK 5 billion. As of 30 June 2014, Entra's portfolio also included 11 early stage projects, with an estimated total project area of approximately 212,800 new square metres.

The Group also selectively gains access to development projects and manages the associated risks through its shareholding in subsidiaries with significant non-controlling interests and jointly controlled entities. Entra has demonstrated its ability to successfully work with partners to create value through such subsidiaries and jointly controlled entities. The Group's interests currently include Oslo S Utvikling AS (of which the Group holds 33.33%), which is developing approximately 350,000 square metres in the Oslo neighbourhood of Bjørvika above ground, approximately 50% of which had been completed as of 30 June 2014, Entra OPF Utvikling AS (of which the Group holds 50%), which owns one lettable property of 14,104 square metres and is refurbishing and developing approximately 45,000 square metres in central Bergen, Hinna Park Eiendom AS (of which the Group holds 50%) in Stavanger, which owns three fully let office properties totalling approximately 28,000 square metres and additional land plots zoned for approximately 46,000 square metres of office space and Sundtkvartalet AS (of which the Group holds 50%), which the Group expects will develop approximately 31,000 square metres at Sundtkvartalet in the city centre of Oslo.

Focused optimisation of the portfolio through acquisitions and divestments

The Group actively seeks to improve the quality of its property portfolio through a disciplined strategy of acquisitions and divestments. Entra currently focuses on the acquisition of large properties and projects in specific areas within its four core markets of Oslo, Bergen, Trondheim and Stavanger. Target areas include both areas in the city centres and selected clusters and communication hubs outside the city centres, allowing Entra to offer rental opportunities at a price range to its customer base. Entra's experience, financial strength and knowledge of its tenants allow the Group to be well-positioned to make acquisitions that meet its acquisition criteria. At the same time, Entra actively considers potential divestments of smaller properties outside of its core focus areas. From 1 January 2011 to 30 June 2014, Entra acquired investment properties with a value of NOK 2.1 billion and divested investment properties with a total value of NOK 1.5 billion. See Section 11.2.4 "Transaction market". The Group's acquisition and divestment strategy is flexible, allowing the Group to adapt to on-going feedback from customers and market changes, and to respond to market opportunities as they arise.

Expand commitment to environmental sustainability

Entra continues to implement and seek new environmental initiatives in order to further reduce costs and meet tenant demand for environmentally sustainable properties. The Group's current target is to achieve a rating of BREEAM-NOR Excellent or better for all new and fully renovated projects. Entra has also introduced a number of pilot programs to explore other environmental initiatives, such as Cradle to Cradle certification, which emphasises the reuse of materials in new and fully renovated buildings, and BREEAM In-Use certification, which assesses the environmental performance of existing buildings.

8.4 History and important events

Entra was founded in July 2000 when a portion of Statbygg's property portfolio operating within the competitive market was transferred to a separate legal entity. Entra's strategy of owning, managing and operating properties, and its core focus on office properties, have remained stable since its establishment. However, Entra has been actively managing its portfolio through transactions and development. Entra has been involved in a significant number of property transactions since 2000 where approximately 80 properties have been sold and approximately 50 properties have been acquired, which has resulted in an increase in the average size per property and greater concentration of the portfolio around the four largest cities in Norway. Entra has also undertaken several large development projects. The following are significant developments with respect to the business or structure of the Group since its establishment:

- In 2001, Entra acquired Biskop Gunnerus gate 14 in Oslo, Munch-kvartalet at Universitetsgaten 2, Keysersgate 13 and Munchs gate 4 in Oslo and Høgskolen i Akershus at Kunnskapsveien 55 in Kjeller (Lillestrøm). These properties were developed and renovated in 2002 – 2003.

- In 2003, Entra acquired the National Library at Henrik Ibsens gate 110/Observatoriegt 1 in Oslo, and negotiated a lease agreement with the Ministry of Culture. The project was completed in 2005. Entra also acquired Havnelageret at Langkaia 1 A in Oslo, which was renovated in 2006.

- In 2004, Entra acquired 33.33% of Oslo S Utvikling AS. See Section 8.7.4 "Oslo S Utvikling AS (33.33%)".

- In 2005, the predecessor of Papirbredden Eiendom AS (60% owned by Entra) began developing Papirbredden at Grønland 58 in Drammen. See Section 8.7.1 "Papirbredden Eiendom AS (60%)". In 2005, Entra also acquired Kjørboparken in Sandvika (Bærum) and began developing Nonnesetergaten 4 in Bergen, which was completed in 2008.

- In 2006, Brattørkaia AS was established, and several properties in Trondheim (Brattørkaia 14, 15 A/B, 16, 17A) were acquired for a full development of the area. The first property (no 17B) was already under development, and the first phase of development was completed in 2004 and the next in 2008/2009. Rockheim (Brattørkaia 14) was completed in 2010. A new building at Brattørkaia 15 A/B was completed in

2013.

- In 2008, Entra began refurbishing Middelthunsgate 29 in Oslo. The project was completed in 2011.

- In 2010, Entra began construction of Papirbredden 2 at Grønland 51 in Drammen, through Papirbredden Eiendom AS.

- In 2011, Entra began refurbishing Fredrik Selmers vei 4 in Oslo and Powerhouse Kjørbo in Sandvika (Bærum). The projects were completed in 2013 and 2014, respectively.

- In 2012, Entra OPF Utvikling AS was established by Entra and Oslo Pensjonsforsikring, for development of Lars Hilles gate 30 and Allehelgens gate 4 in Bergen. See Section 8.7.3 "Entra OPF Utvikling AS (50%)". In 2013, Entra OPF Utvikling AS was awarded the contract to develop the Media City Bergen project in Lars Hilles gate 30.

- The Company was incorporated on 20 December 2012 as a result of the Selling Shareholder transferring 100% of the shares in Entra Eiendom to the Company. Prior to the transaction, Entra Eiendom was the ultimate parent company of the Group.

- In January 2014, the Group completed a legal restructuring whereas several of the Group's properties were transferred to single purpose subsidiaries of Entra Eiendom. In February 2014, Entra acquired 50% of Hinna Park Eiendom AS. See Section 8.7.2 "Hinna Park Eiendom AS (50%)". In July 2014, Entra acquired AS Lilletorget 1, which owns the property Lilletorget 1 in Oslo.

8.5 The property portfolio

8.5.1 Introduction

As of 30 June 2014, Entra's property portfolio comprised 107 properties, and the market value of the property portfolio amounted to approximately NOK 26.8 billion. The WAULT of the entire property portfolio as of 30 June 2014 was 8.1 years. Entra's property portfolio consists primarily of management properties, with a significant concentration in the Oslo area. As of 30 June 2014, management properties accounted for approximately 91.4% of the market value and 81.5% of the area of the property portfolio, respectively, while project properties and land and development properties accounted for approximately 6.8% and 1.8% of the market value and 7.4% and 11.1% of the area of the property portfolio, respectively. Total lettable area of the management properties was more than 1.0 million square metres as of 30 June 2014, with an occupancy rate of 95.2%. The portfolio of management properties is diversified between public sector tenants and private sector tenants. Based on the Group's experience in negotiating lease agreements with public sector tenants, public sector counterparties make independent leasing decisions, and no single tenant accounts for more than 6% of the Group's aggregate contractual rent. The market rent of the management properties was NOK 1,676 per square metre as of 30 June 2014, and net yield was 6.5%, or 400 bps over Norges Bank's (the Norwegian Central Bank) 10 year Norwegian bond yield. As of 30 June 2014, the use by sector of the Group's management properties, based on area, was: (i) office (87.5% - 907,625 square metres), (ii) education (8.2% - 84,823 square metres) and (iii) culture (4.4% - 45,287 square metres). The Group mainly handles all renegotiations in-house, while leasing of vacant space is handled both in-house and through brokers/leasing agents depending on capacity. The Group has recently strengthened its sales and marketing team and expects to handle more leasing of vacant space in-house going forward.

The Group is organised in four geographic operating segments: (i) Central Oslo, (ii) Greater Oslo, (iii) South/West Norway and (iv) Mid/North Norway. Central Oslo comprises all the Group's properties located in Oslo, except for Helsfyr-Bryn and Stovner. Greater Oslo covers the Group's properties at Helsfyr-Bryn and Stovner, as well as the Group's properties in Drammen, Bærum, Skedsmo and Østfold. South/West Norway covers the Group's properties in Bergen, Stavanger, Kristiansand, Arendal and Skien, while Mid/North Norway covers the Group's properties in Trondheim, Bodø and Tromsø.

The following table sets forth a breakdown of the property portfolio by region as of 30 June 2014.

Region	No of properties	Managed area (sqm)	Market value[1]	Market rent[1]	12 months rolling rent[1]	Net rent[1]	Net yield[2]	Occupancy rate[2]	WAULT	Project prop. (market value)[1]	Land and development prop. (market value)[1]	Total portfolio (market value)[1]
Oslo												
Central Oslo	29	383,003	11,885		762	711	6.0	94.8	7.2	679	-	12,564
Total Oslo	**29**	**383,003**	**11,885**	**822**	**762**	**711**	**6.0**	**94.8**	**7.2**	**679**	**-**	**12,564**
Greater Oslo												
Other Oslo	8	110,030	2,412		174	161	6.7	93.0	8.6	-	99	2,511
Bærum	8	85,085	1,519		114	105	6.9	95.6	8.7	771	-	2,290
Drammen	8	60,666	1,270		92	86	6.7	99.7	9.7	86	-	1,356
Lillestrøm	2	39,795	790		69	65	8.2	100.0	10.5	-	8	798
Moss	2	14,623	234		23	21	9.0	98.9	8.8	-	-	234
Fredrikstad	2	8,500	110		10	8	7.4	99.8	7.2	-	-	110
Total Greater Oslo	**30**	**318,699**	**6,334**	**430**	**482**	**447**	**7.1**	**96.2**	**9.1**	**858**	**107**	**7,299**
South/West Norway												
Stavanger	7	76,366	2,081		139	130	6.2	92.8	9.4	250	180	2,511
Bergen	6	57,084	1,096		83	73	6.7	98.5	5.8	-	-	1,096
Kristiansand	8	44,066	526		44	38	7.2	88.9	9.2	48	18	592
Arendal	1	5,807	57		8	7	12.2	94.7	1.2	-	-	57
Skien	1	4,292	22		3	2	11.0	91.3	2.1	-	-	22
Total South/West Norway	**23**	**187,617**	**3,782**	**289**	**276**	**250**	**6.6**	**94.0**	**8.0**	**298**	**197**	**4,278**
Mid/North Norway												
Trondheim	9	117,185	2,174		170	152	7.0	96.5	7.3	-	174	2,348
Tromsø	3	24,758	282		23	20	6.9	92.3	5.6	-	-	282
Bodø	2	6,474	61		6	5	8.5	100.0	1.0	-	-	61
Total Mid/North Norway	**14**	**148,416**	**2,517**	**199**	**199**	**177**	**7.0**	**96.0**	**6.8**	**-**	**174**	**2,691**
Total	**96**	**1,037,735**	**24,518**	**1,739**	**1,719**	**1,584**	**6.5**	**95.2**	**7.8**	**1,835**	**479**	**26,832**

1 In NOK millions.

2 In percentage.

Three of the Group's management properties, Vøyenenga school (Borkenveien 1-3 in Bærum municipality), Borgarting Court of Appeal (Keysersgt 13 and Munchsgate 4 in Oslo municipality) and the National Library (Henrik Ibsens gate 110 and Observatoriegata 1B in Oslo municipality), are accounted for under IFRIC 12. Under IFRIC 12, the Group's investment in the infrastructure asset cannot be classified on the balance sheet as property, plant and equipment of the Group, but must instead be classified as either a financial asset or an intangible asset. Because the Group has a contractual right to receive specified amounts of compensation from the relevant public sector counterparties for the operation and maintenance of Vøyenenga school, Borgarting Court of Appeal and the National Library, these three properties are recognised on the balance sheet as a financial asset at amortised cost. Accrued interest on the IFRIC 12 financial assets are recognised in the income statement in interest and other financial income, while sales of operational service are recognised in the income statement as other operating revenue.

8.5.2 Management properties

As of 30 June 2014, the management properties comprised 96 office properties with aggregate lettable area of approximately 1,038,000 square metres, compared to total lettable area of approximately 1,027,000 square metres as of 31 December 2013, approximately 963,000 square metres as of 31 December 2012 and approximately 976,000 square metres as of 31 December 2011. Lease maturities are staggered, and the WAULT of the management properties of the Group was 7.8 years as of 30 June 2014. As of the same date, the occupancy rate was 95.2%. More than 99% of the Group's management properties (measured by contractual rent) had lettable area greater than 2,000 square metres as of 30 June 2014. See Section 8.6 "Tenants and lease structure" for a description of the lease structure and the 20 largest tenants of Entra's management properties.

The Company believes that its management properties are generally well maintained in accordance with industry standards. As of 30 June 2014, the average period since construction or complete renovation of the Group's 20 largest properties (measured by market value) was 8.5 years. Nine of these properties were newly constructed by the Group, and the average period since construction was 7.4 years.

Management properties in the Central Oslo segment

The following table sets forth the management properties of the Group in the Central Oslo segment as of 30 June 2014.

	Location	Area (sqm)	Freehold / leasehold	Occupancy rate
Biskop Gunnerus gate 14, Oslo (BG14)........................	Oslo	50,575	Freehold	97.5%
Universitetsgaten 2, Keysersgate 13 and Munchs gate 4, Oslo (Munch-kvartalet)..	Oslo	40,915	Freehold	98.8%
Henrik Ibsens gate 110/Observatoriegt 1, Oslo (the National Library)..	Oslo	36,433	Freehold	100.0%
Langkaia 1 A, Oslo (Havnelageret).............................	Oslo	30,929	Leasehold	98.8%
Schweigaards gate 15, Oslo	Oslo	22,797	Freehold	100.0%
Middelthunsgate 29, Oslo..	Oslo	21,606	Freehold	100.0%
Akersgata 51/Apotekerggt. 6, Oslo	Oslo	17,850	Freehold	95.0%
Cort Adelers gate 30, Oslo	Oslo	16,100	Freehold	97.1%
Vahls gate 1-3, Oslo...	Oslo	14,857	Freehold	99.9%
Schweigaards gate 15 B, Oslo	Oslo	14,492	Freehold	99.8%
Universitetsgaten 7, Oslo..	Oslo	12,957	Freehold	68.2%
Tordenskiolds gate 12, Oslo	Oslo	12,920	Freehold	97.7%
Hagegata 22, Oslo	Oslo	11,886	Freehold	69.1%
Hagegata 23, Oslo	Oslo	10,676	Freehold	70.0%
Biskop Gunnerus gate 6, Oslo	Oslo	9,300	Leasehold	100.0%
Kristian Augusts gate 23, Oslo...................................	Oslo	8,736	Freehold	100.0%
Tollbugata 1 A, Oslo...	Oslo	8,526	Freehold	100.0%
Kristian Augusts gate 19, Oslo...................................	Oslo	7,169	Freehold	51.0%
Pilestredet 19-21, Oslo	Oslo	7,067	Freehold	99.7%
Kristian Augusts gate 15, Oslo...................................	Oslo	6,231	Freehold	83.7%
St. Olavsgate 4, Oslo	Oslo	4,109	Freehold	100.0%
Pilestredet 28, Oslo..	Oslo	3,590	Freehold	100.0%
Kristian Augusts gate 21, Oslo...................................	Oslo	3,514	Freehold	-
Wergelandsveien 29, Oslo...	Oslo	3,374	Freehold	100.0%
Akersgata 32, Oslo	Oslo	2,109	Freehold	79.5%
Pilestredet 30 AB, CD, Oslo	Oslo	1,377	Freehold	100.0%
Hagegata 24, Oslo	Oslo	1,054	Freehold	72.9%
Wexels plass, Oslo	Oslo	1,035	Freehold	100.0%
Fritznersgate 12, Oslo	Oslo	820	Freehold	100.0%
Total Central Oslo	**-**	**383,003**	**-**	**94.8%**

Management properties in the Greater Oslo segment

The following table sets forth the management properties of the Group in the Greater Oslo segment as of 30 June 2014.

	Location	Area (sqm)	Freehold / leasehold	Occupancy rate
Borkenveien 1-3, Bærum (Vøyenenga school)	Bærum	6,668	Leasehold	100.0%
Ringstabekkveien 105, Bekkestua	Bærum	5,775	Freehold	81.5%
Grønland 58, Drammen (JV) (Papirbredden)	Drammen	21,281	Freehold	100.0%
Grønland 51, Drammen (JV) (Papirbredden 2).............	Drammen	15,424	Freehold	98.6%
Grønland 60, Drammen (JV)	Drammen	8,854	Freehold	100.0%
Grønland 32, Drammen	Drammen	7,353	Freehold	100.0%
Konggata 51, Drammen	Drammen	3,576	Freehold	100.0%
Hans Kiærsgate 1 B and C, Drammen.........................	Drammen	2,225	Freehold	100.0%
Kreftingsgate 33, Drammen (JV)	Drammen	1,450	Freehold	100.0%
Grønland 56, Drammen (JV)	Drammen	504	Freehold	100.0%
Gunnar Nilsens gate 25, Fredrikstad...........................	Fredrikstad	4,370	Freehold	100.0%
Brochsgate 3, Fredrikstad	Fredrikstad	4,130	Freehold	99.5%
Kunnskapsveien 55, Kjeller (Høgskolen i Akershus).......	Lillestrøm	27,135	Freehold	100.0%
Jonas Lies gate 20-28, Lillestrøm	Lillestrøm	12,660	Freehold	100.0%
Vogtsgate 17, Moss..	Moss	9,582	Freehold	98.3%
Prins Chr. Augusts plass 3, Moss................................	Moss	5,041	Leasehold	100.0%

	Location	Area (sqm)	Freehold / leasehold	Occupancy rate
Brynsengfaret 4 and 6 AB+F, Oslo	Oslo (Helsfyr-Bryn)	35,505	Freehold	95.1%
Fredrik Selmers vei 4, Oslo	Oslo (Helsfyr-Bryn)	30,827	Freehold	100.0%
Strømsveien 96, Oslo	Oslo (Helsfyr-Bryn)	18,162	Leasehold	96.2%
Grenseveien 92, Oslo	Oslo (Helsfyr-Bryn)	14,698	Freehold	64.5%
Aasta Hansteens vei 10, Oslo	Oslo (Stovner)	5,913	Freehold	100.0%
Tvetenveien 22, Oslo	Oslo (Helsfyr-Bryn)	4,126	Freehold	100.0%
Karoline Kristiansens vei 2, Oslo	Oslo (Helsfyr-Bryn)	450	Freehold	100.0%
Brynsengfaret 6 C and D, Oslo	Oslo (Helsfyr-Bryn)	349	Freehold	100.0%
Kjørboveien 12-26, Sandvika	Sandvika (Bærum)	22,424	Freehold	95.6%
Kjørboveien 3 (parking house) Sandvika	Sandvika (Bærum)	16,353	Freehold	81.9%
Kjørboveien 15, 30-33, Sandvika	Sandvika (Bærum)	14,671	Freehold	100%
Malmskriverveien 18-20, Sandvika	Sandvika (Bærum)	9,163	Freehold	100.0%
Malmskriverveien 2 and 4, Sandvika	Sandvika (Bærum)	8,633	Freehold	99.9%
Kjørboveien 26, 30 and 32, Sandvika Kjørbo gård)	Sandvika (Bærum)	1,399	Freehold	-
Kjørboveien 1 (guest parking), Sandvika	Sandvika (Bærum)	-	Freehold	-
Total Greater Oslo	**-**	**318,699**	**-**	**96.2%**

Management properties in the South/West Norway segment

The following table sets forth the management properties of the Group in the South/West Norway segment as of 30 June 2014.

	Location	Area (sqm)	Freehold / leasehold	Occupancy rate
Kirkegaten 2 B, Arendal	Arendal	5,807	Freehold	94.7%
Nonnesentergaten 4, Bergen	Bergen	17,207	Freehold	100.0%
Valkendorfsgate 6, Bergen	Bergen	13,257	Freehold	94.0%
Kaigaten 9, Bergen	Bergen	9,991	Freehold	100.0%
Kalfarveien 31, Bergen	Bergen	8,441	Freehold	99.9%
Strømgaten 1 / Marken 37, Bergen	Bergen	6,366	Freehold	100.0%
Tollbualmenningen 2 A, Bergen	Bergen	1,823	Freehold	100.0%
Tordenskjolds gate 65, Kristiansand	Kristiansand	24,587	Freehold	86.9%
Kongsgård Allé 20, Kristiansand	Kristiansand	12,174	Freehold	100.0%
Vestre Strandgt 21, Kristiansand	Kristiansand	2,014	Freehold	100.0%
Lømslandsvei 6 ,Kristiansand	Kristiansand	1,445	Freehold	0.0%
Lømslandsvei 23, Kristiansand	Kristiansand	1,432	Leasehold	58.7%
Fjellanlegg, Kristiansand	Kristiansand	1,119	Freehold	-
Tordenskjolds gate 67, Kristiansand	Kristiansand	656	Freehold	100.0%
St. Hansgt. 1, Kristiansand	Kristiansand	469	Freehold	100.0%
Lømslandsvei 24, Kristiansand	Kristiansand	172	Freehold	100.0%
Telemarksgaten 11/Lundegt. 4, Skien	Skien	4,292	Freehold	91.3%
Proff. Hanssensvei 10, 12, Stavanger	Stavanger	37,219	Freehold	83.4%
Laberget 22, Stavanger (JV)	Stavanger	13,211	Freehold	100.0%
Jåttåvågveien 18, Stavanger (JV)	Stavanger	9,179	Freehold	98.6%
Lervigsveien 32, Tinngata 8, Stavanger	Stavanger	6,398	Freehold	100.0%
Jåttåvågveien 7, Stavanger (JV)	Stavanger	5,398	Freehold	96.7%
Nytorget 1, Stavanger	Stavanger	3,473	Freehold	99.4%
Tollpakkhuset, (Skansegt 2) Stavanger	Stavanger	1,488	Freehold	100.0%
Total South/West Norway	**-**	**187,617**	**-**	**94.0%**

Management properties in the Mid/North Norway segment

The following table sets forth the management properties of the Group in the Mid/North Norway segment as of 30 June 2014.

	Location	Area (sqm)	Freehold / leasehold	Occupancy rate
Molovegen 10, Bodø	Bodø	5,531	Leasehold	100.0%
Tollbugt. 2, Bodø	Bodø	943	Freehold	100.0%
Strandveien 13, Tromsø	Tromsø	11,561	Freehold	98.5%

	Location	Area (sqm)	Freehold / leasehold	Occupancy rate
Grønnegt. 122, Tromsø	Tromsø	6,664	Freehold	100.0%
Strandgata 41, Tromsø	Tromsø	6,533	Freehold	67.7%
Prinsensgate 1, Trondheim	Trondheim	29,993	Freehold	94.7%
Brattørkaia 15 A and B Trondheim	Trondheim	20,030	Leasehold	95.4%
Brattørkaia 17 B, Trondheim	Trondheim	19,652	Leasehold	97.3%
Tungasletta 2, Trondheim	Trondheim	14,822	Freehold	96.6%
Kongens gate 87, Trondheim	Trondheim	10,148	Freehold	96.4%
Brattørkaia 14, Trondheim (Rockheim)	Trondheim	7,180	Leasehold	100.0%
Brattørkaia 13 B, Trondheim	Trondheim	6,333	Freehold	100.0%
Dronningens gate 2, Trondheim	Trondheim	5,158	Freehold	100.0%
Erling Skakkesgt. 25, Trondheim	Trondheim	3,869	Freehold	100.0%
Total Mid/North Norway	**-**	**148,416**	**-**	**96.0%**

8.5.3 Ongoing development projects and project properties

The Group's portfolio of ongoing development projects contains properties where the Group has determined to start construction of new buildings or renovation of existing buildings. The Group is continuously screening and evaluating renovation projects, development projects and acquisitions and/or divestments. Once an opportunity has been identified, the investment committee of the Group, comprising the Management and key investment professionals, assesses the opportunity and either decline or approve the project or raise the decision to the Board of Directors. The Board of Directors approves investments above NOK 25 million and lease agreements above NOK 50 million. The Group will not typically initiate construction of a development project until 60% of the area is pre-leased. Entra has a solid and long track record of property development, and completed the following major projects in 2013 and the first half of 2014:

- New office building at Brattørkaia 15 in Trondheim, which the Norwegian Environment Agency occupied in March 2013. The property extends to a total of approximately 20,000 square metres and is a passive house (a building, for which thermal comfort can be achieved solely by post-heating or post-cooling of the fresh air mass, which is required to achieve sufficient indoor air quality conditions, without the need for additional recirculation of air, as defined by Passivhaus.org) and achieved BREEAM-NOR Excellent certification and satisfies Energy class A.

- Total renovation of office building at Fredrik Selmers vei 4 in Oslo (building phase 1), consisting of 30,800 square metres, which the Norwegian Tax Administration occupied in November 2013. Fredrik Selmers vei 4 is the first renovated commercial building in Norway to be designated a passive house. The building satisfies Energy class A and achieved a BREEAM-NOR Very Good certification. The project was nominated for the City Prize 2014.

- Total renovation of Powerhouse Kjørbo, consisting of 6,850 square metres, which Asplan Viak occupied on 31 March 2014. Over its lifetime, the building is expected to produce more energy from built-in renewable energy sources than has been used in the production of the building's materials and the building's construction and operation, including demolition of the building. This makes Powerhouse Kjørbo the world's first renovated energy positive building. Powerhouse Kjørbo achieved a BREEAM-NOR Outstanding classification.

As of 30 June 2014, the Group had a portfolio of seven larger ongoing development projects, being projects with an estimated individual investment of greater than NOK 50 million, consisting of a project area of approximately 74,800 square metres with estimated total project cost of approximately NOK 2.3 billion (excluding the Hinna Park parking space project of approximately 12,000 square metres and investments of approximately NOK 100 million). The Group generally estimates the current value of a project property based on the estimated value of the finalised project, less the remaining capital expenditure, and discounted at a risk premium determined based on probability of completion of the project. Since most of the ongoing development projects are in an advanced stage, and are therefore discounted using low risk premiums, the majority of the market value of the ongoing development projects has already been reflected in the market value of the Group's property portfolio.

The following table sets forth the Group's seven ongoing development projects with an estimated individual investment of greater than NOK 50 million as of 30 June 2014.

Property	Segment	Expected completion	Project area	Percentage leased (%)[1]	Estimated total project cost (MNOK)[2]	Of which accrued (MNOK)[2]	Esti-mated yield on cost (%)[2,3]
Otto Sverdrups plass 4	Greater Oslo	Q3-2014	15,500	93.3	481	462	6.5
Kongsgård Allé 20	South/West Norway	Q4-2014	2,000	100.0	67	62	6.4
Ringstabekkveien 105	Greater Oslo	Q1-2015	16,000	-	473	437	-
Langkaia 1[4]	Central Oslo	Q1-2015	8,500	61.7	167	87	12.8
Schweigaards gate 16	Central Oslo	Q2-2015	15,500	77.7	590	413	6.3
Akersgata 34/36	Central Oslo	Q3-2015	6,200	98.6	240	132	6.8
Papirbredden 3	Greater Oslo	Q3-2015	11,000	40.7	265	48	8.0
Total	**-**	**-**	**74,800**	**-**	**2,283**	**1,640**	**-**

1 Based on signed contracts.

2 Including initial value/cost of land.

3 Estimated yield on cost is calculated as contractual rent and market rent less estimated owners' costs, divided by estimated total project cost.

4 Includes 9th and 10th floors and loading balcony only. See description below.

Otto Sverdrups plass 4

Entra has developed a knowledge centre for Bærum municipality in Sandvika (Bærum) comprising of one completely new building and the renovation of an existing building. The total lettable area is 15,698 square metres of which 11,700 square metres are let to Bærum municipality and Oslo and Akershus University College, while 2,600 square metres are let to the Norwegian Defence Estates Agency (Forsvarsbygg). The project was completed in the third quarter of 2014.

Kongsgård Allé 20

Kongsgård Alle 20 in Kristiansand is being extended by 2,000 square metres to a total of 12,000 square metres. The project will house three educational institutions; Kristiansand International School, Adult Education/Kongsgård School Centre as well as a reception school. The tenant is Kristiansand municipality. The project was completed in September 2014.

Ringstabekkveien 105

The project Ringstabekkveien 105 in Bærum municipality consists of Ringhøyden (commercial premises and apartments) and Slottshagen (apartments). Both the commercial premises and the apartments are primarily for sale. Slottshagen consists of 24 retirement apartments all of which have been sold. The commercial premises at Ringhøyden of approximately 3,000 square metres have been handed over to the tenant Bærum municipality. The construction of the infrastructure and the 49 senior apartments is continuing and 20 of these have been sold. The project is expected to be completed in the first quarter of 2015.

Langkaia 1

At Langkaia 1 in Oslo municipality the 9th and 10th floors, totalling 6,200 square metres, are being fully renovated. Approximately 5,200 square metres of this area is let to Eniro Norge AS. In addition, the old "loading balcony" is in process of being developed into office premises totalling 2,400 square metres.

Schweigaards gate 16

A new office building of 15,500 square metres is under construction where Statoil Fuel & Retail AS will be the largest tenant with 12,100 square metres. Entra expects that the project will obtain a rating of BREEAM-NOR Excellent. Difficulties with the foundation from the previous building on the property caused around nine weeks of delay on the ground works, after which construction needed to be completed more quickly than expected. The additional cost of this construction is included in the reported project cost, without any significant impact on the yield on cost for the project. The building is expected to be completed in June 2015.

Akersgata 34/36

The project Akersgata 34/36 involves a new building and the renovation of an existing building, totalling 6,200 square metres of offices and is fully let to Amedia AS. The project is on schedule and is expected to be completed and delivered to the tenant for occupancy in September 2015.

Papirbredden 3

A lease has been signed with Husbanken on 4,000 square metres out of a total of 11,000 square metres in Papirbredden 3 in Drammen. Construction of the building commenced in August 2014, and the project is constructed in accordance with FutureBuilt's quality criteria (as defined below). Papirbredden 3 will be a passive house with Energy class A. The project is owned by Papirbredden Eiendom AS in which Entra owns 60% of the shares.

The following table sets forth the Group's properties with project property area as of 30 June 2014.

Property	Location - segment	Primary classification	Management area (sqm)	Project area (sqm)	Freehold/ leasehold
Otto Sverdrups plass 4	Greater Oslo	Project property	0	15,500	Freehold
Kongsgård Allé 20	South/West	Management property	12,200	2,000	Freehold
Ringstabekkveien 105[1]	Greater Oslo	Project property	5,800	12,000	Freehold
Langkaia 1	Central Oslo	Management property	31,000	8,500	Leasehold
Skansegaten 2	South / West	Project property	0	2,900	Freehold
Schweigaards gate 16	Central Oslo	Project property	0	15,500	Freehold
Akersgata 34/36	Central Oslo	Project property	0	6,200	Freehold
Kjørboveien 12-26	Greater Oslo	Management property	22,400	3,400	Freehold
Grønland 51 (60%)	Greater Oslo	Management property	15,400	11,000	Freehold
Gullfaks land plot (50%)	South / West	Project property	0	17,679	Freehold
Total	-	-	**86,800**	**94,679**	-

1 Excluding residential area.

8.5.4 Future development pipeline and land and development properties

Entra has a robust future development pipeline, providing the Group significant growth potential. The following table sets forth the projects in the pipeline with advanced or completed regulatory approval as of 30 June 2014, comprising total investment of approximately NOK 6 – 7 billion, of which Entra's share is approximately NOK 5 billion.

No	Property (ownership)	City	Type of project	Project area (sqm)[1]	New area (sqm)[1]	Development status
1	Brattørkaia 16 (100%)	Trondheim	New building	8,800	8,800	Pre-letting in process
2	Strømsveien 96 (100%)	Oslo	Renovation	18,000	-	Pre-letting in process
3	Strandgata 41 (100%)	Tromsø	Renovation	6,500	-	Negotiating with existing tenant
4	Sundtkvartalet (50%)	Oslo	New building	31,000	31,000	Finalising terms with JV partner (Skanska Commercial Development Norway AS)
5	Fredrik Selmers vei 4 (100%)	Oslo	Renovation	7,400	1,200	Pre-letting in process
6	Gullfaks – Hinna Park (50%)	Stavanger	New building	17,800	17,800	Beginning construction
7	Kvartal 71 (100%)	Kristiansand	Renovation/ expansion	47,500	24,500	Starting pre-letting
8	Oseberg – Hinna Park (50%)	Stavanger	New building	16,800	16,800	Construction to start when 60% pre-let
9	Ormen lange – Hinna Park (50%)	Stavanger	New building	11,490	11,490	Construction to start when 60% pre-let
10	Kjørbo block 1, 2 and 3 (100%)	Sandvika (Bærum)	Renovation	11,400	-	Pre-letting in progress
11	Lars Hilles gate 30 (50%)	Bergen	Renovation/ expansion	45,000	10,000	Approximately 60% pre-let
12	Tullinkvartalet (100%)	Oslo	Renovation/ expansion	26,400	9,500	Zoning and planning
13	Brattørkaia 17 A (100%)	Trondheim	New building	13,600	13,600	Awaiting regulatory approval
Total		-	-	**261,690**	**144,690**	-

1 100% of the area. The table includes projects with estimated total project areas as of 30 June 2014. Each total project area may vary based on the progress of the project, and will therefore differ in certain cases from the table below in which the total zoned area on each property is included.

The development projects listed in number 1 – 10 in the table above have received regulatory approval, while the projects listed in number 11 – 13 are at an advanced stage in the regulatory approval process. The baseline required return on equity for these projects is 11% over a 10-year projection period, adjusted for each project depending on the zoning and development risk, property type, location, tenant quality, lease contract duration and pre-let ratio of the particular property. The Group targets a yield on cost above the current yield of the portfolio. However, the yield on cost will vary from project to project as a result of the adjustment factors described above. For example, projects in Central Oslo will typically have a lower yield on cost than the average of the Group's projects due to a lower risk profile, mainly as a result of low vacancy and access to high quality tenants, which can be expected to positively influence market values. Historically, the Group's calculation of baseline required return on equity applied a gearing ratio of approximately 70%, implying a total return requirement of approximately 6.5% on a typical development project. Following completion of the Offering, the Group expects to apply a gearing ratio of approximately 50% and review the return on equity requirement based on the new capital structure. In most cases where the Group has experienced cost increases during the course of construction, the Group has been able to partially or fully offset such costs with increases in rent levels following completion. As of 30 June 2014, Entra's portfolio also included 11 early stage projects, with an estimated total project area of approximately 212,800 new square metres. The timing of any development project will depend on a number of external factors, in particular the ability to pre-let a substantial portion of the development project on attractive terms, and as such, the timing and sequence of any development project is to a large extent unpredictable.

Entra's portfolio of land and development properties contains properties with zoned development potential, but where no investment decision has been made by the Group. As of 30 June 2014, the Group had 10 properties with land and development area totalling 140,892 square metres. In addition to properties with land and development area, Entra also owned 112,000 square metres of unzoned area, which has not been valued, as of 30 June 2014.

The following table sets forth the Group's properties with land and development area as of 30 June 2014.

Property	Location - segment	Primary classification	Management area (sqm)	Zoned area (sqm)[1]	Freehold/ leasehold
Tordenskjoldsgate 65, Kristiansand	Kristiansand – South/West Norway	Management property	24,600	14,000	Freehold
Jonas Lies gate 20-28, Lillestrøm	Lillestrøm – Greater Oslo	Management property	12,600	5,000	Freehold
Brynsengfaret 4 and 6 AB+F, Oslo	Oslo – Greater Oslo	Management property	35,500	13,600	Freehold
Fredrik Selmers vei 4, Oslo	Oslo – Greater Oslo	Management property	30,800	7,400	Freehold
Lervigsveien 32, Tinngata 8, Stavanger	Stavanger – South/West Norway	Management property	6,400	16,602	Freehold
Oseberg (Hinna Park), Stavanger	Stavanger – South/West Norway	Land and development property	0	17,800	Freehold
Ormen Lange (Hinna Park), Stavanger	Stavanger – South/West Norway	Land and development property	0	11,490	Freehold
Brattørkaia 16, Trondheim	Trondheim – Mid/North Norway	Land and development property	0	9,500	Leasehold
Brattørkaia 17 A, Trondheim	Trondheim – Mid/North Norway	Land and development property	0	10,800	Leasehold
Holtermanns veg 1 - 13, Trondheim	Trondheim – Mid/North Norway	Land and development property	0	34,700	Freehold
Total	-	-	**109,900**	**140,892**	-

1 Area size for which zoning approval has been obtained. This table includes the total zoned area on each property, and will therefore differ in certain cases from the table above in which the total estimated project area for each project is included.

8.5.5 Purchase options and pre-emptive rights

Certain of the Group's properties are subject to purchase options, as further described below.

- Pursuant to the lease agreements entered into between Entra Eiendom and the Norwegian Ministry of Culture on 22 April 2005, 15 October 2003 and 30 June 2005, respectively, the tenant has an option to acquire the three buildings comprising the National Library in Henrik Ibsens gate 110/Observatoriegaten 1 in Oslo municipality (the rehabilitated building, the "Magazine" and the office building "Halvbroren"). The tenant has the right to acquire the rehabilitated building and the "Magazine" at expiry of each 25 year lease period (expiring on 6 June 2030 and 31 December 2029, respectively). The leases include an unlimited number of 25-year extension periods, at market rents. Further, the tenant has the right to, upon six months' notice, acquire "Halvbroren" if the tenant itself leases and uses more than 50% of the building. As of 30 June 2014, the tenant leased and used 65% of the building. The purchase price for all three buildings shall equal the market value of the buildings based on the capitalised future rental income based on the assumption that the lease agreements are continuously prolonged in accordance with the renewal clause in the lease agreements. The market value of the properties was NOK 1,353.9 million as of 30 June 2014.

- Pursuant to the lease agreement entered into between Kr Augustsgate 23 AS and Stiftelsen Nasjonalmuseet for Kunst on 31 August 2004, which expires on 31 December 2024, the tenant has an option to acquire Kristian Augusts gate 23 in Oslo municipality. The option is exercisable at any time during the lease period with six months' notice, and the purchase price shall equal the market value of the property based on the assumption that the Norwegian Government is tenant for 15 years from the purchase date on the same terms as in the lease agreement between Kr Augustsgate 23 AS and Stiftelsen Nasjonalmuseet for Kunst. The market value of the property was NOK 275.2 million as of 30 June 2014.

- Pursuant to the lease agreement entered into between Universitetsgaten 2 AS and the Ministry of Justice on 23 May 2002, Statsbygg AS or another government department has an option to acquire Borgarting Court of Appeal at Keysersgt 13 and Munchsgate 4 in Oslo municipality. The option may be exercised when the lease has lasted for nine years, and with 12 months' notice, at a purchase price equal to 13.25 times annual gross rent at the time the option is exercised. In March 2013, Statsbygg AS notified the Group that they called the option, to be exercised when the lease agreement had lasted for nine years on 1 April 2014. The exercise of the option was made subject to approval from a superior authority. In July 2014, Statsbygg AS informed the Company that it would not be able to complete the purchase of the property in 2014. The property is recorded at a book value of NOK 445.8 million as of 30 June 2014.

- Pursuant to the lease agreement entered into between Entra Eiendom and Bærum municipality on 23 June 2005, which expires on 27 January 2027, the tenant has an option to acquire Vøyenenga School in Bærum municipality. The option is exercisable after ten years lease at a purchase price of NOK 97,137,500; after fifteen years lease at a purchase price of NOK 86,912,000; and after 20 years lease at a purchase price of NOK 63,285,000. The market value of the property was NOK 105.7 million as of 30 June 2014.

- Pursuant to the lease agreement entered into between Entra Eiendom and Østfold Police District on 22 May 2002, which expires on 31 December 2019, the Norwegian Government by Statsbygg AS (or another state entity nominated by the Norwegian Government) has an option to acquire Prins Christian Augusts plass 3-5 in Moss municipality. The option includes the right to purchase the ground lease agreement and the buildings at a price equal to 11.5 times the annual contractual rent (after deduction of the ground lease rent), and is exercisable at any time during the lease period in the event of (i) a sale of the buildings (in whole or in part with 60 days' notice to the Ministry of Justice) or (ii) at any time during the lease period with 12 months' prior notice. The market value of the property was NOK 73.7 million as of 30 June 2014.

- Pursuant to the lease agreement entered into between Entra Eiendom and the Embassy of the Republic of Indonesia on 2 May 2005, which expires on 1 July 2015, the tenant has an option to acquire the Indonesian Embassy in Fritznersgate 12 in Oslo municipality. The option is exercisable at any time during the lease period at a purchase price calculated based on a price of NOK 23 million as of 31 December 2006 and thereafter adjusted for 100% of the changes in the CPI until the option is exercised. The market value of the property was NOK 27.1 million as of 30 June 2014.

- Pursuant to deed registered in the Land Registry on 18 August 1980, Bergen municipality has an option to acquire Kunsthåndverkskolen in Strømgaten 1 in Bergen municipality. Bergen municipality has claimed the right to exercise the option effective from the point in time Kunsthåndverkskolen vacates the property and the property shall at such time be returned to Bergen municipality without any compensation. The lease agreement expires on 31 December 2015. The market value of the property was NOK 5.2 million as of 30 June 2014.

- Pursuant to the ground lease agreement entered into between Entra Eiendom and Oslo Havn KF on 4 October 1979 relating to the Langkaia properties, the ground lessor has an option to acquire the buildings without any compensation and free of any encumbrances upon expiry of the ground lease agreement on 1 January 2031. As the property is valued based on the cash flow until expiry of the ground lease agreement (i.e. no residual value), there will be an ongoing decrease in the balance sheet value until 2030. The market value of the property was NOK 600.2 million as of 30 June 2014.

In addition, certain of the Group's properties are subject to pre-emptive rights, including:

- The ground lessor under the ground lease agreement dated 8 July 1936 regarding Lømslandsvei 23 in Kristiansand municipality has a pre-emptive right to acquire the buildings on the premises in the event of a sale of the buildings. In the event the pre-emptive right is enforced, the purchase price shall equal the value of the buildings as determined by an appraisal commission.

- Kristiansand municipality has a pre-emptive right to acquire Vestre Strandgate 21 in Kristiansand municipality at market price in the event of a sale of the property.

- Based on a pre-emptive right registered in the Land Registry in 1951, six private persons have a personal pre-emptive right to the property Vogts gate 17 in Moss municipality on the same terms as another potential buyer.

- Trondheim municipality has pre-emptive rights to acquire certain properties in Trondheim municipality which the Group acquired in February 2011 (the aggregate purchase price for the properties were NOK 5,000,000).

Further, pursuant to lease agreements entered into between Entra Eiendom and the Norwegian Customs and Excise, the Norwegian Customs and Excise has a perpetual right to lease Tollbugata 1 and Schweigaards gate 15 in Oslo municipality, Brattørkaia 13b in Trondheim municipality and Tollbugata 2 in Bodø municipality. The lease agreements do not specify the terms and conditions for further lease periods following expiry of the current lease periods. During the current lease period, the rent is subject to annual adjustment in accordance with changes in the CPI. Also, Trondheim Gymnastics Club has a perpetual right to lease premises in Prinsensgate 1c in Trondheim free of lease payments.

8.6 Tenants and lease structure

Entra's tenant base is comprised primarily of public sector tenants with long-term leases, and, as of 30 June 2014, public sector tenants accounted for approximately 72% of the Group's contractual rent. The proportion of private sector tenants has increased from 12% in 2004, at a compound annual growth rate of 9%, while the total rent from public sector tenants has increased since 2004 at a compound annual growth rate of 6%. Entra's public sector tenants are, or are wholly owned by, governmental, county or municipal bodies. As of 30 June 2014, the Company had more than 300 separate lease agreements with different public sector tenants, most of which run their own public tendering process and make letting decisions independently. The market rent of the management properties was NOK 1,676 per square metre, while the 12 months rolling rent was NOK 1,656 per square metre, as of 30 June 2014. As of the same date, the management properties of the Group had more than 700 leases with a WAULT of 7.8 years. The 20 largest tenants' share of Entra's rental income, based on contractual rent as of 30 June 2014, amounted to 51% with WAULT of 9.5 years.

The following table sets forth the Group's 20 largest tenants of its management properties as of 30 June 2014.

	Tenant	Public / private sector	Proportion of total contractual rent (%)	Number of properties	WAULT
1	Norwegian Tax Administration	Public	5.9	5	11.0
2	Schibsted	Private	4.2	1	1.2
3	Norwegian Directorate of Health	Public	4.0	3	4.4
4	Norwegian Public Road Administration	Public	3.9	2	8.4
5	National Library of Norway	Public	3.6	2	16.0
6	Oslo and Akershus University College of Applied Sciences	Public	2.6	1	9.1
7	Norwegian Directorate of Customs and Excise	Public	2.6	2	6.5
8	Norwegian Environment Agency	Public	2.6	2	8.1
9	Norwegian Water Resources and Energy Directorate	Public	2.6	1	11.8
10	Norway Post	Public	2.2	1	3.7
11	Borgarting Court of Appeal	Public	1.9	1	20.5
12	Municipality Undertaking for Defence Buildings	Public	1.9	2	4.5
13	County Governor of Oslo and Akershus	Public	1.7	1	5.5
14	Buskerud and Vestfold University College	Public	1.6	2	12.5
15	Norwegian Petroleum Directorate	Public	1.6	1	12.5

	Tenant	Public / private sector	Proportion of total contractual rent (%)	Number of properties	WAULT
16	Asker and Bærum Police District	Public	1.5	1	18.5
17	Norwegian Directorate for Education and Training	Public	1.5	1	18.4
18	Oslo Municipality Undertaking for Social Services Buildings	Public	1.5	1	5.3
19	The National Museum of Art, Architecture and Design	Public	1.4	2	8.7
20	Petroleum Safety Authority Norway	Public	1.2	1	12.8
	Total	**-**	**50.9**	**33**	**9.5**

Below is an overview of the largest new and renegotiated leases the Group has entered into in the six months ended 30 June 2014:

- New lease for 13,800 square metres in the Gullfaks building at Hinna Park, Stavanger to Wintershall in the first quarter of 2014;
- New lease for 5,172 square metres at Langkaia 1 in Oslo to Eniro Norge AS in the first quarter of 2014;
- New lease for 2,581 square metres in Otto Sverdrups plass 4 in Sandvika (Bærum) to the Norwegian Defence Estates Agency in the first quarter of 2014;
- Renegotiated lease for 7,269 square metres in Kongensgate 87 in Trondheim to the Tax Administration's IT and Service Partner (Sør-Trøndelag County Tax Office) in the first quarter of 2014;
- Renegotiated lease on 3,382 square metres in Brynsengfaret 6 A,B in Oslo to the Norwegian Food Authority in the first quarter of 2014;
- New lease for 4,005 square metres in Grønland 51 (Papirbredden 3) in Drammen with Husbanken in the second quarter of 2014;
- New lease for 3,908 square metres in Biskop Gunnerus gate 14 with Jernbaneverket in the second quarter of 2014;
- New lease for 1,664 square metres in Professor Olav Hanssens vei 10 in Stavanger with the University in Stavanger in the second quarter of 2014;
- Renegotiated lease for 682 square metres in Jåttåvågveien, Hinna Park in Stavanger with American Express in the second quarter of 2014; and
- Renegotiated lease for 555 square metres in Prinsens gate 1 in Trondheim with NTNU Samfunnsforskning in the second quarter of 2014.

The following table sets forth an overview of the Group's leases in place in the period from 1 July 2014 to 1 January 2024, based on the leases in place as of 1 July 2014, assuming no exercise of renewal options, termination rights or base case escalations over the lease term.

Date	Number of leases in place	Contractual rent (MNOK)	Contractual rent over the remaining lease period (MNOK)	WAULT
1 July 2014	606	1,731	13,493	7.8
1 January 2015	452	1,614	13,451	8.3
1 January 2016	362	1,497	13,319	8.9
1 January 2017	302	1,422	13,151	9.2
1 January 2018	240	1,349	12,887	9.6
1 January 2019	171	1,073	11,738	10.9
1 January 2020	128	914	10,848	11.9
1 January 2021	100	781	10,023	12.8
1 January 2022	91	739	9,729	13.2
1 January 2023	69	708	9,469	13.4

Date	Number of leases in place	Contractual rent (MNOK)	Contractual rent over the remaining lease period (MNOK)	WAULT
1 January 2024	55	546	8,010	14.7

As a general rule, the sale or letting of real property is exempt from VAT. Entra is voluntarily registered for VAT, but has several lessees within the public sector that are not registered for VAT and not entitled to VAT compensation. Such lessees are therefore invoiced for payment of rent without VAT, and Entra is not entitled to deduct/credit input VAT on costs related to real property let to these lessees. The VAT rules relating to real property are in the process of being reviewed by the Ministry of Finance, which has indicated that it is considering possible changes that would *inter alia* make leasing of real property subject to VAT regardless of the VAT status of the lessee. It is uncertain if or when such changes may be proposed in the Norwegian parliament.

8.7 Partner strategy

The strategy of the Group typically focuses on development, ownership and operation of its own management properties. However, the Group also selectively gains access to development projects and manages the associated risks through its shareholdings in subsidiaries with significant non-controlling interests, jointly controlled entities and associates. As a result, a portion of the Group's property portfolio is owned and operated through subsidiaries with significant non-controlling interests, jointly controlled entities or associates. While the Group does not currently expect to dispose of its current or acquire additional interests, the Group's strategy includes actively seeking to improve the quality of its property portfolio through a disciplined strategy of acquisitions and divestments.

The following table sets forth the Group's interests in subsidiaries with significant non-controlling interests, jointly controlled entities and associates as of 30 June 2014.

Entity	City	Accounting methodology	Shareholding	No. of properties	Rent[1]	Area[2]	Yielding[2]	Dev.[2]	Total property value[1]	Net int. bearing debt[1,3]	Book value of associates[1]	Minority interests in Entra B/S[1]
Entra OPF Utvikling AS	Bergen	Equity Method	50.00%	2	34	59,537	49,537	10,000	732	-22	368	-
Oslo S Utvikling AS[4]	Oslo	Equity Method	50.00%		32	187,000		187,000	3,000	217	620	-
Hinna Park Eiendom AS[5]	Stavanger	Consolidated	50.00%	6	35	74,715	27,788	46,926	1,322	685	-	250
Papirbredden Eiendom AS	Drammen	Consolidated	60.00%	5	36	58,528	47,513	11,015	1,128	645	-	137
Sundtkvartal et AS[6]	Oslo	Equity Method	50.00%	2		31,000		31,000	248	17	-	
Other associated entities												
Total				15	137	379,780	124,838	254,941	6,182	1,541	988	387
of which accounted on a consolidated basis				11	71	133,243	75,301	57,941	2,260	1330	-	387
of which accounted on an equity method basis (book value)				4	66	246,537	49,537	197,000	3,732	211	988	-
of which accounted on an equity method (market value)				4	66	246,537	49,537	197,000	3,732	211	988	-

1 In NOK millions.

2 In square metres.

3 Excludes mark-to-market of derivatives.

4 Oslo S Utvikling AS operates with a strategy to construct buildings for sale. Rent related to lease of basement (parking space to tenants, storage and technical rooms) and rent income from sub-leasing of the Visma building.

5 Hinna Park Eiendom AS has been consolidated into the Group's financial statements from 1 February 2014.

6 The Group is in the process of establishing the corporate and governance structure for Sundtkvartalet AS, which is expected to include the contribution of the property at Lakkegata 55 in Oslo by Entra Eiendom and the property at Vahls gate 4 in Oslo by Skanska Commercial Development Norway AS. In addition, each of Entra Eiendom and Skanska Commercial Development Norway AS are expected to contribute equity in the amount of NOK 75 million.

8.7.1 Papirbredden Eiendom AS (60%)

Papirbredden Eiendom AS is owned by Entra Eiendom (60%) and the municipality of Drammen (40%). Papirbredden Eiendom AS owns the properties Grønland 51, Grønland 56, Grønland 58, Grønland 60 and Kreftingsgate 33 in Drammen, with office space totalling 47,513 square metres. All the properties are 99.6% let. Construction of Papirbredden 3 (Grønland 51) commenced in the third quarter of 2014. The building will total 11,000 square metres and a lease agreement has been entered into with Husbanken for 4,000 square metres, and zoning work is being carried out on Kreftingsgate 33 in Drammen as a basis for planned zoning. The company does not have any employees.

Pursuant to a shareholders' agreement in relation to Papirbredden Eiendom AS, the shareholders have a mutual pre-emptive right to the shares of the other shareholder, as well as a tag along right if shares are sold to a third party. If a party wishes to sell the shares in one of the company's subsidiaries or a property owned by a subsidiary, the other party has a right to acquire the shares or the property at a purchase price equal to the average of three independent valuations.

8.7.2 Hinna Park Eiendom AS (50%)

Hinna Park Eiendom AS is owned by Entra Eiendom (50%) and Camar Eiendom AS (50%). Entra Eiendom acquired its 50% interest in the newly established Hinna Park Eiendom AS in February 2014 based on a property value of approximately NOK 1.3 billion (100%). Hinna Park Eiendom AS owns the properties Fjordpiren in Laberget 22 in Stavanger (approximately 13,200 square metres), Stadion Blokk C in Jåttåvågveien 7 in Stavanger (approximately 5,400 square metres) and Troll in Jåttåvågveien 18 in Stavanger (approximately 9,200 square metres), with office space totalling approximately 27,800 square metres. Other than a vacancy of 83 square metres in Stadion Blokk C, these three office buildings are fully let. In addition, the company has rental income in Hinna Park Logistikk AS comprising of rental of car parking and boat mooring spaces, and canteen contributions (to cover fixed costs related to use of the premises which is therefore regarded as rental income). Hinna Park Eiendom AS has recently decided to commence construction of a new office building of 17,800 square metres following the entering into of a lease with the oil and gas company Wintershall for approximately 77% of the building. Wintershall has an option to lease an addition of minimum 50% of the remaining portion of the building at the same terms and conditions as the existing lease agreement. The option must be exercised within twelve months prior to completion of the new office building. Hinna Park Eiendom AS also has an additional 29,000 square metres zoned for development of office space. In addition, Hinna Park Logistikk AS, a subsidiary of Hinna Park Eiendom AS, has commenced the construction of the parking hall Gullhallen. Hinna Park Eiendom AS has its own marketing and operations organisation employing 13 people. The organisation also manages properties on behalf of third parties.

Due to the fact that Entra Eiendom holds 51% of the votes at Hinna Park Eiendom AS' general meeting as set forth in the shareholders' agreement governing the parties' joint shareholding, Hinna Park Eiendom AS is consolidated in the Group's financial statements. Pursuant to the shareholders' agreement, each shareholder holding at least 33.4% of the share capital has a veto right in resolutions relating, amongst other things, to development of undeveloped properties if less than 60% of the development project has been let out at the time of the decision to commence development and sale and purchase of properties or property companies if the consideration exceeds NOK 25 million. Prior to any disposal of real property from the Hinna Park Eiendom group, each of the shareholders shall have a pre-emptive right to acquire such real property on market terms to be agreed between the shareholders. If both parties wish to acquire a property or a property company, a bidding process shall be initiated in order to determine which shareholder shall acquire the property or property company, and at what terms. There is a lock-up on share transfers until 31 January 2017. Prior to selling its shares to a third party following such date, a party wishing to sell its shares shall make an offer to sell its shares to the other party. If the offer is not accepted, the party wishing to sell its shares may freely sell its shares to a third party provided that the sale is on terms not less favourable than the terms offered to the other party. In addition, each party has a tag along right in the event of a sale to a third party.

8.7.3 Entra OPF Utvikling AS (50%)

Entra OPF Utvikling AS is owned by Entra Eiendom (50%) and Oslo Pensjonsforsikring AS (50%). Entra OPF Utvikling AS owns the properties Allehelgens gate 6 and Lars Hilles gate 30 in Bergen, totalling 49,537 square metres. Allehelgens gate 6 is fully let to Hordaland police district, with a remaining lease period of just below five years as of 30 June 2014. With respect to Lars Hilles gate 30, plans are far advanced to develop the concept Media City Bergen. The project involves total renovation of the building's existing 35,000 square metres and adding an additional 10,000 square metres of office space. Entra OPF Utvikling AS has entered into lease agreements with the media companies TV2, NRK, Bergensavisen, Bergens Tidende, the Media Faculty of Bergen University and the graphics company Vizrt with respect to around 67% of the space. The agreements are subject to planning consent. The company does not have any employees.

Pursuant to the partnership agreement regarding Entra OPF Utvikling AS, Entra OPF Utvikling AS and its subsidiaries may not be financed with debt, and any capital requirements, in addition to its profits, are to be financed with equity contributions from the shareholders. The agreement further provides that, as a general rule, the previous year's profits shall be distributed after providing for any capital requirements in the year in which the distribution is made. The partners have a mutual pre-emptive right to acquire the shares of another partner and a tag along right if a partnership interest is sold to a third party. The Group maintains a veto over certain significant matters.

8.7.4 Oslo S Utvikling AS (33.33%)

Entra Eiendom (33.33%), Linstow AS (33.33%) and Rom Eiendom AS (33.33%) own Oslo S Utvikling AS, a property development company that is carrying out the development of part of the Bjørvika central business district in Oslo. The strategy of the company is to develop property for sale. Oslo S Utvikling AS is responsible for the development of around 350,000 square metres above ground and around 105,000 square metres below ground. The company had developed approximately 163,000 square metres above ground and approximately 55,000 square metres below ground as of 30 June 2014. The development pace will depend on the market situation and demand. Normally, Oslo S Utvikling AS requires a pre-sale of minimum 50% before starting a new residential project. As of 30 June 2014, the company had 10 employees.

Oslo S Utvikling AS' strategy of developing properties for sale means that its properties are not recorded in its financial statements at fair value, but are instead recorded at historic cost. In the Financial Information, the Group's investment in Oslo S Utvikling AS is recorded using the equity method, and equity after tax was recorded at NOK 620.3 million as of 30 June 2014.

The total market value of the properties and projects in Oslo S Utvikling AS was approximately NOK 3 billion as of 30 June 2014, according to valuations conducted by Newsec, a property advisory company, and Akershus Eiendom AS. Since Entra's ownership interest is 33.33%, the market value of its interest was approximately NOK 1 billion as of 30 June 2014. The estimate is based on corresponding principles as those used for Entra's other valuations of investment properties. Similarly, 33.3% of the net asset value of Oslo S Utvikling AS as at 30 June 2014 was NOK 0.9 billion, assuming an estimated latent deferred tax discount of 10%. Entra received NOK 177.7 million of dividends in 2013, NOK 291.6 million in 2012 and NOK 95.3 million in 2011. The current projects of Oslo S Utvikling AS are materially smaller than the projects that have been developed and sold over the recent years and are to a large extent residential. As of 31 December 2011, Entra had contributed NOK 295 million in additional capital (equity and subordinated loans) to Oslo S Utvikling AS. Oslo S Utvikling AS has since distributed amounts exceeding the amount of the Group's equity contributions and repaid all subordinated loans, and the Company does not expect further equity contributions to Oslo S Utvikling AS for future developments.

Pursuant to a development agreement in relation to Oslo S Utvikling AS, all financing should be sought from third parties. If such financing from third parties cannot be obtained, loans or security shall be provided pro rata by the shareholders. Acquisitions, sale of material assets, material investments and incurring material amount of debt, among other things, require the approval of each partner. The partners do not have pre-emptive rights to the sale of specific projects. However, in the event one of the shareholders purchases a project and resells it either directly or indirectly within three years, any profits shall be equally divided among the partners. The partners have pre-emptive, tag-along and drag-along rights.

8.7.5 Sundtkvartalet AS (50%)

Entra Eiendom (50%) and Skanska Commercial Development Norway AS (50%) have established a property development company, Sundtkvartalet AS, for the construction of a new office building at Sundtkvartalet in the city centre of Oslo. The project area is approximately 31,000 square metres, and work commenced in the second quarter of 2014. The project will also include office space, services and a sports hall for the municipality of Oslo, which are not included in the calculation of the project area of 31,000 square metres. Skanska Norge AS is the building contractor, and Skanska Norge AS has also entered into a lease for approximately 8,000 square metres in the building for use as its Norwegian head office.

Sundtkvartalet AS will be capitalised with contribution of the property at Lakkegata 55 in Oslo by Entra Eiendom and the property at Vahls gate 4 in Oslo by Skanska Commercial Development Norway AS. In addition, each of Entra Eiendom and Skanska Commercial Development Norway AS will contribute equity in the amount of NOK 75 million. The remaining funding requirements for the project are expected to be provided through a separate bank loan being negotiated in the autumn of 2014.

8.8 Competition

Demand for office properties fluctuates in line with the general economic market conditions as well as with the availability of existing office space and supply of new office space coming into the market. Attracting and retaining high quality tenants are key value drivers for Entra. The office property market is highly competitive and the Group competes for tenants in the open market on the basis of price, location, size, age, standard and condition of its properties, as well as on its reputation as a professional manager and owner of office properties. The Group's universe of competitors is fragmented and consists of a relatively large number of smaller and larger property owners and managers. The largest include, but are not limited to, Storebrand Eiendom, KLP Eiendom, DnB Næringseiendom, Oslo Areal, Eiendomsspar, Aberdeen Property Investors, Statsbygg, Rom Eiendom and Norwegian Property ASA. See Section 7.7 "Competition".

8.9 Information technology

Entra operates with a modern portfolio of financial, commercial and technical software applications and supporting infrastructure to enable effective and responsive operations, and to support timely, relevant, and reliable information for business decision-making. IT services are outsourced to Intility, a leading supplier of Enterprise Cloud solutions. Entra obtains its IT solutions from providers such as Microsoft, IBM, Oracle and Profitbase, and, where appropriate, from suppliers specialised in providing solutions tailored towards the property industry.

8.10 Legal and arbitration proceedings

8.10.1 Legal proceedings with Norwegian Datasenter Group AS, Greenfield Property AS and Evry ASA/Evry AS

The Group is involved in three legal proceedings related to the Group's involvement in the development of a data centre. The project was commenced by the Group in 2010, and the Group subsequently initiated discussions with Evry ASA/Evry AS as a prospective tenant for the data centre upon completion. The Group established a separate company, Greenfield Property AS, for the purpose of developing the data centre. In September 2012, Entra sold a 67% interest in Greenfield Property AS to Norwegian Datasenter Group AS. Following the sale, the management of Greenfield Property AS were responsible for the further development of the data centre project, including further negotiations with Evry ASA/Evry AS. Greenfield Property AS and Evry ASA/Evry AS later entered into a lease agreement in respect of the data centre, which was subject to satisfaction of certain conditions. Subsequently, the Group's management proposed to the Board of Directors of Entra Eiendom that Entra Eiendom sell its remaining 33% interest in Greenfield Property AS, and both Norwegian Datasenter Group AS and Evry ASA/Evry AS were notified of the proposed sale. On 24 April 2013, the lease agreement between Greenfield Property AS and Evry ASA/Evry AS was terminated. The Group subsequently negotiated with Norwegian Datasenter Group AS regarding the sale of Entra Eiendom's remaining 33% interest in Greenfield Property AS to Norwegian Datasenter Group AS. However, the terms and conditions offered by Norwegian Datasenter Group AS were not acceptable to the Group. Subsequently, Norwegian Datasenter Group AS executed a forced transfer of Entra Eiendom's remaining 33% interest in Greenfield Property AS to Norwegian Datasenter AS. Three separate legal proceedings have been initiated as a result of the foregoing, as further described below.

Legal proceeding 1

On 20 September 2013, Entra filed a writ of summons against Norwegian Datasenter Group AS and Greenfield Property AS claiming that (i) Norwegian Datasenter Group AS did not have the right to transfer Entra Eiendom's remaining 33% interest in Greenfield Property AS to itself, (ii) Norwegian Datasenter Group AS had materially breached the shareholders' agreement entered into between the parties and (iii) Greenfield Property AS was obliged to reinstate Entra Eiendom as the holder of the 33% interest in Greenfield Property AS in its shareholder register. The Group's claims were answered by Norwegian Datasenter Group AS and Greenfield Property AS in a reply dated 18 October 2013.

Legal proceeding 2

On 14 October 2013, Greenfield Property AS and Norwegian Datasenter Group AS filed a writ of summons against Entra Eiendom claiming compensation due to a material breach of the shareholders' agreement between the parties. No specific amount of compensation was claimed in the writ of summons, but estimates presented in the writ of summons indicate that the claim is in the range of NOK 370 – 390 million. The claim was answered by Entra Eiendom in a reply dated 27 November 2013. Proceedings 1 and 2 have been combined in a joint hearing before the Oslo District Court, which is scheduled to take place in January 2015.

Legal proceeding 3

On 17 December 2013, Evry ASA/Evry AS filed a writ of summons against Entra Eiendom alleging breach of a guarantee and negligent behaviour by Entra Eiendom. The claim is an action for declaration, meaning that the proceeding would only determine whether Entra Eiendom is liable to Evry ASA/Evry AS, with the amount of such liability to be determined in a subsequent legal proceeding. However, the writ of summons specifies Evry ASA's/Evry AS' loss as the price difference between the lease agreement with Greenfield Property AS, which was terminated, and a new lease agreement Evry ASA entered into with Digiplex in respect of a replacement data centre. The claim was answered by Entra Eiendom in a reply dated 18 February 2014. The hearing of the dispute is scheduled to take place in Oslo District Court in February 2015.

8.10.2 Legal proceeding with Skanska Norge AS

The Group is involved in a legal proceeding in relation to the construction of buildings at Nonnesetergaten 4 in Bergen by Skanska Norge AS. The relevant buildings were delivered by Skanska Norge AS to the Group in 2008 and completed by the Group in 2009. The Group has alleged significant defects in construction of the buildings which had not been rectified by Skanska Norge AS. Consequently, the Group arranged for repair of the defects and filed a claim for NOK 39.5 million against Skanska Norge AS seeking compensation for remediation costs and lost rental income. On 8 May 2014, the Bergen District Court entered judgment in favour of Entra (Nonnen Utbygging AS) in an amount of NOK 25 million as reimbursement for defects and as compensation for lost rental income due to such defects. Skanska Norge AS appealed the judgment to the Court of Appeal on 4 June 2014. The date of the hearing of such appeal has not yet been established.

8.10.3 Arbitration proceeding with Caverion Norge AS

Entra is involved in an arbitration proceeding with the contractor Caverion Norge AS in relation to the renovation of Fredrik Selmers vei 4. Caverion Norge AS was responsible for the delivery of the technical parts of the renovation, including electricity, ventilation and plumbing. Caverion Norge AS has asserted several claims against Entra Eiendom amounting to approximately NOK 108 million relating to additional work and delay and disruption of Caverion Norge AS' work at Fredrik Selmers vei 4 due to circumstances allegedly attributable to Entra Eiendom. In response, Entra Eiendom has denied responsibility for the claim, and has provided notice to Caverion Norge AS of a counterclaim for damages of approximately NOK 11 million, mainly related to delayed delivery from Caverion Norge AS. Caverion Norge AS has initiated an arbitration proceeding by providing notice to Entra of appointment of the arbitrators constituting the arbitration tribunal in accordance with the dispute resolution mechanism in the contract between the parties. While representatives of Entra and Caverion Norge AS have met to discuss a settlement, no settlement has been agreed as of the date of this Prospectus. The date of commencement of the arbitration proceeding has not yet been established.

Except to the extent disclosed above, neither the Company nor any other company in the Group is, nor has been, during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8.11 Material contracts

Neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as of the date of this Prospectus.

8.12 Insurance

The Group has various operating insurance policies, including property insurance for all properties in the Group's property portfolio, specific project insurance for each ongoing project as well as liability insurance covering the Group's operations and insurance specific for the Board of Directors. The directors' and officers' (D&O) liability insurance is in force for the members of the Board of Directors, the Management and certain employees of the Group who by virtue of their position may incur personal liability. In addition, the Group has obtained a specific directors' and officers' IPO insurance policy with increased coverage.

All the employees of the Group are covered by the Group's workers' compensation insurance, travel insurance and group life insurance in the Norwegian Public Service Pension Fund.

The Company considers the Group to be adequately covered with regard to the nature of the business activities of the Group and the related risks in the context of available insurance offerings and premiums. The Management regularly reviews the adequacy of the insurance coverage. However, no assurance can be given that the Group will not incur any damages that are not covered by its insurance policies or that exceed the coverage limits of such insurance policies.

8.13 Dependency on contracts, patents, licenses etc.

It is the Company's opinion that the Group's existing business or profitability is not dependent upon any contracts patents, licences or new manufacturing processes.

8.14 Regulations

The Group is subject to a number of real property and environmental laws and regulations, all of which are administered by various supervisory authorities such as the local municipalities and the Norwegian Environment Agency (*Nw: Miljødirektoratet*). These include, but are not limited to, the following rules and regulations:

- The Norwegian Tenancy Act (*Nw.: husleieloven*), regulates the business of letting out property. The Norwegian Tenancy Act mainly includes non-mandatory provisions, of which several are regularly deviated from to the benefit of the Group in the Group's lease agreements. This is in line with the Norwegian industry standard and is typical for commercial lease agreements. In addition, the Act relating to Value Added Tax (*Nw.: merverdiavgiftsloven*) and a number of tax regulations, including changes in such regulations, is of importance for the Group when letting out property and for the lease agreements entered into in connection with this.

- The Norwegian Ground Lease Act (*Nw.: tomtefesteloven*) regulates a ground lease under which the lessor owns the land/ground and the lessee has the right to use the land and owns the buildings and other installations to be built on the land. In a commercial ground lease, the Norwegian Ground Lease Act mainly includes non-mandatory provisions, of which several are regularly deviated from in order to make the terms and conditions of the ground lease more balanced than what follows from the Act.

- The planning, building and maintenance of the Group's properties are regulated in the Norwegian Planning and Building Act (*Nw.: plan- og bygningsloven*) and a number of regulations, such as the Norwegian Developer Regulation (*Nw.: byggherreforskriften*), the Structural Engineering Regulation (*Nw.: byggteknisk forskrift*) and the Energy Labelling Regulating (*Nw.: energimerkeforskriften*). The Norwegian Planning and Building Act includes general provisions regarding planning work, building applications and permits etc, which the Group is obliged to comply with.

- Regulations such as the Norwegian Cultural Heritage Act (*Nw.: kulturminneloven*) and regulation regarding protection of the State's cultural-historical property may limit the Group's ability to change existing buildings and construct new buildings on further specified properties. Such regulation may also impose certain maintenance obligations on the Group.

- There are several regulations regarding environmental protection applicable to the Group's business, including hazardous waste disposals and health and safety legislation. These statutory rules and regulations include the Norwegian Pollution Act (*Nw.: forurensningsloven*), the Norwegian Working Environment Act (*Nw.: arbeidsmiljøloven*), the Norwegian Pollution Regulation (*Nw.: forurensningsforskriften*), the Norwegian Internal Control Regulation (*Nw.: internkontrollforskriften*), the Norwegian Product Regulation (*Nw.: produktforskriften*) and the Norwegian Waste Regulation (*Nw.: avfallsforskriften*). The Norwegian Pollution Act includes, in particular, provisions on (i) environmental liability; (ii) permitting; (iii) energy operations; (iv) waste treatment; and (v) the handling, storage and transport of hazardous goods and chemical substances.

  The Norwegian Pollution Regulation imposes restrictions relating to development of properties. Should ground contamination be suspected and/or revealed on a property that is planned for development, the developer will be obliged to carry out an investigation of the ground condition with the purpose of revealing potential ground contamination. If ground contamination is considered to present an environmental risk, clean-up actions by the developer will be required. The developer shall prepare an action plan (*Nw.: tiltaksplan*) which must be approved by the local municipality prior to any excavating/construction work on the property. During the development of the property, the developer is obliged to document that the excavating/digging is conducted in accordance with the Norwegian Pollution Regulation and the approved action plan. Should any ground contamination be revealed during the construction process, the developer is required to stop development work immediately and initiate clean-up actions to reduce or stop the pollution.

Some of the Group's buildings are rated in accordance with the Building Research Establishment Environmental Assessment Method, a widely used environmental assessment method and rating system for buildings ("**BREEAM**"). The BREEAM levels are as follows: (i) Pass, (ii) Good, (iii) Very Good, (iv) Excellent and (v) Outstanding. The ratings are based on criteria covering a range of issues relating, *inter alia*, to energy and water use, health and wellbeing, pollution, transport, materials, waste, ecology and management processes. BREEAM-NOR is operated in Norway by the Norwegian Green Building Council and was introduced 20 October 2011. Further, buildings in Norway are required to have an energy certificate with energy efficiency level from Energy Class A (most efficient) to Energy Class G (least efficient). Going forward, the Group targets to have each new building and renovation project certified according to the

BREEAM standard, with a current target rating of BREEAM Excellent or Energy Class A. The Group's six most recently completed large development projects have achieved this target.

8.15 Environmental sustainability

The Group seeks to be an industry leader in identifying and implementing sustainable environmental solutions for office properties. These efforts contribute to customer efficiency and to Entra's long-term growth and profitability. The Group's goal is to be the property company that tenants, investors and suppliers consider to be an environmental leader over time. The Group develops expertise and works to raise the level of know-how regarding environmental benefits among tenants, suppliers, partners and its own employees. Taking the environment into consideration is an important part of the Group's strategy and practical work, and is expected to give the group a clear competitive advantage. The Company believes that sustainable buildings tend to have higher rents, lower vacancy and achieve better price in transactions, and the Company therefore considers this a profitable strategy. In addition, the Company believes that sustainable buildings add to the tenants' reputation, increase customer satisfaction and provide higher retention rates. It should be profitable to choose environmentally correct solutions both for the Group and for its tenants, as tenants who choose environmentally friendly buildings should have lower occupancy costs over time through, among other things, lower total energy costs. Entra has reduced the energy consumption of its property portfolio by 21% from 221 kilowatt hours per square metre for the twelve months ended 31 December 2007 to 178 kilowatt hours per square metre for the twelve months ended 30 June 2014.

In kWh / sqm

	2007	2008	2009	2010	2011	2012	2013	Q2 2014[1]
Energy consumption.............	221	211	211	205	202	200	191	178

1 For the twelve months ended 30 June 2014.

For the twelve months ended 30 June 2014, the Group reduced the aggregate energy consumption to 178 kilowatt hours per square metre (191 kilowatt hours per square metre in 2013). The key measures implemented to reduce the energy consumption are automation of technical installations, steering and surveillance systems, training of personnel, thorough analysis of potential for individual buildings, heat reclamation, water cleaning cleansing systems and Green Benefit Agreements.

The Group develops environmentally leading buildings (both new buildings and renovation of existing properties). It is expected that Powerhouse Kjørbo in Sandvika (Bærum) will produce more energy than it uses over the building's lifetime. The building is the first in Norway to be certified as BREEAM-NOR Outstanding and as such is characterised among the world's most environmentally friendly office buildings. The recently renovated commercial building in Fredrik Selmers vei 4 in Oslo became the first renovated building in Norway to achieve the passive house standard. The building satisfies Energy Class A and is certified as BREEAM-NOR Very Good. At Brattørkaia 15 in Trondheim, the Group has achieved BREEAM-NOR Excellent and is a passive house with Energy Class A. The office building Papirbredden 2 in Drammen has been built as Norway's first passive house, and satisfies FutureBuilt's quality criteria, meaning that the building (i) has been innovative and has showcase qualities, (ii) has high architectural and environmental quality and has contributed to a healthy urban environment, and (iii) is located near major transport hubs and will reduce greenhouse gas emissions from transport, energy and material by at least 50%.

The Group requires that important suppliers have received an acceptable environmental certification (e.g. Miljøfyrtårn or ISO 14001) or have established an environmental strategy. Suppliers that do not meet these requirements undertake to establish an environment strategy within six months from the beginning of a contract. If none of these requirements are satisfied, the Group will consider to not enter into a contract. The content of the environmental strategy is reviewed by Entra in relation to the business that the supplier operates in.

8.16 Health, safety and environment

Health, safety and environment ("**HSE**") is an integrated part of the Group's business operations and a high priority in the Group. All employees, contract workers and suppliers are notified of their HSE responsibility and are engaged in HSE activities in the workplace. The objective is that no one should be exposed to injury or become ill (physically or mentally) as a result of inadequate safety.

The Group has increased its emphasis on HSE notification in 2013, which has led to higher reporting of undesired events, and the lost time injury value (LTI-value) was reduced from 7.1 in 2013 to 5.6 by 30 June 2014 (number of injuries resulting in absence from work per million hours worked). The Group is not satisfied with this level and a number of measures have been implemented to strengthen the HSE programme in the Group.

- **Increased emphasis on HSE internally and externally**. HSE has high priority in the Group. This involves, among other things, having HSE as a topic at all group management meetings, management gatherings, company staff meetings and department meetings. The Group has put HSE on the agenda at important industry gatherings and has contributed to raising the HSE debate. Stronger prioritisation of HSE follow-up has led to an increase in the number of reported undesired events. All events are evaluated and followed up with relevant measures. If necessary, serious events are followed up with an investigation.

- **Clear requirements for suppliers.** The Group has clear requirements and guidelines for its suppliers and works systematically to test and ensure that these are observed. The group has prepared guidelines and requirements that suppliers should work systematically on HSE and working conditions. In addition suppliers are prequalified to demonstrate the requirement for HSE follow-up. Supplier relationships where HSE requirements are not observed are terminated.

- **Condition survey and risk report on all properties**. In 2014 Entra is strengthening its work to secure the facades of the Group’s buildings against falling material. Annual condition surveys of all buildings in the property portfolio are carried out in accordance with the Norwegian standard. In addition, extra reviews are carried out to reduce the risk of material falling from facades. In 2013, the Group carried out risk mapping in addition to the normal annual internal control process. Two pilot projects have been completed and the Group is currently working on risk mapping all properties.

- **Employee rights, social conditions and health.** The Group is a member of Næringslivets Hovedorganisasjon (NHO) (the Confederation of Norwegian Enterprises) and tariff agreements have been signed with employee organisations. The Group has clear guidelines on equal treatment irrespective of gender, age, ethnic background or religion. The Group places requirements on its suppliers to have wage and working conditions that fulfil the statutory requirements in accordance with applicable general resolutions. The Group has undertaken to work systematically to develop an inclusive workplace. This includes a health promotion program for its employees. The objective of the program is to facilitate employees to make wise health choices, to develop and maintain good health, measures to reduce absence through sickness and increase the employees’ well-being in the workplace. The sick leave in Entra was 3.3% in 2013 (calculated as total days absent divided by total days of work).

9 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "Selected financial and other information" and Section 11 "Operating and financial review", and the Financial Information, included in Appendix B and C of this Prospectus. This Section provides information about the Group's unaudited consolidated capitalisation, net financial indebtedness and debt ratio on an actual basis as of 30 June 2014 and, in the "As adjusted 30 June 2014" columns, the Group's unaudited consolidated capitalisation, net financial indebtedness and debt ratio (loan-to-value) as of 30 June 2014 giving effect to the material post-balance sheet events and effects of the Offering described below. The tables below do not reflect any other adjustments, including adjustments for rental income received by the Group, since 30 June 2014.

The "Adjustments for post-balance sheet events" columns reflect adjustments to the Group's unaudited consolidated capitalisation, net financial indebtedness and debt ratio (loan-to-value) in respect of the material post-balance sheet events set forth below. Other than as set forth below, there has been no material changes to the Group's unaudited consolidated capitalisation and net financial indebtedness since 30 June 2014.

- The bonds in the principal amount of NOK 500.0 million issued by Entra Eiendom on 8 August 2014, the proceeds of which were used to repay NOK 240.0 million outstanding under the NOK 500,000,000 revolving credit facility, NOK 180.0 million outstanding under the NOK 1,000,000,000 credit facility and NOK 80.0 million under the NOK 300,000,000 revolving facility;

- The payment of a dividend to the Selling Shareholder in an amount of NOK 250.0 million declared by the annual general meeting of the Company held on 3 June 2014 and paid to the Selling Shareholder on 31 July 2014, which was financed by drawing on the Group's existing revolving credit facilities; and

- The acquisition of Lilletorget 1 AS for a purchase price of NOK 287.7 million completed on 1 July 2014, which was financed by drawing on the Group's existing revolving credit facilities.

The "Adjustments for the Offering" columns reflect adjustments to the Group's unaudited consolidated capitalisation, net financial indebtedness and debt ratio (loan-to-value) in respect of the effects of the Offering set forth below.

- The payment of an extraordinary dividend to the Selling Shareholder in an amount of NOK 650.0 million declared by the extraordinary general meeting of the Company held on 26 September 2014, which is subject to completion of the Listing and will be financed by drawing on the Group's existing revolving credit facilities; and

- The net proceeds from the sale of the New Shares received by the Company in the amount of NOK 2,640.0 million, which will be used to (i) repay borrowings under the credit facilities of Brattørkaia AS in an amount of NOK 905 million and (ii) to reduce borrowings outstanding under revolving credit facilities in Entra Eiendom in an amount of NOK 1,735.0 million, assuming an Offer Price of NOK 66.50 per New Share, which is the mid-point of the Indicative Price Range, gross proceeds from the Offering of the New Shares of NOK 2,700.0 million and expenses related to the Offering of NOK 60.0 million payable by the Company.

9.1 Capitalisation

In NOK millions	**As of 30 June 2014**	**Adjustments for post-balance sheet events**	**Adjustments for the Offering**	**As adjusted 30 June 2014**
Indebtedness				
Total current debt:				
Guaranteed	-	-	-	-
Secured[1]	21.2	-	-	21.2
Unguaranteed and unsecured[2]	3,314.8	-250.0[3]	-	3,064.8
Total non-current debt:				
Guaranteed	-	-	-	-
Secured[4]	3,480.6	-	-905.0[5]	2,575.6
Unguaranteed and unsecured[6]	8,991.0	537.7[7]	-1,085.0[8]	8,443.7
Total indebtedness	**15,807.6**	**287.7**	**-1,990.0**	**14,105.3**

In NOK millions	As of 30 June 2014	Adjustments for post-balance sheet events	Adjustments for the Offering	As adjusted 30 June 2014
Shareholders' equity				
Share capital	142.2	-	40.6[9]	182.8
Additional paid-in capital	1,587.1	-	2,599.4[9]	4,186.5
Other reserves	6,200.1	-	-650.0[10]	5,550.1
Non-controlling interests	387.2	-	-	387.2
Total shareholders' equity	**8,316.6**	**-**	**1,990.0**	**10,306.6**
Total capitalisation	**24,124.2**	**287.7**	**-**	**24,411.9**

1 Relates to instalments on bank loans to Papirbredden Eiendom AS.

2 Relates primarily to commercial paper issued by Entra Eiendom and liabilities for payment of a dividend to the Selling Shareholder declared on 3 June 2014 but not yet paid to the Selling Shareholder as of 30 June 2014. See Section 11.5.4.2 "Commercial paper programme" for further information.

3 Adjustment for payment of a dividend to the Selling Shareholder in an amount of NOK 250.0 million declared on 3 June 2014.

4 Relates to bank financing of Papirbredden Eiendom AS, Brattørkaia AS, Hinna Park Eiendom AS and fixed rate bonds issued by Entra Kultur 1 AS. See Section 11.5.4.3 "Credit facilities" and Section 11.5.4.4 "Bonds issues in the Norwegian market" for further information.

5 Adjustment for repayment of all borrowings under the credit facilities of Brattørkaia AS in an amount of NOK 905.0 million from the application of net proceeds of the sale of the New Shares in the Offering.

6 Relates entirely to outstanding bonds and credit facilities of Entra Eiendom that contain negative pledge clauses. See Section 11.5.4.3 "Credit facilities" and Section 11.5.4.4 "Bonds issues in the Norwegian market" for further information.

7 Adjustment for (i) borrowings under the Group's existing credit facilities in an amount of NOK 250.0 million to finance payment of a dividend to the Selling Shareholder declared on 3 June 2014, (ii) borrowings under the Group's existing credit facilities in an amount of NOK 287.7 million to finance the purchase of Lilletorget 1 AS, and (iii) bonds in the principal amount of NOK 500.0 million issued by Entra Eiendom on 8 August 2014, the proceeds of which were used to repay NOK 240 million outstanding under the NOK 500,000,000 revolving credit facility, NOK 180 million outstanding under the NOK 1,000,000,000 credit facility and NOK 80 million under the NOK 300,000,000 revolving facility.

8 Adjustment for (i) borrowings under the Group's existing credit facilities in an amount of NOK 650.0 million to finance the payment of an extraordinary dividend to the Selling Shareholder declared on 26 September 2014 and subject to the completion of the Listing, and (ii) a reduction in the borrowings under the credit facilities of Entra Eiendom in an amount of NOK 1,735.0 million from the application of net proceeds of the sale of the New Shares in the Offering.

9 Adjustment for issuance of 40,601,504 New Shares in the Offering, assuming an Offer Price of NOK 66.50 per New Share, which is the mid-point of the Indicative Price Range, gross proceeds from the Offering of the New Shares of NOK 2,700.0 million and expenses related to the Offering of NOK 60.0 million payable by the Company.

10 Adjustment for declaration of an extraordinary dividend of NOK 650 million to the Selling Shareholder on 26 September 2014, which is subject to completion of the Listing.

9.2 Net financial indebtedness

In NOK millions	As of 30 June 2014	Adjustments for post-balance sheet events	Adjustments for the Offering	As adjusted 30 June 2014
(A) Cash	209.9	-	-	209.9
(B) Cash equivalents	-	-	-	-
(C) Trading securities	-	-	-	-
(D) Liquidity (A)+(B)+(C)	**209.9**	**-**	**-**	209.9
(E) Current financial receivables	**-**	**-**	**-**	**-**
(F) Current bank debt	21.2	-	-	21.2
(G) Current portion of non-current debt	125.2	-	-	125.2
(H) Other current financial debt	3,189.6	-250.0[1]	-	2,939.6
(I) Current financial debt (F)+(G)+(H)	**3,336.0**	**-250.0**	**-**	**3,086.0**
(J) Net current financial indebtedness (I)-(E)-(D)	**3,126.1**	**-250.0**	**-**	**2,876.1**
(K) Non-current bank loans	5,671.6	37.7[2]	-1,990.0[3]	3,719.3
(L) Bonds issued	6,800.0	500.0[4]	-	7,300.0
(M) Other non-current loans	-	-	-	-
(N) Non-current financial indebtedness (K)+(L)+(M)	**12,471.6**	**537.7**	**-1,990.0**	**11,019.3**
(O) Net financial indebtedness (J)+(N)	**15,597.7**	**287.7**	**-1,990.0**	**13,895.4**

1 Adjustment for payment of a dividend to the Selling Shareholder in an amount of NOK 250.0 million declared on 3 June 2014.

2 Adjustment for (i) repayment of NOK 240.0 million outstanding under the NOK 500,000,000 revolving credit facility, NOK 180.0 million outstanding under the NOK 1,000,000,000 credit facility and NOK 80.0 million under the NOK 300,000,000 revolving facility using proceeds of the bonds issued

In NOK millions	As of 30 June 2014	Adjustments for post-balance sheet events	Adjustments for the Offering	As adjusted 30 June 2014

by Entra Eiendom on 8 August 2014, (ii) borrowings under the Group's existing credit facilities in an amount of NOK 250.0 million to finance payment of a dividend to the Selling Shareholder declared on 3 June 2014, and (iii) borrowings under the Group's existing credit facilities in an amount of NOK 287.7 million to finance the purchase of Lilletorget 1 AS.

3 Adjustment for (i) borrowings under the Group's existing credit facilities in an amount of NOK 650.0 million to finance the payment of an extraordinary dividend to the Selling Shareholder declared on 26 September 2014 and subject to completion of the Listing, (ii) repayment of all borrowings under the credit facilities of Brattørkaia AS in an amount of NOK 905.0 million from the application of net proceeds of the sale of the New Shares in the Offering, and (iii) a reduction of NOK 1,735.0 million in the borrowings under the credit facilities of Entra Eiendom from the application of net proceeds of the sale of the New Shares in the Offering.

4 Adjustment for bonds in the principal amount of NOK 500.0 million issued by Entra Eiendom on 8 August 2014.

9.3 Debt ratio

The Group defines debt ratio (loan-to-value) as net nominal interest-bearing debt divided by the sum of property market value and the share of properties of Entra OPF Utvikling AS. The Group expects to target a debt ratio (loan-to-value) of 50% following completion of the Offering.

The following table sets forth the calculation of the actual debt ratio (loan-to-value) for the six months ended 30 June 2014 and the adjusted debt ratio (loan-to-value) as of 30 June 2014 giving effect to the material post-balance sheet events above and the effects of the Offering described above.

In NOK millions	As of 30 June 2014	Adjustments for post-balance sheet events	Adjustments for the Offering	As adjusted 30 June 2014
Non-current interest-bearing liabilities				
Bank loans	5,671.6	37.7[1]	-1,990.0[2]	3,719.3
Bonds	6,800.0	500.0[3]	-	7,300.0
Current interest-bearing liabilities				
Bank loans	21.2	-	-	21.2
Bonds	1,139.6	-	-	1,139.6
Commercial paper	1,800.0	-	-	1,800.0
Other interest-bearing liabilities	-	-	-	-
Less:				
Total cash and bank deposits	209.9	-	-	209.9
Net nominal interest-bearing debt	**15,222.5**	**537.7**	**-1,990.0**	**13,770.2**
Property market value	26,831.7	287.7[4]	-	27,119.4
Share of properties of Entra OPF Utvikling AS (50%)[5]	366.1	-	-	366.1
Total market value of the property portfolio	**27,197.8**	**287.7**	**-**	**27,485.5**
Debt ratio (loan-to-value) (%)	**56.0%**			**50.1%**

1 Adjustment for (i) repayment of NOK 240.0 million outstanding under the NOK 500,000,000 revolving credit facility, NOK 180.0 million outstanding under the NOK 1,000,000,000 credit facility and NOK 80.0 million under the NOK 300,000,000 revolving facility using proceeds of the bonds issued by Entra Eiendom on 8 August 2014, (ii) borrowings under the Group's existing credit facilities in an amount of NOK 250.0 million to finance payment of a dividend to the Selling Shareholder declared on 3 June 2014, and (iii) borrowings under the Group's existing credit facilities in an amount of NOK 287.7 million to finance the purchase of Lilletorget 1 AS.

2 Adjustment for (i) borrowings under the Group's existing credit facilities in an amount of NOK 650.0 million to finance the payment of an extraordinary dividend to the Selling Shareholder declared on 26 September 2014 and subject to completion of the Listing, (ii) repayment of all borrowings under the credit facilities of Brattørkaia AS in an amount of NOK 905.0 million from the application of net proceeds of the sale of the New Shares in the Offering, and (iii) a reduction of NOK 1,735.0 million in the borrowings under the credit facilities of Entra Eiendom from the application of net proceeds of the sale of the New Shares in the Offering.

3 Adjustment for bonds in the principal amount of NOK 500.0 million issued by Entra Eiendom on 8 August 2014.

4 Adjustment for purchase of Lilletorget 1 AS for a purchase price of NOK 287.7 million completed on July 1 2014.

5 Share of properties of Entra OPF Utvikling AS refers to the Group's proportional interest in the market value of properties held through the jointly controlled entity Entra OPF Utvikling AS, which are included in the calculation of debt ratio (loan-to-value) because all investments made by Entra OPF Utvikling AS are fully equity financed by the shareholders. The market value of the properties in jointly controlled entities that are not consolidated and are separately financed, such as Oslo S Utvikling AS, is not included in the calculation of debt ratio (loan-to-value).

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

As at 30 June 2014 and as at the date of the Prospectus, the Group did not have any contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Group's unaudited interim consolidated financial statements as of, and for the three and six months ended, 30 June 2014, with comparable figures as of and for the three and six months ended, 30 June 2013, (the Interim Financial Statements) and the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2013, 2012 and 2011 (the Financial Statements). The Company was incorporated on 20 December 2012 as a result of the Selling Shareholder contributing 100% of the shares in Entra Eiendom to the Company in exchange for shares in the Company. The transaction was outside the scope of IFRS 3 "Business Combinations". As a result, the financial statements of the Group reflect a carryover basis of accounting, whereby:

- The carrying amount of the assets and liabilities of the Group are based on the historical carrying amounts of Entra Eiendom;
- The results and cash flows of the Group are presented as though the transaction occurred on 1 January 2012 and reflects the results and cash flows of Entra Eiendom; and
- The amounts recognised in the equity of the Group are based on the historical carrying amounts recognised by Entra Eiendom.

Prior to the transaction, Entra Eiendom was the ultimate parent company of the Group. Hence, the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2013 and 2012 and the Group's unaudited consolidated financial statements as of, and for the three and six months ended, 30 June 2014, with comparable figures as of, and for the three and six months ended, 30 June 2013, have been prepared with the Company as the ultimate parent company of the Group, while the Group's audited consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group. Accordingly, with respect to the Financial Information, the defined term "Group" refers to the Company and its subsidiaries for the six month periods ended 30 June 2014 and 2013 and for the years ended 31 December 2013 and 2012 and to Entra Eiendom and its subsidiaries for the year ended 31 December 2011.

The Financial Statements, included in Appendix B to this Prospectus, have been prepared in accordance with IFRS. The Interim Financial Statements, included in Appendix C to this Prospectus, have been prepared in accordance with IAS 34. The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements and Interim Financial Statements included in Appendix B and Appendix C, respectively, of this Prospectus and should be read together with Section 11 "Operating and financial review".

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgements, please refer to Note 3 of the Financial Statements as of, and for the year ended, 31 December 2013, included in this Prospectus as Appendix B.

10.3 Selected statement of comprehensive income

The table below sets out selected data from the Group's consolidated interim statement of comprehensive income for the three and six month periods ended 30 June 2014 and 2013 and its consolidated statement of comprehensive income for the years ended 31 December 2013, 2012 and 2011.

In NOK millions	**Three months ended 30 June**		**Six months ended 30 June**		**Year ended 31 December**		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011[1]**
Rental income	419.6	401.7	830.1	775.0	1,543.9	1,500.3	1434.7
Other operating income	61.6	15.5	75.0	20.2	31.5	32.4	33.1
Total operating revenue	**481.2**	**417.2**	**905.0**	**795.2**	**1,575.4**	**1,532.7**	**1.467.8**
Repairs and maintenance	13.1	20.1	20.4	24.0	65.9	66.2	61.9
Operating costs	14.7	15.9	42.0	40.5	91.5	86.9	88.6
Other property costs	58.2	27.1	66.0	47.8	88.2	117.1	127.2
Administrative owner costs	54.5	69.8	115.0	115.7	223.1	194.7	186.0
Total operating costs	**140.4**	**132.9**	**243.4**	**228.0**	**468.7**	**464.9**	**463.7**
Net income from property	**340.8**	**284.2**	**661.6**	**567.2**	**1,106.8**	**1,067.8**	**1,004.1**

In NOK millions	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	2014	2013	2014	2013	2013	2012	2011[1]
management							
Adjustment to value of investment property	272.3	-203.0	265.5	-277.8	-495.1	129.0	629.2[2]
Share of profit from associates and jointly controlled entities	9.6	11.0	27.2	10.8	235.5	508.7	-28.4
Operating profit	**622.7**	**92.2**	**954.4**	**300.2**	**847.2**	**1,705.5**	**1,604.8**
Interest and other finance income	33.4	34.9	62.3	57.3	109.9	98.2	114.7
Interest and other finance expense	-168.7	-176.0	-330.5	-349.6	-674.8	-690.2	-706.0
Net realised financial items	**-135.3**	**-141.1**	**-268.2**	**-292.2**	**-564.9**	**-591.9**	**-591.3**
Unrealised changes in value of financial instruments	-157.1	137.1	-270.8	123.1	183.7	-272.0	-208.0
Net financial items	**-292.4**	**-4.1**	**-539.0**	**-169.1**	**-381.3**	**-864.0**	**-799.3**
Profit before tax	**330.3**	**88.2**	**415.4**	**131.1**	**466.0**	**841.5**	**805.6**
Tax expense	-80.6	-20.7	-99.8	-34.3	4.0	-103.8	-226.6
Profit/loss for the period	**249.7**	**67.5**	**315.6**	**96.7**	**469.9**	**737.8**	**579.0**
Actuarial gains and losses, net of tax	-	3.7	-	3.7	-2.9	34.8	-
Total comprehensive income for the period	**249.7**	**71.1**	**315.6**	**100.4**	**467.0**	**772.6**	**579.0**
Profit for the period allocated to							
Shareholders in the parent company	237.8	67.3	300.9	92.4	453.3	703.3	564.8
Non-controlling interests	11.9	0.1	14.7	4.4	16.6	34.5	14.2
Total comprehensive income for the period allocated to							
Shareholders in the parent company	237.8	71.0	300.9	96.0	450.4	738.1	564.8
Non-controlling interests	11.9	0.1	14.7	4.4	16.6	34.5	14.2
Earnings per share (NOK)							
Continuing operations							
Ordinary = Diluted					3.2	4.9	3,972[3]

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

2 The sum of unrealised changes in value of investment properties of NOK 632.6 million and profit/loss on the sale of non-current assets of NOK -3.5 million.

3 Based on the number of shares in Entra Eiendom as of such date.

10.4 Selected balance sheet

The table below sets out selected data from the Group's consolidated interim balance sheet as at 30 June 2014 and its consolidated balance sheet as at 31 December 2013, 2012 and 2011.

In NOK millions	As of 30 June	As of 31 December		
	2014	2013	2012	2011[1]
Non-current assets				
Goodwill	145.9[2]	-	-	-
Other intangible assets	31.3	30.9	36.3	16.5
Total intangible assets	**177.2**	**30.9**	**36.3**	**16.5**
Investment properties	25,071.7	23,144.8	22,202.5	21,843.9
Property used by owner	6.7	6.7	5.8	6.0
Other property, plant and equipment	31.2	30.5	26.2	25.4
Total property, plant and equipment	**25,109.6**	**23,182.0**	**22,234.5**	**21,875.3**
Investments in associates and jointly controlled entities	1,000.8	1,128.3	1,100.3	502.0
Loans to associates and jointly controlled entities	-	-	6.7	14.2
Derivatives	328.1	203.5	214.3	-
Other non-current receivables	730.7	742.8	1,129.5	1,107.5
Total non-current financial assets	**2,059.5**	**2,074.6**	**2,450.8**	**1,623.6**
Total non-current assets	**27,346.4**	**25,287.5**	**24,721.5**	**23,515.4**
Current assets				
Housing units for sale	275.4	227.0	120.2	-

In NOK millions	As of 30 June	As of 31 December		
	2014	**2013**	**2012**	**2011[1]**
Trade receivables	45.8	27.9	20.1	34.5
Other receivables	797.2	538.1	49.9	105.6
Total current receivables	**1,118.5**	**793.0**	**190.2**	**140.1**
Cash and bank deposits	209.9	177.4	64.8	48.3
Total current assets	**1,328.3**	**970.4**	**255.0**	**188.4**
Investment properties held for sale	275.2	388.2	734.2	36.5
Total assets	**28,949.8**	**26,646.1**	**25,710.8**	**23,740.3**
Equity				
Paid-in equity	1,729.3	1,729.3	2,145.9	1,414.2
Other equity	6,200.1	6,149.1	5,698.7	5,858.0
Non-controlling interests	387.2	114.6	98.0	119.2
Total equity	**8,316.6**	**7,993.0**	**7,942.6**	**7,391.4**
Liabilities				
Interest bearing liabilities	12,791.6	11,799.4	9,736.5	9,086.3
Pension liabilities	57.0	53.1	58.0	84.9
Deferred tax	2,706.1	2,463.8	2,472.7	2,352.5
Derivatives	1,033.1	848.0	1,005.2	769.5
Other liabilities	190.2	126.6	126.5	63.8
Total non-current liabilities	**16,778.0**	**15,290.9**	**13,398.9**	**12,356.9**
Trade payables and other payables	814.6	458.1	379.2	250.6
Interest bearing liabilities	2,963.7	2,809.1	3,910.0	3,616.5
Prepayments and provisions	76.9	95.0	80.1	124.9
Total current liabilities	**3,855.2**	**3,362.2**	**4,369.2**	**3,992.0**
Total liabilities	**20,633.3**	**18,653.1**	**17,768.2**	**16,348.9**
Total equity and liabilities	**28,949.8**	**26,646.1**	**25,710.8**	**23,740.3**

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

2 The Group recognised goodwill of NOK 145.9 million in connection with the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014.

10.5 Selected statement of cash flows

The table below sets out selected data from the Group's consolidated interim statement of cash flows for the three and six month periods ended 30 June 2014 and 2013 and its consolidated statement of cash flows for the years ended 31 December 2013, 2012 and 2011.

In NOK millions	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011[1]**
Cash flows from operating activities	372.9	310.9	702.9	582.1	1,213.7	1,366.1	1,153.1
Interest paid on loans from financial institutions	-193.9	-188.2	-348.6	-355.0	-694.6	-679.0	-618.6
Payment of loan fees	-	-0.4	-0.6	-12.9	-10.8	-31.1	-17.3
Net cash flows from operating activities	**179.0**	**122.2**	**353.6**	**214.2**	**508.4**	**656.0**	**517.2**
Proceeds from sale of property, plant and equipment	-0.2	62.9	191.0	590.7	596.3	185.7	47.6
Sales of operations, net liquidity	-	-	-	-	0.1	28.0	-40.8
Purchase of business	-32.4	-	-218.9	-	-	-	-
Purchase of investment properties	-	-1.6	-	-189.4	-592.1	-396.0	-127.4
Cost of upgrades of investment properties	-277.3	-290.6	537.0	-500.0	-998.0	-1,067.1	-1,135.1
Purchase of intangible assets and other property, plant and equipment	-5.4	-10.8	-9.6	-18.9	101.8	-103.6	-12.0
Purchase of shares and other investments	-	-	-	-	-	-	-2.6
Investment in housing units for sale	-45.0	-36.4	-95.5	-41.8	106.8	-24.2	-

In NOK millions	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	2014	2013	2014	2013	2013	2012	2011[1]
Repayment of loans to associates and jointly controlled entities	-	-1.4	-	-8.0	-5.2	7.7	122.4
Investment in associates and jointly controlled entities	125.2	-	125.2	-	-	-191.0	-
Dividends from associates and jointly controlled entities	29.6	29.7	29.6	107.4	207.4	322.3	95.3
Net cash flows from investing activities	**-205.4**	**-248.2**	**-515.2**	**-60.0**	**-999.7**	**-1,238.2**	**-1,052.5**
New non-current liabilities	2,060.0	1,960.0	3,780.0	2,980.0	7,770.0	4,380.0	2,597.0
Repayment of non-current liabilities	-1,743.0	-2,063.0	-3,736.0	-2,643.5	-6,509.5	-2,662.6	-2,188.0
New current liabilities	550.0	772.0	1,800.0	1,372.0	2,642.0	3,200.0	4,144.0
Repayment of current liabilities	-850.0	-800.0	-1,650.0	-1,782.0	-2,882.0	-4,110.0	-3,994.0
Equity injection by non-controlling interests	-	-	-	-	-	-	0.2
Purchase of non-controlling interests	-	-	-	-	-	-71.7	-
Dividend paid	-	-	-	-	-416.6	-137.0	-124.6
Net cash flows from financing activities	**17.0**	**-131.0**	**194.0**	**-73.5**	**603.9**	**598.8**	**434.6**
Net change in cash and cash equivalents	-9.4	-256.9	32.4	80.7	112.6	16.5	-100.8
Cash and cash equivalents at the start of the period	219.2	402.5	177.4	64.8	64.8	48.3	149.1
Cash and cash equivalents at the end of the period	**209.9**	**145.5**	**209.9**	**145.5**	**177.4**	**64.8**	**48.3**

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

10.6 Selected statement of changes in equity

The table below sets out selected data from the Group's consolidated statement of changes in equity for the years ended 31 December 2011, 2012 and 2013 and its consolidated interim statement of changes in equity for the six month period ended 30 June 2014.

In NOK millions	Paid-in equity	Retained earnings	Total majority	Non-controlling interest	Total equity
Equity at 1 January 2011[1]	**1,414.2**	**5,418.1**	**6,832.3**	**120.1**	**6,952.4**
Total comprehensive income[1]	-	564.8	564.8	14.2	579.0
Dividend paid[1]	-	-124.6	-124.6	-	-124.6
Changes in non-controlling interests[1]	-	-0.4	-0.4	-15.0	-15.4
Equity at 31 December 2011 (Entra Eiendom)[1]	**1,414.2**	**5,858.0**	**7,272.2**	**119.2**	**7,391.4**
Equity at 31 December 2011 (the Company)	**2,145.9**	**5,126.0**	**7,271.9**	**119.2**	**7,391.2**
Change of principle[2]	-	-12.4	-12.4	-	-12.4
Equity at 1 January 2012	**2,145.9**	**5,113.6**	**7,259.5**	**119.2**	**7,378.7**
Total comprehensive income	-	738.1	738.1	34.5	772.6
Dividend paid	-	-137.0	-137.0	-	-137.0
Buy-out of non-controlling interests	-	-15.9	-15.9	-55.7	-71.7
Equity at 31 December 2012	**2,145.9**	**5,698.7**	**7,844.7**	**98.0**	**7,942.6**
Total comprehensive income	-	450.4	450.4	16.6	467.0
Dividend paid	-416.6	-	-416.6	-	-416.6
Equity at 31 December 2013	**1,729.3**	**6,149.1**	**7,878.4**	**114.6**	**7,993.0**
Total comprehensive income	-	300.9	300.9	14.7	315.6
Dividend paid	-	-250.0	-250.0	-	-250.0
Changes in non-controlling interests	-	-	-	257.9	257.9
Equity at 30 June 2014	**1,729.3**	**6,200.1**	**7,929.4**	**387.2**	**8,316.6**

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

In NOK millions	Paid-in equity	Retained earnings	Total majority	Non-controlling interest	Total equity

2 See note 2 to the Group's financial statements as of, and for the year ended, 31 December 2013.

10.7 Segment information

The Group established a regional model at the end of the second quarter of 2013. With effect from the fourth quarter of 2013, the business of the Group is reported under four geographic operating segments: (i) Central Oslo, (ii) Greater Oslo, (iii) South/West Norway and (iv) Mid/North Norway. Segment information is accordingly included in the notes to the Group's audited consolidated financial statements as of, and for the year ended, 31 December 2013, with comparable figures as of, and for the year ended, 31 December 2012. No segment information is available for the financial year ended 31 December 2011.

The table below is derived from the notes to the Group's audited consolidated financial statement as of, and for the year ended, 31 December 2013, with comparable figures as of, and for the year ended, 31 December 2012, and the Group's unaudited consolidated financial statements as of, and for the three and six months ended, 30 June 2014 and 2013.

In NOK millions	Central Oslo	Greater Oslo	South/West Norway	Mid/North Norway	Group	Consolidated
Three months ended 30 June 2014						
Rental income	176.7	119.1	74.0	49.8	-	419.6
Other operating income	2.7	51.3	0.5	0.7	6.5	61.7
Total operating revenue	**179.4**	**170.4**	**74.5**	**50.5**	**6.5**	**481.2**
Maintenance	8.7	1.4	1.9	1.1	-	13.1
Operating costs	7.4	1.7	-0.4	5.2	0.8	14.7
Other property costs	3.7	49.3	0.3	0.4	4.6	58.2
Administrative owner costs	3.9	2.9	6.1	1.6	40.0	54.5
Total operating costs	**23.7**	**55.2**	**7.8**	**8.3**	**45.4**	**140.5**
Net income from property management	**155.6**	**115.2**	**66.7**	**42.2**	**-38.9**	**340.8**
Three months ended 30 June 2013						
Rental income	171.9	104.2	56.7	69.5	-0.6	401.7
Other operating income	6.7	5.0	1.8	1.9	-	15.5
Total operating revenue	**178.6**	**109.3**	**58.5**	**71.4**	**-0.6**	**417.2**
Maintenance	15.1	2.1	2.2	0.7	-	20.1
Operating costs	5.8	1.2	4.9	1.2	2.7	15.9
Other property costs	2.5	9.4	1.4	0.9	12.9	27.2
Administrative owner costs	1.5	2.8	2.7	3.3	59.6	69.8
Total operating costs	**24.9**	**15.5**	**11.3**	**6.1**	**75.2**	**132.9**
Net income from property management	**153.7**	**93.8**	**47.2**	**65.4**	**-75.8**	**284.2**
Six months ended 30 June 2014						
Rental income	351.0	236.1	140.5	102.5	-	830.1
Other operating income	7.0	54.0	5.3	1.8	6.8	75.0
Total operating revenue	**358.0**	**290.1**	**145.8**	**104.3**	**6.8**	**905.0**
Maintenance	12.5	3.0	3.1	1.7	-	20.4
Operating costs	16.4	8.1	6.9	9.8	0.8	42.0
Other property costs	7.3	49.0	0.5	1.0	8.2	66.0
Administrative owner costs	7.1	6.8	13.3	3.2	84.5	115.0
Total operating costs	**43.4**	**66.9**	**23.8**	**15.7**	**93.6**	**243.4**
Net income from property management	**314.6**	**223.2**	**122.0**	**88.6**	**-86.7**	**661.6**
Six months ended 30 June 2013						
Rental income	338.5	216.9	111.2	109.1	-0.6	775.0
Other operating income	9.4	5.8	2.4	2.6	-	20.2
Total operating revenue	**347.8**	**222.7**	**113.5**	**111.8**	**-0.6**	**795.2**

In NOK millions	Central Oslo	Greater Oslo	South/West Norway	Mid/North Norway	Group	Consolidated
Maintenance	16.5	2.8	3.2	1.6	-	24.0
Operating costs	14.6	8.4	7.3	7.5	2.8	40.5
Other property costs	13.1	15.0	3.0	1.7	15.1	47.8
Administrative owner costs	2.0	6.1	5.1	6.5	96.0	115.7
Total operating costs	**46.2**	**32.3**	**18.5**	**17.2**	**113.9**	**228.0**
Net income from property management	**301.7**	**190.4**	**95.0**	**94.5**	**-114.5**	**567.1**
Year ended 31 December 2013						
Rental income	667.3	453.0	222.4	201.2	-0.1	1,543.9
Other operating income	18.2	5.3	3.5	3.7	0.0	30.7
Total operating revenue	**685.5**	**458.3**	**226.0**	**204.9**	**-0.1**	**1,574.6**
Maintenance	33.2	10.6	13.6	8.5	0.0	65.9
Operating costs	34.3	25.6	16.6	15.1	-0.1	91.5
Other property costs	27.5	28.9	3.4	2.3	26.0	88.2
Administrative owner costs	13.2	12.6	11.0	13.6	171.6	222.1
Total operating costs	**108.2**	**77.7**	**44.7**	**39.5**	**197.5**	**467.6**
Net income from property management	**577.3**	**380.6**	**181.3**	**165.4**	**-197.6**	**1,107.0**
Year ended 31 December 2012						
Rental income	691.9	445.8	201.9	161.2	-0.6	1,500.2
Other operating income	17.7	6.0	4.6	4.1	0.0	32.4
Total operating revenue	**709.6**	**451.9**	**206.5**	**165.3**	**-0.6**	**1,532.7**
Maintenance	33.4	17.2	9.0	8.0	-1.3	66.2
Operating costs	29.1	22.1	13.6	16.7	5.4	86.8
Other property costs	75.6	21.8	10.2	2.6	6.9	117.1
Administrative owner costs	7.3	10.3	10.9	10.5	155.6	194.7
Total operating costs	**145.4**	**71.5**	**43.7**	**37.7**	**166.5**	**464.9**
Net income from property management	**564.1**	**380.4**	**162.9**	**127.6**	**-167.1**	**1,067.8**

10.8 Auditor

The Company's auditor is Deloitte AS. Deloitte AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). Deloitte AS has been the Company's auditor since its incorporation on 20 December 2012. PricewaterhouseCoopers AS (Dronning Eufemias gate 8, NO-0191 Oslo, Norway) was Entra Eiendom's auditor until Deloitte AS was appointed on 14 May 2012. PricewaterhouseCoopers AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). Accordingly, the Company's consolidated financial statements as of, and for the years ended, 31 December 2012 and 2013, included in Appendix B to this Prospectus, have been audited by Deloitte AS, while Entra Eiendom's consolidated financial statements as of, and for the year ended, 31 December 2011, including in Appendix B to this Prospectus, have been audited by PricewaterhouseCoopers AS. The auditors' reports on the Financial Statements are included together with the Financial Statements in Appendix B. Deloitte AS' review report on the Interim Financial Statements is included together with the Interim Financial Statements in Appendix C. Deloitte AS and PricewaterhouseCoopers have not audited, reviewed or produced any report on any other information provided in this Prospectus.

11 OPERATING AND FINANCIAL REVIEW

*This operating and financial review should be read together with Section 10 "Selected financial and other information" and the Financial Information included in Appendix B and Appendix C of this Prospectus. The Financial Statements have been prepared in accordance with IFRS and interpretations from the International Financial Reporting Interpretations Committee ("**IFRIC**") as endorsed and adopted for use by the EU, and also comply with IFRS as issued by the IASB and additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act. References to IFRS should be construed as references to IFRS and interpretations from IFRIC as endorsed and adopted for use by the EU and as issued by the IASB. The Interim Financial Statements prepared in accordance with IAS 34 do not include all of the information required for the Financial Statements and should be read in conjunction with the Financial Statements. The financial statements of the Company for the years ended 31 December 2013 and 2012 have been audited by Deloitte AS, as set forth in their report thereon included herein, and the financial statements of Entra Eiendom for the year ended 31 December 2011 have been audited by PricewaterhouseCoopers AS, as set forth in their audit report thereon included herein. Deloitte AS has issued a review report of the Interim Financial Statements as set forth in their report thereon included herein.*

In this Section 11, "Group" refers to the Company and its subsidiaries for the six month periods ended 30 June 2014 and 2013 and for the years ended 31 December 2013 and 2012 and to Entra Eiendom and its subsidiaries for the year ended 31 December 2011. See Section 8.4 "History and important events" for more information on the legal restructuring of the Group.

This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" of this Prospectus and Section 4.3 "Cautionary note regarding forward-looking statements" as well as other Sections of this Prospectus.

11.1 Overview

11.1.1 Business

Entra is an owner, manager and developer of office properties in Norway, focused on centrally-located, high quality assets in Oslo, Bergen, Stavanger and Trondheim. As of 30 June 2014, Entra had a property portfolio of 107 properties totalling approximately 1.3 million square metres. The market value of the Group's property portfolio as of 30 June 2014 was approximately NOK 26.8 billion. The Group has a particular expertise in the public sector, which represented approximately 72% of the Group's contractual rent as of 30 June 2014. Entra is currently wholly owned by the Selling Shareholder, which announced that preparations were being made to privatise the Company on 14 January 2014. Entra has been independently operated on arm's length principles since 2000.

11.1.2 Operating segments

The Group established a regional model at the end of the second quarter of 2013. As a result of this new reporting structure, with effect from the fourth quarter of 2013, the business reports under four geographic operating segments in accordance with International Financial Reporting Standard 8 "Operating Segments" ("**IFRS 8**"): Central Oslo, Greater Oslo, South/West Norway and Mid/North Norway. Consequently, this operating and financial review includes a discussion of the results of operations of the Group by operating segment for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013 and 2012, and operating segment information is included in the Interim Financial Statements and the Financial Statements for the year ended 31 December 2013 (including comparative figures as of and for the year ended 31 December 2012). Prior to the change in reporting structure, the Group had only one operating segment in accordance with IFRS 8.

The four geographic operating segments established under the regional operating model of the Group are:

- Central Oslo: The Central Oslo segment has responsibility for all the Group's properties located in Oslo except for Helsfyr-Bryn and Stovner.
- Greater Oslo: The Greater Oslo segment covers the company's properties at Helsfyr-Bryn and Stovner as well as Drammen, Bærum, Skedsmo and Østfold.
- South/West Norway: The South/West Norway segment covers the Group's properties in Bergen, Stavanger, Kristiansand, Arendal and Skien.

- Mid/North Norway: The Mid/North Norway segment covers the Group's properties in Trondheim, Bodø and Tromsø.

Expenses related to staff and support functions for the four geographic operating segments, including finance expenses, finance income and tax, and group eliminations are included in the Group centre segment. However, the Group centre segment does not generate rental income for the Group.

11.1.3 Factors affecting comparability of financial information

The financial and operating data and other information included in this operating and financial review reflect the financial position, financial performance, cash flows and historical information of Entra Eiendom and its subsidiaries as of and for the year ended 31 December 2011 and of the Company and its subsidiaries, including Entra Eiendom, as of and for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013 and 2012. See Section 8.4 "History and important events" for more information on the legal restructuring of the Group.

The Group believes the Financial Statements of Entra Eiendom for the year ended 31 December 2011 provide all information necessary for prospective investors in their evaluation of the Group's financial performance in the year ended 31 December 2011. The comparative financial information of the Group as of and for the year ended 31 December 2011 included in the consolidated statement of comprehensive income, balance sheet and cash flow statement in the Financial Statements of the Company as of and for the year ended 31 December 2012 are identical to the consolidated statement of comprehensive income and balance sheet of Entra Eiendom as of and for the year ended 31 December 2011, included in the Financial Statements of Entra Eiendom as of and for the year ended 31 December 2011, except for the following:

- Paid–in equity was NOK 731.7 million higher and other equity was NOK 732.0 million lower in the comparative financial information of the Company, reflecting the acquisition by the Company of the shares in Entra Eiendom where, under the principle of continuity, the total booked equity in Entra Eiendom was recorded as paid-in equity and share premium.

- Trade payables and other payables are NOK 0.3 million higher in the comparative financial information of the Company, reflecting the costs of incorporation of the Company.

- Interest-bearing current liabilities in the comparative financial information of the Company did not include NOK 123.8 million of accrued interest, as a result of a change in accounting principle for the year ended 31 December 2012. The accrued interest of NOK 123.8 million is instead presented under trade payables and other payables in the comparative financial information of the Company.

In addition, International Accounting Standard 19 "Employee Benefits" standard was amended in June 2011. The amendments require that all actuarial gains and losses are recognised in comprehensive income as they arise, that all costs relating to pension liabilities accrued in previous periods be immediately recognised, and that interest expenses and anticipated return on pension assets be replaced with a net interest amount, calculated by applying the discount rate to the net pension liability (asset). The Group has applied the amended standard with effect from 1 January 2013, with a restatement of comparable figures with implementation effect as of 1 January 2012. Implementation of the new standard for the year ended 31 December 2012 involved an increase in the pension liability of NOK 17.3 million, a reduction in deferred tax of NOK 4.8 million and a net effect on equity of NOK 12.4 million as compared to the year ended 31 December 2011. Application of the new standard resulted in a restatement of comparable figures for 2012 with a decrease in administrative owner costs of NOK 0.4 million, increased interest costs of NOK 1.9 million and an pension estimate difference after tax included in comprehensive income of NOK 34.8 million for the year ended 31 December 2012. The standard has not been applied to the results of the Group for the year ended 31 December 2011 as this is not required by applicable IFRS accounting standards.

There were no other new or amended standards brought into use by the Group that have an effect on the financial statements of the Group.

11.1.4 Key financial performance measures

The following table sets forth the key financial performance measures of the Group for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

Key Figures In NOK millions	**As of and for the six months ended 30 June**		**As of and for the year ended 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Property market value[1]	26,832	24,116	24,963	24,265	23,145
Rental income	830	775	1,544	1,500	1,435
Net rental income[2]	843	731	1,418	1,380	1,317
Net income from property management	662	567	1,107	1,068	1,004
Adjusted EBITDA[3]	714	628	1,222	1,191	1,087
Profit before value changes and tax[4]	421	286	778	985	384
Total comprehensive income for the period	316	100	466	773	579
Net cash flow from investing activities	-515	-60	-1,000	-1,238	-1,053
Net interest-bearing debt[5]	15,545	13,372	14,431	13,582	12,703
Net nominal interest-bearing debt[6]	15,223	13,288	14,350	13,462	12,646
Debt ratio (loan-to-value) (%)[7]	56.0%	54.3%	56.6%	54.6%	54.9%
Interest cover ratio[8]	2.1	1.9	1.8	1.8	1.7
Equity ratio (%)[9]	28.7%	29.8%	30.0%	30.9%	31.1%
Net asset value – EPRA NAV[10]	11,303	11,084	10,922	11,378	11,195
Triple net asset value – EPRA NNNAV[11]	10,026	9,958	9,821	10,169	10,080
EPRA earnings[12]	306	220	412	337	336

1 The Group defines property market value as the market value of all properties (including IFRIC 12 properties) legally owned by the Company and its subsidiaries, regardless of the classification of such properties for accounting purposes. Property market value is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and reconciliation of investment property to property market value as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

2 The Group defines net rental income as rental income less repairs and maintenance and operating costs plus other operating revenue. Net rental income is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and reconciliation of total operating revenue to net rental income for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

3 The Group defines adjusted EBITDA as profit for the period, less tax expense, net financial items, share of profit from associates and jointly controlled entities and adjustments to value of investment properties, plus net income from IFRIC 12 properties, adjusted for depreciation and write-downs. Adjusted EBITDA is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and reconciliation of profit for the period to adjusted EBITDA for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

4 The Group defines profit before value changes and tax as profit before tax adjusted for changes in value of investment property and unrealised changes in value of financial instruments. Profit before value changes and tax is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and reconciliation of profit before tax to profit before value changes and tax for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

5 The Group defines net interest-bearing debt as the aggregate book value of outstanding bank loans, bonds, commercial paper and other interest-bearing liabilities less cash and bank deposits valued in accordance with the accounting principles as set out in the financial statements. Net interest-bearing debt is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and the reconciliation of outstanding bank loans, bonds, commercial paper and other interest-bearing liabilities less cash and bank deposits to net interest-bearing debt as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

6 The Group defines net nominal interest-bearing debt as the aggregate nominal value of outstanding bank loans, bonds, commercial paper and other interest-bearing liabilities less cash and bank deposits. Net nominal interest-bearing debt is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and the reconciliation of nominal value of outstanding non-current bank loans, current and non-current bonds, commercial paper and other interest bearing liabilities less cash and bank deposits to net nominal interest-bearing debt as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

7 The Group defines debt ratio (loan-to-value) as net nominal interest-bearing debt divided by the sum of property market value and the share of properties of Entra OPF Utvikling AS. Debt ratio (loan-to-value) is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and the calculation of debt ratio (loan-to-value) as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

8 The Group defines interest cover ratio as net income from property management, adjusted for net income from IFRIC 12 properties, excluding depreciation and write-downs and including share of EBITDA of Entra OPF Utvikling AS, divided by interest cost and other finance expense. Interest cover ratio is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and the calculation of interest cover ratio for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

9 The Group defines equity ratio as total equity divided by total assets. The Group's total equity, including non-controlling interests, was NOK 8,361.6 million as of 30 June 2014 as compared to NOK 7,993.0 million as of 31 December 2013. In connection with the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014, the Group has recorded a non-controlling ownership interest of NOK 257.9 million.

The following table sets forth the calculation of equity ratio as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

In NOK millions	**As of 30 June**		**As of 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
Total equity	**8,316.6**	**7,626.4**	**7,993.0**	**7,942.6**	**7,391.4**
Divided by:					
Total assets	28,949.8	25,626.4	26,646.1	25,710.8	23,740.3
Equity ratio (%)	**28.7%**	**29.8%**	**30.0%**	**30.9%**	**31.1%**

10 The Group calculates net asset value – EPRA NAV as net asset value per the financial statements adjusted to include properties at fair value and to exclude fair value adjustments of financial instruments and deferred tax arising on adjustments to value of investment properties. Net asset value – EPRA NAV is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and the reconciliation of total equity to net asset value – EPRA NAV as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

11 The Group calculates triple net asset value – EPRA NNNAV as net asset value - EPRA NAV less market value of tax on gain on sale (5% tax rate), net result from realisation of financial derivatives and market value of tax on realisation (27% tax rate). Triple net asset value – EPRA NNNAV is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and the reconciliation of total equity to net asset value – EPRA NNNAV as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

12 The Group calculates EPRA earnings as profit for the period less adjustments to value of investment properties, profit or losses on disposal of investment properties, tax on adjustment to value of investment properties, unrealised changes in value of financial instruments, deferred tax, non-controlling interests in respect of the above, share of profit – joint venture – fair value adjustments, IFRIC 12 adjustment and change in tax rate. EPRA earnings is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for more information on non-IFRS financial measures and the reconciliation of profit for the period to EPRA earnings for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

11.2 Significant factors affecting the Group's results of operations and financial performance

The Group believes that the factors discussed below have contributed to the development of its results of operations and financial performance in the periods for which financial information is presented in this Prospectus. These significant factors include, in particular:

11.2.1 Market conditions

All of the Group's properties are located in Norway, and as of 30 June 2014, approximately 74.3% of the market value of the Group's properties was located in Central Oslo or Greater Oslo. Developments in Norwegian economic activity, and in particular developments in economic activity in Central Oslo and Greater Oslo, could impact the commercial property industry in which the Group operates by affecting, among other things:

- the demand for commercial properties;
- the market values of commercial properties;
- the volume of completed new commercial construction and renovations;
- the availability of financing for commercial properties; and
- the market for the sale and purchase of commercial properties.

See Section 7 "Industry and market overview" for more information on economic conditions in Norway and Oslo and an overview of the commercial property market in Norway.

11.2.2 Occupancy rates

Occupancy rates of the Group's management properties are a key determinant of the rental income received by the Group. As of 30 June 2014, the Group had a portfolio of 96 management properties comprising more than 1.0 million square metres, concentrated in Norway's four largest cities, which are Oslo, Bergen, Trondheim and Stavanger. The Group's portfolio of management properties as of 30 June 2014, comprised approximately 91.4% of the Group's property portfolio by value and 81.5% of the Group's property portfolio by area. As of 30 June 2014, the occupancy rate of the Group's management properties was 95.2% and the WAULT was 7.8 years. The ability of the Group to attract tenants for its management properties will depend on demand for office premises in the relevant market, which can be influenced by a number of factors. Factors that may influence tenant demand in a given geographic region may include, among others, market rent levels and the affordability of rents, the size and quality of the building, the facilities offered, the convenience, location and local environment of the relevant property, the amount of competing space available, transport infrastructure and the growth rate in office jobs in the area. Whether the Group's tenants will renew their leases at the end of their current tenancies or, if they do not, whether new tenants of equivalent standing (or any new tenants) will be found to take up replacement leases will also affect the Group's occupancy rates. According to the Norwegian Tenant Index, the Group achieved above-average customer satisfaction in 2011, 2012 and 2013 and 76% of its tenants whose leases have come up for renewal since 2011 have either renewed their existing lease with the Group or entered into a lease for different premises owned by the Group. In addition, new construction volume will impact the supply of other office properties available to satisfy tenant demand and will influence occupancy rates generally for a given area.

The following table sets forth the lease agreements renegotiated with certain of the Group's existing tenants since 1 January 2013.

Properties	Date of renegotiation	Tenant	Segment	Lease term[1] (years)
Jåttåvåveien, Hinna Park, Stavanger	Q2 2014	American Express	South/West Norway	1
Prinsens gate 1, Trondheim.................	Q2 2014	NTNU Samfunnsforskning	Mid/North Norway	5
Jåttåvåveien, Hinna Park, Stavanger	Q2 2014	Kongsberg Oil & Gas	South/West Norway	3
Kongens gate 87, Trondheim...............	Q1 2014	Sør-Trøndelag fylkesskattekontor	Mid/North Norway	5
Brynsengfaret 6 AB, Oslo	Q1 2014	Mattilsynet	Greater Oslo	1
Prinsens gate 1, Trondheim.................	Q4 2013	Arbeidstilsynet	Mid/North Norway	10
Langkaia 1, Oslo	Q4 2013	Forsvarsbygg	Central Oslo	5
Biskop Gunnerus gate 14, Oslo............	Q4 2013	Schibsted	Central Oslo	4
Strandveien 13, Tromsø	Q2 2013	Fylkesmannen i Troms	Mid/North Norway	15
Biskop Gunnerus gate 14, Oslo............	Q2 2013	Steria	Central Oslo	5
Kaigaten 9, Bergen	Q1 2013	Fylkesmannen i Hordaland	South/West Norway	10

1 Lease term does not include options for early termination.

The 95.2% occupancy rate at the Group's management properties as of 30 June 2014 was slightly lower compared to the 95.8%, 95.8% and 96.3% occupancy rates as of 31 December 2013, 2012 and 2011, respectively. As of 30 June 2014, the occupancy rate was highest in the Greater Oslo region at 96.2% and lowest in the South/West region at 94.0%. The occupancy rate was 94.8% in Central Oslo and 96.0% in Mid/North Norway as at 30 June 2014. In the six months ended 30 June 2014, the Group signed new and renegotiated leases with an annual rent totalling NOK 106 million (approximately 49,500 square metres) and received notices of termination on leases with an annual rent of NOK 1.2 million (approximately 600 square metres).

With respect to the Norwegian property market generally, market office vacancy levels have risen slightly across the Group's markets from 2012 to 2014, according to DNB. Market office vacancy levels in the Group's geographic markets as of 30 June 2014 were approximately 8.6% in Oslo, 7.5% in Bergen, 7% in Stavanger and 6% in Trondheim, according to DNB ("Market Report 1. Half 2014", 6 March 2014). See Section 7 "Industry and market overview" for more information on market office vacancy levels in the Group's geographic markets.

11.2.3 Tenant credit

The Group's revenues are largely derived from rental income received from tenants, and the amounts of rental income collected under lease agreements will depend on the willingness and ability of counterparties to meet their rental obligations. The Group's top twenty tenants accounted for approximately 51% of the Group's contractual rent as of 30 June 2014, of which only 5 tenants accounted for 3% or more of such contractual rent. As of 30 June 2014, no single tenant accounted for more than 6% of the Group's contractual rent. Public sector tenants accounted for approximately 72% of the Group's tenants as of 30 June 2014 as measured by contractual rent. The Group considers the financial status and strength of the Group's tenants, and thus their ability to service lease payment obligations, to be a significant factor when entering into new lease agreements. A downturn in business, bankruptcy or insolvency could force certain private sector tenants to default on their lease payment obligations and/or vacate the premises. A default in relation to one or more lease agreements, in particular defaults by a series of the Group's tenants or default by any of the Group's significant tenants, could result in a material loss of rental income, an increase in bad debts, and decrease the market value of the Group's property portfolio. The Group has not experienced any material defaults by tenants. The Group monitors the creditworthiness of tenants on a continuous basis, and the Group normally requires bank guarantees for six months of lease payments in respect of any private sector tenant. There is no assurance that any such bank guarantees could be adequately enforced, or that any amounts recovered under such bank guarantees in the event of default by the private sector tenant would be sufficient to offset losses in the Group's rental income.

11.2.4 Transaction market

The geographic strategy of the Group is to focus on growth in Oslo, Bergen, Stavanger and Trondheim, with a particular focus on attractive management or land and development properties near transportation hubs and in other areas where the Group sees potential for future increases in market rent levels. Currently, the market value of the Group's management properties is predominantly located in Central Oslo (48.5% as of 30 June 2014) and Greater Oslo (25.8% as of 30 June 2014), and the Group also has management properties in South/West Norway (Bergen, Stavanger, Kristiansand, Arendal and Skien) (15.4% as of 30 June 2014) and Mid/North Norway (Trondheim, Bodø and Tromsø) (10.3% as of 30 June 2014). The Group makes use of its knowledge of these geographic markets to make selective acquisitions of larger management and land and development properties that it believes will generate additional economies of scale through use of its existing sales and management structures. In addition, the Group actively seeks to optimise its property portfolio through the sale of non-core properties that the Group does not believe meet its current geographic focus. All assets are evaluated on an ongoing basis for consistency with the Group's geographic focus, and as of 30 June 2014, the Group categorised approximately 6% of the property portfolio by value as non-core based on such geographic classification. These non-core assets are primarily properties located in Østfold and Skedsmo, to the north of Trondheim (Bodø and Tromsø) and in the south of Norway (Skien and Arendal). In accordance with this strategy, the Group both acquired and sold management and land and development properties in the six months ended 30 June 2014 and the years ended 31 December 2013, 2012 and 2011.

The following table sets forth information on the management and land and development properties the Group has acquired between 1 January 2011 and the date of this Prospectus.

Properties	Date of acquisition	Category	Segment	Purchase of investment property (MNOK)[1]	Approx. area (sqm)
Lilletorget 1	Q3 2014	Management property	Central Oslo	288	14,000
Hinna Park Eiendom AS (50%)	Q1 2014	Management property / Land and development property	South/West Norway	646[2]	75,000[3]
Vahls gate 1-3	Q3 2013	Management property	Central Oslo	404	15,000
Schweigaards gate 16	Q2 2013	Land and development property	Central Oslo	187	15,000[4]
Brattørkaia AS (remaining 48%)	Q4 2012	Management property / Land and development property	Mid/North Norway	72[5]	61,000[6]
Kristian Augusts gate 19	Q2 2012	Management property	Central Oslo	151	7,000
WexelsPlass Garasje AS	Q2 2012	Management property	Central Oslo	14	2,000[7]
Universitetsgaten 7	Q2 2012	Management property	Central Oslo	244	13,000
Prof. Olav Hanssensvei 10	Q4 2012	Additional land	South/West Norway	3	-
Lakkegata 55/Heimdalsgata 13	Q4 2011	Land and development property	Central Oslo	97	16,000[8]
Brattørkaia 13	Q4 2011	Additional land	Mid/North Norway	5	-
Pilestredet 30 A and B	Q4 2011	Additional land	Central Oslo	5	-
Ringstabekk	Q2 2011	Land and development property	Greater Oslo	11[9]	-
Karoline Kristiansens vei 2 /Fyrstikktorget precinct	Q1 2011	Management property	Greater Oslo	9	1,000
Total				**2,136**	**219,000**

1 Acquisition price of investment properties according to the Financial Statements.

2 Based on 50% of the shares.

3 Based on 100% of property area both existing and estimated development potential (excluding area of parking basements).

4 Based on estimated development potential.

5 Value of the shares acquired by the Group.

6 Based on 100% of property area including existing area and estimated development potential.

7 Based on area of 69 parking spaces in parking basement.

8 Based on estimated development potential.

9 Subsequent adjustment to acquisition price according to an earn-out agreement.

The following table sets forth information on the management and land and development properties the Group has sold between 1 January 2011 and the date of this Prospectus.

Properties	Date of disposal	Category	Segment	Sale of property value (MNOK)[1]	Approx. area (sqm)
Lakkegata 55[2]	Q2 2014	Land and development property	Central Oslo	114	16,000[3]
Spelhaugen 12	Q1 2014	Management property	South/West Norway	78	10,000
Storgata 14	Q1 2014	Management property	Greater Oslo	44	3,000
Wergelandsveien 27	Q1 2014	Management property	Central Oslo	70	3,000
Grev Wedels Plass 3 / Nedre Storgate 18	Q2 2013	Management property	Greater Oslo	29	5,000
Nittedalsgata 2B	Q2 2013	Management property	Greater Oslo	18	3,000
Torggata 3-5	Q2 2013	Management property	Greater Oslo	16	1,000

Properties	Date of disposal	Category	Segment	Sale of property value (MNOK)[1]	Approx. area (sqm)
Hammersborggata 12	Q1 2013	Management property	Central Oslo	507	12,000
Youngs gate 7 and 9 / Torggata 13[4]	Q1 2013	Land and development property	Central Oslo	60	-
Welhavensgate 2	Q1 2013	Management property	Greater Oslo	21	3,000
Greenfield Property AS (67%)	Q3 2012	n/a	Greater Oslo	3	-
Allehelgens gate 6[5]	Q2 2012	Management property	South/West Norway	214	14,000
Dronningens gate 16/ Skippergata 17	Q2 2012	Management property	Central Oslo	176	13,000
Kunnskapsbyen Eiendom AS (33.75%)	Q1 2012	Management property	Greater Oslo	57	-
Stakkevollveien 11 AS	Q1 2012	Land and development property	Mid/North Norway	21	-
Toldbodbrygga 2	Q1 2012	Management property	Greater Oslo	10	2,000
Gamle Kragerøvei 9	Q4 2011	Management property	South/West Norway	5	1,000
Langbrygga 1	Q2 2011	Management property	South/West Norway	9	1,000
Optimo Prosjekt AS (58.3%)	Q2 2011	n/a	Central Oslo	23[6]	-
Storgaten 51	Q2 2011	Management property	Greater Oslo	25	4,000
Total				**1,500**	**98,000**

1 Sales price of investment properties according to the Financial Statements.

2 Sold to Sundtkvartalet AS.

3 Based on estimated development potential.

4 The purchase agreement relating to Youngskvartalet AS (which owns Youngs gate 7 and 9 and Torggata 13 in Oslo municipality) was entered into on 23 November 2012. Pursuant to the purchase agreement, Entra Eiendom and Youngskvartalet AS shall seek to obtain necessary zoning and regulatory approvals for renovation of existing buildings and construction of new buildings on the property. Following receipt of such zoning and regulatory approvals have been received, Entra Eiendom is obligated, through Youngskvartalet AS, to carry out the renovation of existing buildings and construction of new buildings in accordance with the purchase agreement and the zoning and regulatory approvals. The shares in Youngskvartalet AS will be transferred to the purchaser following completion of the project, provided that the shares will be automatically transferred to the purchaser if necessary zoning and regulatory approvals are not obtained within 30 months of the date of the purchase agreement. This deadline may be extended to 36 months in certain circumstances.

5 Sold to Entra OPF Utvikling AS.

6 Amount received for the remaining interest sold by the Group.

The Group sold 12 properties in the years ended 31 December 2013 and 2012 for a total of NOK 1,132 million.

As a result of its strategy to actively purchase and sell properties, the Group depends on a robust and liquid transaction market in commercial properties in the geographic markets in which it operates. The Group's ability to purchase properties is driven by the availability of appropriate properties at price levels the Group considers attractive, while the Group's ability to sell properties is driven by both demand for office properties and sufficiently high pricing in sale transactions. Both purchases and sales of management and land and development properties are influenced by the level of activity in the relevant transaction markets, and such purchases and sales will in turn affect the Group's level of rental income.

According to DNB, transaction volume in the Norwegian market for the year ended 31 December 2013 totalled NOK 42 billion, down from transaction volume of NOK 52 billion in 2012. Transaction volume in the Norwegian market in the six months ended 30 June 2014 totalled approximately NOK 21 billion, the same level as in the six months ended 30 June 2013, according to DNB. DNB expects transaction volume in the six months ended 30 June 2014 to increase to NOK 29 billion, compared to NOK 21 billion in the six months ended 30 June 2013, as a result of the stable Norwegian economy, banks' willingness to provide lending at attractive interest rates, capital available from both domestic and international investors and a healthy rental market. See Section 7 "Industry and market overview" for more information on the transaction market in Norway and in the Group's geographic markets.

11.2.5 Project development and joint ventures

The Group creates value in its property portfolio through property and project development, and has considerable expertise and experience in early phase design, planning and building of new, and renovation of existing, office properties. As of 30 June 2014, the Group had seven large ongoing projects, with a total project area of approximately 74,800 square metres. This portfolio of ongoing projects is supported by a robust portfolio of new development projects, with 13 development projects with new project area totalling approximately 261,700 square metres for which zoning and regulatory approvals have either been received or are at an advanced stage. Additionally, as of 30 June 2014, the Group had 11 development projects in earlier stages of planning with estimated new development potential totalling approximately 213,000 square metres. The completion of a new building at Brattørkaia 15 in Trondheim in the first quarter of 2013 and the completion of the total renovation Fredrik Selmers vei 4 in Oslo

(Helsfyr-Bryn) in the fourth quarter of 2013 added more than 50,000 square metres to the Group's management properties in the year ended 31 December 2013. Completion of the total renovation of the office building at Kjørbo (called Powerhouse Kjørbo) in Sandvika (Bærum) in the first quarter of 2014 added an additional 6,850 square metres to the Group's portfolio of management properties. The addition of newly developed office space or newly renovated office space to the Group's portfolio of management properties is a significant factor in determining the rental income levels of the Group. Because the Group will typically not initiate construction until 60% of the area of a project is pre-leased, tenant demand and general market conditions will impact the Group's ability to initiate development projects, and therefore its ability to increase rental income through internally-generated development projects.

While the Group generally prefers to develop its own properties, it has also entered into four strategic partnerships that provide additional opportunities for project development, with the developed properties either held for leasing to tenants or for sale. Oslo S Utvikling AS (of which the Group holds 33.33% and accounts for under the equity method) develops properties for sale in the Bjørvika district in Oslo. As of 30 June 2014, Oslo S Utvikling AS was responsible for the development of around 350,000 square metres above ground and around 105,000 square metres below ground, of which approximately 223,000 square metres remain to be developed. In recent years, the sale of buildings in Bjørvika by Oslo S Utvikling AS has been a significant factor in the Group's results of operations, with the sale of two bank buildings to DNB Life contributing profit of NOK 522.6 million for the year ended 31 December 2012 and sale of the Deloitte building and the third and final bank building to DNB Life contributing profit of NOK 222.8 million for the year ended 31 December 2013. The current portfolio of Oslo S Utvikling consists of developed properties (primarily basement and retail properties, with some residential properties), projects under development (primarily residential properties) and land with development potential (primarily residential and retail, with some potential for office properties). The remaining development projects of Oslo S Utvikling primarily relate to residential rather than commercial property. Future development projects at Oslo S Utvikling will depend on the market situation and demand, as Oslo S Utvikling will typically pre-let 50% of a property before commencing a new development project. Hinna Park Eiendom AS (of which the Group holds 50% and consolidates) owns land in Stavanger with development potential for a further 46,000 square metres zoned for office space, while Entra OPF Utvikling AS (of which the Group holds 50% and accounts for under the equity method) is pursuing plans for the total renovation of the existing 35,000 square metres and the addition of 10,000 square metres at Lars Hilles gate 30 for development of the concept Media City Bergen. Media companies TV2, NRK, Bergensavisen, Bergens Tidende, the Media Faculty of Bergen University, and the graphics company Vizrt have all agreed with Entra OPF Utvikling AS to move their activities in Bergen to Lars Hilles gate 30. Papirbredden Eiendom AS (of which the Group holds 60% and consolidates) started construction of a new 11,000 square metre office building at Papirbredden 3 in Drammen in the third quarter of 2014, and has entered into a lease agreement with Husbanken in respect of 4,000 square metres. Papirbredden Eiendom AS is also engaged in early stage zoning and regulatory approvals for construction of a 63,000 square meter office building at Kreftingsgate 33 in Drammen.

11.2.6 Market rent levels

The average market rent per square metre for the Group's management properties as of 30 June 2014 was NOK 1,676, a 38% increase over the average rent per square metre in 2004, representing a compound annual growth rate of 3.3%, or 1.4% after inflation. Trends in market rent levels for office properties in the markets in which the Group operates may have a significant impact on the rent levels achieved by the Group in relation to new or renewed lease agreements, and therefore a significant impact on the rental income of the Group. With respect to the Norwegian property market generally, strong market rent levels may be obtained for modern, centrally located premises. Trends in market rent levels vary by geographic market and are primarily impacted by economic and demographic trends in the market and demand for office properties, as well as by supply levels for office space in the relevant geographic area.

Market rent levels are also one of the measures used by the Independent Appraisers to calculate the market value of the Group's investment properties. For example, as of 30 June 2014, an increase in the market rent level by 10% would have resulted in an increase in the valuation of the Group's investment properties by NOK 1,928.1 million (based on valuation estimates from DTZ Realkapital Verdivurdering AS, one of the Independent Appraisers). As a result, any significant change in market rent levels during a valuation period would be expected to have an impact on the valuation of the Group's investment properties, and therefore the Group's results of operations with respect to such period. As a result of the relatively consistent level of increases in market rent levels from 2011 to 2013 in the geographic markets in which the Group operates, changes in market rent levels have not recently had a significant impact on changes in the value of investment properties.

According to market surveys conducted by DNB, as of 30 June 2014 market rent levels were approximately NOK 3,000 per square metre per year for prime office properties in the Oslo city centre, between approximately NOK 2,000 and

NOK 2,200 per square metre per year for new or renovated office properties in the Bergen city centre, approximately NOK 2,500 per square metre per year for prime office properties in the Stavanger city centre, and approximately NOK 2,000 per square metre per year for prime office properties in the Trondheim city centre. See Section 7 "Industry and market overview" for more information on market rent levels in Norway and in the Group's geographic markets.

11.2.7 Consumer price index and inflation

CPI is calculated by Statistics Norway, the government agency which has responsibility for production of official statistics in Norway, to measure the actual changes in the prices for household goods and services including charges and fees. As of 30 June 2014, approximately 98.2% by contractual rent of the lease agreements in respect of the Group's management properties have a 100% CPI adjustment clause, which automatically increases rent levels payable under the lease agreements on an annual basis in line with increases in CPI, as measured by Statistics Norway. The Group's lease agreements typically calculate changes in CPI from November to November in order to allow increases in rent levels to take effect at the beginning of the next calendar year. The Group generally does not have the ability to increase rent payable in excess of the levels permitted by the CPI adjustment clauses. Rental income in respect of the Group's IFRIC 12 properties is similarly indexed for changes in CPI. As a result, the changes in rent levels in relation to these lease agreements from year to year, and therefore changes in the level of rental income derived from such lease agreements, depends primarily on increases in CPI.

CPI is in turn used to determine the inflation level in Norway. The objective of Norges Bank, the Norwegian Central Bank, is to maintain annual long-term inflation at a level of 2.5%. However, the inflation level could deviate from this target for long periods of time. Core inflation for the year ended 31 December 2013, calculated based on changes in CPI from November to November, was 1.6%, as compared to 1.2% and 0.9% for the years ended 31 December 2012 and 2011, respectively, according to Statistics Norway. Inflation is one of the measures used by the Independent Appraisers to calculate the market value of the Group's investment properties. In preparing their valuations, the Independent Appraisers will typically use inflation estimates from reliable sources for the next three years, and apply the Norges Bank target inflation rate of 2.5% for all subsequent years. For example, as of 30 June 2014, an increase in the expected inflation rate by 100 basis points would have resulted in an increase in the valuation of the Group's investment properties by NOK 221.3 million (based on valuation estimates from DTZ Realkapital Verdivurdering AS, one of the Independent Appraisers). As a result, any significant change in the level of inflation during a valuation period would be expected to have a significant impact on the valuation of the Group's investment properties, and therefore the Group's results of operations with respect to such period. As a result of the relatively stable level of inflation from 2011 to 2013, changes in the inflation rate have not recently made a significant contribution to changes in the value of the Group's investment properties.

See Section 7 "Industry and market overview" for more information on CPI and inflation in Norway.

11.2.8 Interest rates

Developments in interest rate levels impact the interest payable by the Group in relation to is long term borrowings issued at floating interest rates. As the Group maintains a significant level of borrowings, with a debt ratio (loan-to-value) of 56.0% as of 30 June 2014, any such change in interest rates could have a material impact on the Group's results of operations. As of 30 June 2014 an increase in the market interest rate by 100 basis points would have resulted in a decrease in total profit (after tax) in relation to interest-bearing debt of NOK 25.6 million, while a 100 basis point decrease in market interest rates would have resulted in an increase in total profit (after tax) in relation to interest-bearing debt of NOK 25.6 million. The average 3-month NIBOR during the year ended 31 December 2013 was 1.8% as compared to 2.2% and 2.9% for the years ended 31 December 2012 and 2011, in each case according to Nordea Markets. Lower interest rate levels contributed to lower interest expense for the Group of NOK 686.9 million for the year ended 31 December 2013, as compared to NOK 690.7 million for the year ended 31 December 2012 and NOK 644.0 million for the year ended 31 December 2011, despite significantly higher levels of borrowing in 2013, both because of lower interest rates on existing floating rate borrowings, expiry of certain relatively expensive historical fixed rate borrowing arrangements and the ability to enter into new fixed rate borrowing arrangements at lower interest rates.

Interest rate developments may also impact the valuation of the Group's investment properties, which are recognised on the balance sheet at fair value. Fair values are determined by the Independent Appraisers using a model that takes into account expected discounted cash flows generated by the Group's investment properties. Any change in the discount rate and the market yield (exit yield) applied by the Independent Appraisers following changes in market interest rates will be reflected in changes in the value of investment properties. For example, as of 30 June 2014, an increase in the market yield (exit yield) of 25 basis points would have resulted in a loss on change in value of investment properties of NOK 495 million (based on valuation estimates from DTZ Realkapital Verdivurdering AS, one of the Independent Appraisers). As a result, changes in interest rates during a given period may have a significant impact on changes in value of investment properties, which will in turn influence the Group's results of operations for such period.

In addition, market interest rates will impact the Group's results of operations to the extent they influence changes in fair value of the Group's derivative positions. For example, as of 30 June 2014 an increase in the market interest rate of 100 basis points would have resulted in an increase in total profit (after tax) in relation to derivatives of NOK 145.4 million, while a 100 basis point decrease in market interest rates would have resulted in a decrease in total profit (after tax) in relation to derivatives of NOK 146.3 million. Higher interest rate levels for the year ended 31 December 2013 as compared to the prior year resulted in an increase in fair value of interest rate derivatives over the year in the amount of NOK 146.3 million. Similarly, lower interest rate levels for the year ended 31 December 2012 as compared to the prior year resulted in a decrease in the fair value of interest rate derivatives over the year of NOK 21.4 million. While changes to the fair values of derivatives will not have any cash effect on the Group (unless the Group chooses to cash settle the derivative positions before maturity), changes in the fair value of derivatives may have a significant impact on the results of operations of the Group for a given period.

See Section 7 "Industry and market overview" for more information on interest rate developments in Norway.

11.2.9 Changes in value of investment properties

Investment property is owned by the Group with the aim of achieving a long-term return from rental income and increase in value. Properties used by the Group rather than leased to tenants are valued separately under property, plant and equipment. Investment property is recognised at fair value, based on market values identified by the Independent Appraisers on a quarterly basis. The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent level at the end of the lease terms. As a result, the fair value of investment properties is therefore mainly affected by expected market rent levels, discount rates (which are affected by market interest rates) and inflation, as well as underlying operational developments. Gains or losses as a result of changes in the market value of investment properties are recognised in profit or loss as they arise, and are presented on a separate line after income from property management.

Investment properties are valued on a quarterly basis, and changes in value of investment properties have historically been a significant factor in the results of operations reported by the Group. Changes in value of investment properties resulted in a loss of NOK 495.1 million for the year ended 31 December 2013, primarily as a result of factors linked to specific properties, including a lower probability of renewal of the lease agreement for the tenant Høyskolen i Akershus at Kunnskapsveien 55 in Lillestrøm, higher estimates for repairs and maintenance requirements on certain properties and an expected increase in construction costs for the ongoing building project at Ringstabekkveien 105 in Bærum. This compares to changes in value of investment properties resulting in a gain of NOK 129.0 million for the year ended 31 December 2012 as a result of factors linked to individual properties, including the positive impact of signing of lease agreements for Vogtsgate 17 in Moss and Kongsgård Alle 20 in Kristiansand and positive effects from the sale of two properties in Oslo in the fourth quarter of 2012, and a gain of NOK 629.2 million for the year ended 31 December 2011 as a result of signing of several new lease agreements for properties related to, for example, Powerhouse Kjørbo in Sandvika (Bærum), Pilestredet 28 in Oslo and Cort Adelers gate 30 in Oslo. The gain for the year ended 31 December 2011 was also driven by the positive impact of a yield decrease in centrally-located properties in the second quarter.

11.3 Explanation of statement of comprehensive income line items

11.3.1 Rental income

Rental income primarily consists of the fair value of the payments received for services that fall within the ordinary activities of the Group. Rental income is presented net of VAT and rent exemptions. A rent exemption refers to any periods for which a tenant is not required to pay rent to the Group, and is typically granted by the Group as an incentive in connection with the commencement or renewal of a lease agreement. If a rent exemption is agreed, or if the tenant receives an incentive in conjunction with the signing of the lease, the cost or loss of rent is accrued over the duration of the lease, and the resulting net rent is recognised in equal instalments. The accrued loss of rent or costs is presented under other receivables. As of 30 June 2014, approximately 65% of the Group's tenants (measured by contractual rent) were exempt from the payment of VAT. Generally, the gross rent payable to the Group by VAT-exempt tenants is higher than for equivalent private sector tenants as a result of the VAT-exempt status of such tenants. The higher rent levels compensate the Group for the loss of VAT deductions on investments made on the properties leased by VAT-exempt tenants. In two cases, the Group has instead agreed to enter into separate VAT compensation agreements. The VAT compensation agreed under these VAT compensation agreements is linearly accrued as rental income during the term of the lease.

11.3.2 Other operating revenue

Other operating revenue primarily consists of sales of repairs and maintenance services to tenants, administrative charge to tenants and services provided to associates and jointly controlled entities.

11.3.3 Repairs and maintenance

Repairs and maintenance primarily consists of the expenses incurred by the Group in direct maintenance of its investment properties and property, plant and equipment, other costs incurred in connection with the leasing of investment property which are not capitalised, and provision for repairs and maintenance on IFRIC 12 properties. The Group expects that repairs and maintenance expenses will vary from year-to-year in accordance with the specific needs of management properties.

11.3.4 Operating costs

Operating costs primarily consist of management costs, payroll and personnel expenses from operations, operating expenses for activities that are the responsibility of the property owner (such as exterior maintenance, property tax and insurance) in addition to owner costs related to vacant premises and other operating costs attributable to the Group’s leasing processes. Tenants are typically responsible for operating costs related to occupancy of the property, such as indoor maintenance, security, utilities and a portion of common costs of the leased premises. With respect to management properties that are unoccupied or not leased to tenants, the Group will typically incur the operating costs that would otherwise be paid by the occupying tenant. Properties leased to VAT-exempt tenants will have higher ongoing operating owner costs, as the Group is not able to deduct the related expenses from VAT.

11.3.5 Other property costs

Other property costs primarily consist of rental costs related to relocation of tenants to the properties of third parties during renovation of management properties, project operating expenses, development costs and depreciation and write-downs on property, plant and equipment not treated as investment properties. The Group also expects that the future completion and sale of the housing units at Ringstabekkveien 105 in Bærum will be reflected in the statement of comprehensive income under other property costs.

11.3.6 Administrative owner costs

Administrative owner costs primarily consist of administrative payroll and personnel expenses not allocated to tenants, office expenses, furnishing and equipment, consultancy fees and other administrative owner costs, including the operating costs of properties occupied by the Group for its own use.

11.3.7 Changes in value of investment property

Changes in value of investment property primarily consists of changes in the fair value of the Group’s investment properties. The fair value of the investment properties is based on the average of the fair values determined by the Independent Appraisers on a quarterly basis. The valuation is based on the individual investment property’s assumed future cash flows, and investment property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. The market value of investment properties are assessed on a quarterly basis by two external independent valuers and any gains or loss on the sale of investment properties compared to the market value are also presented as part of changes in value of investment property. In two cases, the Group has entered into VAT compensation agreements with VAT-exempt tenants. The VAT compensation agreed under these VAT compensation agreements is linearly accrued as rental income during the term of the lease. However, the VAT-exempt tenant may pay the VAT compensation at its discretion during the term of the lease. If the VAT-exempt tenant pays the VAT compensation in advance of the linear accrual of rental income, the remaining cash flow under the relevant lease agreement will be reduced by the amount of the prepayment. As a result, the amount of the VAT compensation prepayment is reflected as a change in the value of the investment property in the statement of comprehensive income. Any such prepaid VAT compensation is recorded in the balance sheet under prepayments and provisions. VAT compensation in respect of a property will terminate when the related lease agreement for the property terminates. When the Group disposes of an investment property, the difference between the net sales proceeds and the fair value of the investment property at the previous quarterly valuation is recognised as a profit or loss in the statement of comprehensive income under changes in value of investment property.

11.3.8 Share of profit from associates and jointly controlled entities

Share of profit from associates and jointly controlled entities primarily consists of the Group’s share of profit and loss from associates over which the Group has significant influence (20% to 50% of capital with voting rights) but not control and from jointly controlled entities over which the Group shares control with other parties, and where an agreement between the parties ensures that strategic decisions on financial and operating policies require unanimous approval. The Group's share of the profit and loss of associates or jointly controlled entities is recognised and added to the carrying amount of the investments. The Group does not recognise its share of a loss of associates or jointly controlled entities if this would result in a negative carrying amount for the investment (including the entity's unsecured receivables), unless the Group has taken over obligations or made payments on behalf of the associate or jointly controlled entity. The proportion of any gains and losses on the sale of assets to jointly controlled entities that is attributable to other owners (outside the Group) of the jointly controlled entity is recognised in profit or loss. When assets are acquired by the Group from an associate or jointly controlled entity, any gain or loss is only recognised in profit or loss when the asset is sold by the Group. A loss is recognised immediately if the transaction indicates that the value of the Group's current or non-current assets has fallen.

11.3.9 Interest and other finance income

Interest and other finance income primarily consists of interest income, in particular accrued interest on the Group's IFRIC 12 assets, and other finance income. Accrued interest on the three properties recognised on the balance sheet as financial assets pursuant to IFRIC 12 (Vøyenenga school, Borgarting Court of Appeal and the National Library) is recognised in the statement of comprehensive income under interest and other finance income and is calculated based on an effective interest rate derived from the cash flow from the relevant IFRIC 12 financial asset. Interest and other finance income also includes interest on VAT compensation receivables.

11.3.10 Interest and other finance expense

Interest and other finance expense primarily consists of interest expense related to the Group's interest-bearing bank loans, bonds and commercial paper, less capitalised interest, and other finance expense (primarily commitment fees on undrawn facilities). The Group recognises write-downs in the value of the three properties recognised on the balance sheet as financial assets pursuant to IFRIC 12 (Vøyenenga school, Borgarting Court of Appeal and the National Library) in the statement of comprehensive income under interest and other finance expense as lease payments are received from the public sector counterparties.

11.3.11 Unrealised changes in value of financial instruments

Unrealised changes in value of financial instruments primarily consists of changes in the fair value of bank loans, bonds, interest rate derivatives, premiums/discounts and loan drawings. Bank and bond loans with variable interest rates are valued at amortised cost. The fair value of both listed and unlisted bonds with fixed interest rates is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association). The fair value of commercial paper is estimated as its amortised cost, due to the short term to maturity. Financial derivatives are measured at fair value using valuation methods where the significant parameters are obtained from quoted market data.

11.3.12 Tax expense

Tax expense primarily consists of tax payable, change in deferred tax in profit or loss. As a result of tax loss carry forwards, the Group did not have any tax payable in the six months ended 30 June 2014 or the years ended 31 December 2013, 2012 or 2011. As of 30 June 2014, the Group had remaining tax loss carry forwards of NOK 1,160.0 million. There is no limitation on the Group's use of tax loss carry forwards against future taxable income. Generally, the sale of shares in subsidiaries by the Group is exempt from income tax, while the sale of individual properties will be subject to income tax.

11.4 Results of operations

11.4.1 Six months ended 30 June 2014 compared to six months ended 30 June 2013

The following table is extracted from the Interim Financial Statements for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June		
	2014	**2013**	**Change**
	(in NOK millions)		*(%)*
Rental income	830.1	775.0	7.1
Other operating revenue	75.0	20.2	271.3
Total operating revenue	**905.0**	**795.2**	**13.8**

	Six months ended 30 June 2014	2013	Change
	(in NOK millions)		*(%)*
Repairs and maintenance	20.4	24.0	-15.0
Operating costs	42.0	40.5	3.7
Other property costs	66.0	47.8	38.1
Administrative owner costs	115.0	115.7	-0.6
Total operating costs	**243.4**	**228.0**	**6.8**
Net income from property management	**661.6**	**567.2**	**16.6**
Changes in value of investment property	265.5	-277.8	195.6
Share of profit from associates and jointly controlled entities	27.2	10.8	151.9
Operating profit	**954.4**	**300.2**	**217.9**
Interest and other finance income	62.3	57.3	8.7
Interest and other finance expense	-330.5	-349.6	5.5
Net realised financial items	**-268.2**	**-292.2**	**8.2**
Unrealised changes in value of financial instruments	-270.8	123.1	-320.0
Net financial items	**-539.0**	**-169.1**	**-218.7**
Profit before tax	**415.4**	**131.1**	**216.9**
Tax expense	-99.8	-34.3	191.0
Profit for the period	**315.6**	**96.7**	**226.4**

11.4.1.1 Rental income

Rental income for the six months ended 30 June 2014 was NOK 830.1 million compared to NOK 775.0 million for the six months ended 30 June 2013, an increase of NOK 55.1 million, or 7.1%. The increase was primarily attributable to the Group's acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014, which contributed NOK 35.2 million to rental income, as well as additional rental income related to the completion of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) in the fourth quarter of 2013, Brattørkaia 15 in Trondheim in the first quarter of 2013 and Powerhouse Kjørbo in Sandvika (Bærum) in the first quarter of 2014 and the purchase of Vahlsgate 1-3 in the third quarter of 2013. Like-for-like growth in rental income, defined as the percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio (and therefore adjusted for purchases and sales of properties and active projects), was 3.6% for the six months ended 30 June 2014. Rental income for the six months ended 30 June 2013 had been positively impacted by the receipt of a NOK 24.3 million payment in the second quarter of 2013 from a former tenant in connection with the early termination of the lease for Tungasletta 2 in Trondheim.

11.4.1.2 Other operating revenue

The following table shows total other operating revenue of the Group for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June 2014	2013	Change
	(in NOK millions)		*(%)*
Sales of repairs and maintenance services to tenants	4.0	4.5	-10.0
Administrative charges	9.9	8.5	17.4
Sale of services	9.3	4.0	134.9
Service concession arrangements (IFRIC 12)	2.8	3.2	-12.0
Sales of housing units	48.8	-	-
Total other operating revenue	**75.0**	**20.2**	**271.9**

Other operating revenue for the six months ended 30 June 2014 was NOK 75.0 million compared to NOK 20.2 million for the six months ended 30 June 2013, an increase of NOK 54.8 million, or 271.3%. The increase was primarily attributable to the delivery by the Group of 11 housing units at Ringhøyden at Ringstabekkveien 105 in Bærum to purchasers in the second quarter of 2014, which contributed NOK 48.8 million.

11.4.1.3 Total operating revenue

Total operating revenue for the six months ended 30 June 2014 was NOK 905.0 million compared to NOK 795.2 million for the six months ended 30 June 2013, an increase of NOK 109.8 million, or 13.8%. The increase was primarily attributable to increased levels of rental income as described above and the sale of housing units at Ringhøyden at Ringstabekkveien 105 in Bærum.

11.4.1.4 Repairs and maintenance

Repairs and maintenance for the six months ended 30 June 2014 was NOK 20.4 million compared to NOK 24.0 million for the six months ended 30 June 2013, a decrease of NOK 3.6 million, or 15.0%. The decrease was primarily attributable to cyclical differences in the level of repairs and maintenance required for the Group's management properties between the periods.

11.4.1.5 Operating costs

The following table sets forth total operating costs of the Group for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June		
	2014	**2013**	**Change**
	(in NOK millions)		*(%)*
Management costs	17.4	16.3	6.8
Operating costs	22.0	20.3	8.4
Rental costs	2.7	3.9	-32.5
Total operating costs	**42.0**	**40.5**	**3.8**

Operating costs for the six months ended 30 June 2014 were NOK 42.0 million compared to NOK 40.5 million for the six months ended 30 June 2013, an increase of NOK 1.5 million, or 3.8%. The increase was primarily attributable to the increase in the size of the portfolio of management properties as a result of the acquisition of a 50% interest in Hinna Park Eiendom AS, completion of projects at Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) in the fourth quarter of 2013, Brattørkaia 15 in Trondheim in the first quarter of 2013 and Powerhouse Kjørbo in Sandvika (Bærum) in the first quarter of 2014 and the purchase of Vahlsgate 1-3 in the third quarter of 2013, among others. In addition, a lower occupancy rate for management properties (95.2% as of 30 June 2014 as compared to 95.8% as of 30 June 2013) resulted in higher operating costs for the Group, as the Group was responsible for repairs and maintenance costs in relation to unoccupied management properties.

11.4.1.6 Other property costs

The following table sets forth total other property costs of the Group for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June		
	2014	**2013**	**Change**
	(in NOK millions)		*(%)*
Rent paid by Entra Eiendom	7.8	17.3	-54.8
Project operating expenses	2.6	11.2	-77.2
Development costs	47.1	-1.4	-
Depreciation and write-downs	8.5	20.7	-58.9
Total other property costs	**66.0**	**47.8**	**38.1**

Other property costs for the six months ended 30 June 2014 were NOK 66.0 million compared to NOK 47.8 million for the six months ended 30 June 2013, an increase of NOK 18.2 million, or 38.1%. The increase was primarily attributable to the costs of NOK 47.1 million related to housing units sold at Ringhøyden at Ringstabekkveien 105 in Bærum in the second quarter of 2014, which was partly offset by lower rental costs in the six months ended 30 June 2014, as the renovation of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) resulted in higher rental costs in the six months ended 30 June 2013. In addition, there was a higher level of write-downs related to development projects for the six months ended 30 June 2013.

11.4.1.7 Administrative owner costs

The following table sets forth total administrative owner costs of the Group for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June		
	2014	**2013**	**Change**
	(in NOK millions)		*(%)*
Payroll and personnel expenses	60.9	63.9	-4.7
Office expenses, furnishing and equipment	21.2	14.9	42.1
Consultancy fees	26.4	27.4	-3.8
Other administrative owner costs	6.4	9.5	-32.9
Total administrative owner costs	**115.0**	**115.7**	**-0.8**

Administrative owner costs for the six months ended 30 June 2014 were NOK 115.0 million compared to NOK 115.7 million for the six months ended 30 June 2013, a decrease of NOK 0.7 million, or 0.8%. The decrease in administrative owner costs was primarily attributable to lower costs relating to preparations for privatisation in the six months ended 30 June 2014, which were partly offset by higher salaries and administration costs resulting from the consolidation of Hinna Park Eiendom AS into the Group as of 1 February 2014. The level of administrative owner costs in the six months ended 30 June 2013 was primarily impacted by costs related to the legal restructuring carried out in preparation for privatisation.

11.4.1.8 Total operating costs

Total operating costs for the six months ended 30 June 2014 were NOK 243.4 million compared to NOK 228.0 million for the six months ended 30 June 2013, an increase of NOK 15.4 million, or 6.8%. The increase was primarily attributable to costs of the housing units at Ringhøyden at Ringstabekkveien 105 in Bærum sold by the Group in the six months ended 30 June 2014, as described above.

11.4.1.9 Net income from property management

As a result of the factors described above, net income from property management for the six months ended 30 June 2014 was NOK 661.6 million compared to NOK 567.2 million for the six months ended 30 June 2013, an increase of NOK 94.4 million, or 16.6%.

11.4.1.10 Changes in value of investment property

Changes in value of investment property resulted in an increase in the value of investment property of NOK 265.5 million for the six months ended 30 June 2014 as compared to a decrease in value of investment property of NOK 277.8 million for the six months ended 30 June 2013. The increase in the six months ended 30 June 2014 was primarily attributable to a lower yield for central Oslo properties, as well as the commencement of the development project at Papirbredden 3 in Drammen and signing of related lease agreements with future tenants. The decrease in the six months ended 30 June 2013 was primarily attributable to increased return requirements for certain properties located outside city centres following observations of relevant property transactions, increased estimates of repairs and maintenance cost for Schweigaards gate 15 and Strømsveien 96 in Oslo, and higher estimated costs for the construction project at Otto Sverdrups plass 4 in Sandvika (Bærum).

11.4.1.11 Share of profit from associates and jointly controlled entities

Share of profit from associates and jointly controlled entities for the six months ended 30 June 2014 was NOK 27.2 million compared to NOK 10.8 million for the six months ended 30 June 2013, an increase of NOK 16.4 million, or 151.9%. The increase was primarily attributable to the share of profit from UP Entra AS as a result of an increase in the market value of its properties.

11.4.1.12 Operating profit

Operating profit for the six months ended 30 June 2014 was NOK 954.4 million compared to NOK 300.2 million for the six months ended 30 June 2013, an increase of NOK 654.2 million, or 217.9%.

11.4.1.13 Interest and other finance income

Interest and other finance income for the six months ended 30 June 2014 was NOK 62.3 million compared to NOK 57.3 million for the six months ended 30 June 2013, an increase of NOK 5 million, or 8.7%. The increase was primarily attributable to interest income from IFRIC 12 properties.

11.4.1.14 Interest and other finance expense

The following table sets forth total interest and other finance expense of the Group for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June		
	2014	2013	Change
	(in NOK millions)		(%)
Interest expense	336.6	347.9	-3.2
- of which capitalised interest	-16.9	-21.6	-21.9
Other finance expense	10.7	23.3	-54.3
Total interest and other finance expense	**330.5**	**349.6**	**-5.5**

Interest and other finance expense for the six months ended 30 June 2014 was NOK 330.5 million compared to NOK 349.6 million for the six months ended 30 June 2013, a decrease of NOK 19.1 million, or 5.5%. The decrease was primarily attributable to falling market interest rates and the expiry of historical interest hedging agreements with unfavourable terms, which were partly offset by increased borrowings during the period related to financing of the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014.

11.4.1.15 Unrealised changes in value of financial instruments

The following table sets forth total change in fair value of financial instruments of the Group for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(in NOK millions)	
Change in fair value of bonds over the period	-239.0	35.2
Change in fair value of interest rate derivatives over the period	-31.8	91.2
Paid fees on bonds and financial instruments	0	-3.3
Total change in fair value of financial instruments	**-270.8**	**123.1**

Unrealised changes in value of financial instruments for the six months ended 30 June 2014 resulted in a decrease in the fair value of financial instruments of NOK 270.8 million as compared to an increase in fair value of financial instruments of NOK 123.1 million for the six months ended 30 June 2013. The decrease in the six months ended 30 June 2014 was primarily attributable to falling market interest rates and increased liabilities on the Group's fixed rate bonds as a result of a reduction in credit spreads in the market generally. The increase for the six months ended 30 June 2013 was primarily attributable to rising market interest rates during the period.

11.4.1.16 Profit before tax

Profit before tax for the six months ended 30 June 2014 was NOK 415.4 million compared to NOK 131.1 million for the six months ended 30 June 2013, an increase of NOK 284.3 million, or 216.9%.

11.4.1.17 Tax expense

Tax expense for the six months ended 30 June 2014 was NOK 99.8 million compared to NOK 34.3 million for the six months ended 30 June 2013, an increase of NOK 65.5 million, or 191.0%. The increase was primarily attributable to increased income from property management, which was partly offset by a reduction in the nominal tax rate from 28% in 2013 to 27% in 2014.

11.4.1.18 Profit for the period

Profit for the six months ended 30 June 2014 was NOK 315.6 million compared to NOK 96.7 million for the six months ended 30 June 2013, an increase of NOK 218.9 million, or 226.4%.

11.4.2 Six months ended 30 June 2014 compared to six months ended 30 June 2013 by operating segment

11.4.2.1 Central Oslo

The following table sets forth the results of operations of the Central Oslo segment through net income from property management for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(in NOK millions)	
Rental income	351.0	338.5
Other operating revenue	7.0	9.4
Total operating revenue	**358.0**	**347.8**
Repairs and maintenance	12.5	16.5
Operating costs	16.4	14.6
Other property costs	7.3	13.1
Administrative owner costs	7.1	2.0
Total operating costs	**43.4**	**46.2**
Net income from property management	**314.6**	**301.7**

Total operating revenue for the six months ended 30 June 2014 was NOK 358.0 million compared to NOK 347.8 million for the six months ended 30 June 2013, an increase of NOK 10.2 million, or 2.9%. The increase was primarily attributable to higher rental income as a result of the purchase of Vahlsgate in the third quarter of 2013.

Total operating costs for the six months ended 30 June 2014 was NOK 43.4 million compared to NOK 46.2 million for the six months ended 30 June 2013, a decrease of NOK 2.8 million, or 6.1%. The decrease was primarily attributable to cyclical differences in the level of repairs and maintenance required for the Group's management properties between the periods and a higher level of write-downs related to development projects in the six months ended 30 June 2013 as compared to the six months ended 30 June 2014. The decrease was partly offset by increased consultancy costs related to Sundtkvartalet in the six months ended 30 June 2014 and a lower occupancy rate for the management properties (94.8% as of 30 June 2014 compared to 95.6% as of 30 June 2013), which resulted in higher operating costs attributable to the Group for the segment, as the segment was responsible for repairs and maintenance in relation to unoccupied management properties.

For the reasons stated above, net income from property management in the Central Oslo segment for the six months ended 30 June 2014 was NOK 314.6 million, as compared to NOK 301.7 million for the six months ended 30 June 2013, an increase of NOK 12.9 million, or 4.3%.

11.4.2.2 Greater Oslo

The following table sets forth the results of operations of the Greater Oslo segment through net income from property management for the six months ended 3 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(in NOK millions)	
Rental income	236.1	216.9
Other operating revenue	54.0	5.8
Total operating revenue	**290.1**	**222.7**
Repairs and maintenance	3.0	2.8
Operating costs	8.1	8.4
Other property costs	49.0	15.0
Administrative owner costs	6.8	6.1
Total operating costs	**66.9**	**32.3**
Net income from property management	**223.2**	**190.4**

Total operating revenue for the six months ended 30 June 2014 was NOK 290.1 million compared to NOK 222.7 million for the six months ended 30 June 2013, an increase of NOK 67.4 million, or 30.3%. The increase was primarily attributable to higher rental income as a result of the completion of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) in the fourth quarter of 2013 and Powerhouse Kjørbo in Sandvika (Bærum) in the first quarter 2014, as well as NOK 48.8 million in higher other operating revenue related to the delivery of 11 housing units at Ringhøyden at Ringstabekkveien 105 in Bærum to purchasers in the second quarter.

Total operating costs for the six months ended 30 June 2014 was NOK 66.9 million compared to NOK 32.3 million for the six months ended 30 June 2013, an increase of NOK 34.6 million, or 107.1%. The increase was primarily attributable to NOK 47.1 million in development costs related to the housing units sold at Ringhøyden at

Ringstabekkveien 105 in Bærum in the second quarter, as well as lower rental costs in the six months ended 30 June 2014, as the renovation of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) resulted in higher rental costs in the six months ended 30 June 2013.

For the reasons stated above, net income from property management in the Greater Oslo segment for the six months ended 30 June 2014 was NOK 223.2 million, as compared to NOK 190.4 million for the six months ended 30 June 2013, an increase of NOK 32.8 million, or 17.2%.

11.4.2.3 South/West Norway

The following table sets forth the results of operations of the South/West Norway segment through net income from property management for the six months ended 3 June 2014 and 2013.

	Six months ended 30 June	
	2014	**2013**
	(in NOK millions)	
Rental income	140.5	111.2
Other operating revenue	5.3	2.4
Total operating revenue	**145.8**	**113.5**
Repairs and maintenance	3.1	3.2
Operating costs	6.9	7.3
Other property costs	0.5	3.0
Administrative owner costs	13.3	5.1
Total operating costs	**23.8**	**18.5**
Net income from property management	**122.0**	**95.0**

Total operating revenue for the six months ended 30 June 2014 was NOK 145.8 million compared to NOK 113.5 million for the six months ended 30 June 2013, an increase of NOK 32.3 million, or 28.5%. The increase was primarily attributable to higher rental income as a result of the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2013, which owns three management properties at Hinna Park in Stavanger.

Total operating costs for the six months ended 30 June 2014 was NOK 23.8 million compared to NOK 18.5 million for the six months ended 30 June 2013, an increase of NOK 5.3 million, or 28.6%. The increase was primarily attributable to higher administrative owner costs in the six months ended 30 June 2013 as a result of the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2013, which was partly offset by lower project operating costs relating to Professor Hanssensvei 10 in Stavanger.

For the reasons stated above, net income from property management in the South/West Norway segment for the six months ended 30 June 2014 was NOK 122.0 million, as compared to NOK 95.0 million for the six months ended 30 June 2013, an increase of NOK 27 million, or 28.4%.

11.4.2.4 Mid/North Norway

The following table sets forth the results of operations of the Mid/North Norway segment through net income from property management for the six months ended 3 June 2014 and 2013.

	Six months ended 30 June	
	2014	**2013**
	(in NOK millions)	
Rental income	102.5	109.1
Other operating revenue	1.8	2.6
Total operating revenue	**104.3**	**111.8**
Repairs and maintenance	1.7	1.6
Operating costs	9.8	7.5
Other property costs	1.0	1.7
Administrative owner costs	3.2	6.5
Total operating costs	**15.7**	**17.2**
Net income from property management	**88.6**	**94.5**

Total operating revenue for the six months ended 30 June 2014 was NOK 104.3 million compared to NOK 111.8 million for the six months ended 30 June 2013, a decrease of NOK 7.5 million, or 6.7%. The decrease was primarily attributable to the NOK 24.3 million payment in the second quarter of 2013 from a former tenant in connection with the early termination of the lease for Tungasletta 2 in Trondheim, which was partly offset by increased rental income as a result of the completion of Brattørkaia 15 in Trondheim in the first quarter of 2013.

Total operating costs for the six months ended 30 June 2014 was NOK 15.7 million compared to NOK 17.2 million for the six months ended 30 June 2013, a decrease of NOK 1.5 million, or 8.7%. The decrease was primarily attributable to lower administrative owner costs in the six months ended 30 June 2014 as a result of higher one-off costs related to consultancy and advertisement, as well as high rental costs related to the renovation of Brattørkaia 15 in Trondheim for the six months ended 30 June 2013. The decrease was partly offset by a lower occupancy rate for the management properties (96.0% as of 30 June 2014 compared to 97.7% as of 30 June 2013), which resulted in higher operating costs attributable to the Group for the segment, as the segment was responsible for operating costs in relation to unoccupied management properties.

For the reasons stated above, net income from property management in the Mid/North Norway segment for the six months ended 30 June 2014 was NOK 88.6 million, as compared to NOK 94.5 million for the six months ended 30 June 2013, a decrease of NOK 5.9 million, or 6.2%.

11.4.3 Year ended 31 December 2013 compared to year ended 31 December 2012

The following table is extracted from the Financial Statements for the years ended 31 December 2013 and 2012.

	Year ended 31 December		
	2013	**2012**	**Change**
	(in NOK millions)		*(%)*
Rental income	1,543.9	1,500.3	2.9
Other operating revenue	31.5	32.4	-2.8
Total operating revenue	**1,575.4**	**1,532.7**	**2.8**
Repairs and maintenance	65.9	66.2	-0.5
Operating costs	91.5	86.9	5.3
Other property costs	88.2	117.1	-24.7
Administrative owner costs	223.1	194.7	14.5
Total operating costs	**468.7**	**464.9**	**0.8**
Net income from property management	**1,106.8**	**1,067.8**	**3.7**
Change in value of investment property	-495.1	129.0	-
Share of profit from associates and jointly controlled entities	235.5	508.7	-53.7
Operating profit	**847.2**	**1,705.5**	**-50.3**
Interest and other finance income	109.9	98.2	11.9
Interest and other finance expense	-674.8	-690.2	2.2
Net realised financial items	**-564.9**	**-591.9**	**4.5**
Unrealised changes in value of financial instruments	183.7	-272.0	-
Net financial items	**-381.3**	**-864.0**	**55.9**
Profit before tax	**466.0**	**841.5**	**-44.6**
Tax expense	4.0	-103.8	-
Profit for the period	**469.9**	**737.8**	**-36.3**

11.4.3.1 Rental income

Rental income for the year ended 31 December 2013 was NOK 1,543.9 million compared to NOK 1,500.3 million for the year ended 31 December 2012, an increase of NOK 43.6 million, or 2.9%. The increase was primarily attributable rental income resulting from the completion of projects in Brattørkaia 15 in the first quarter of 2013, the NOK 24.3 million payment in the second quarter of 2013 from a former tenant in connection with the early termination of the lease for Tungasletta 2 in Trondheim and the acquisition of Vahls gate 1-3 in Oslo in the third quarter of 2013. In addition, annual CPI adjustments to lease agreements resulted in an increase of 1.1% across all management properties. The increase in rental income was partly offset by a decrease in rental income from Hammersborggata 12, which was divested in the first quarter of 2013.

11.4.3.2 Other operating revenue

The following table sets forth total other operating revenue of the Group for the years ended 31 December 2013 and 2012.

	Year ended 31 December		
	2013	**2012**	**Change**
	(in NOK millions)		*(%)*
Sales of repairs and maintenance services to tenants	8.4	10.4	-19.2
Administrative charges	8.8	8.8	0.0
Service concession arrangements (IFRIC 12)	6.6	7.1	-7.0
Other operating revenue	7.7	6.1	26.2
Total other operating revenue	**31.5**	**32.4**	**-2.9**

Other operating revenue for the year ended 31 December 2013 was NOK 31.5 million compared to NOK 32.4 million for the year ended 31 December 2012, a decrease of NOK 0.9 million, or 2.9%. The decrease was primarily attributable to a decrease in sales of repairs and maintenance services to tenants. Certain of the Group's lease agreements historically included payment of annual fees by tenants to the Group for repairs and maintenance services. For the year ended 31 December 2013, lower levels of sales of repairs and maintenance services to tenants were attributable to the renegotiation of certain of these older lease agreements to exclude such repairs and maintenance services.

11.4.3.3 Total operating revenue

Total operating revenue for the year ended 31 December 2013 was NOK 1,575.4 million compared to NOK 1,532.7 million for the year ended 31 December 2012, an increase of NOK 42.7 million, or 2.8%. The increase was primarily attributable to higher levels of rental income as described above.

11.4.3.4 Repairs and maintenance

Repairs and maintenance for the year ended 31 December 2013 was NOK 65.9 million, remaining stable as compared to NOK 66.2 million for the year ended 31 December 2012, a decrease of NOK 0.3 million, or 0.5%.

11.4.3.5 Operating costs

The following table sets forth total operating costs of the Group for the years ended 31 December 2013 and 2012.

	Year ended 31 December		
	2013	**2012**	**Change**
	(in NOK millions)		*(%)*
Management costs	40.3	41.7	-3.2
Operating costs	44.3	37.1	19.4
Rental costs	6.8	8.1	-15.8
Total operating costs	**91.5**	**86.9**	**5.3**

Operating costs for the year ended 31 December 2013 was NOK 91.5 million compared to NOK 86.9 million for the year ended 31 December 2012, an increase of NOK 4.6 million, or 5.3%. The increase was primarily attributable to significantly higher operating costs related to common costs of unoccupied office space at Professor Olav Hanssens vei 10 in Stavanger following the completion of the project in the fourth quarter of 2012. In addition, the Group changed its accounting policy with respect to the payroll costs of technical supervisors and managers in the Group's regional operating segments. In the year ended 31 December 2012, an amount of NOK 6 million was recognised in the statement of comprehensive income under payroll and personnel expenses in relation to these costs. In the year ended 31 December 2013, these costs were recognised in the statement of comprehensive income as ordinary salary under administrative owner costs.

11.4.3.6 Other property costs

The following table sets forth total other property costs of the Group for the years ended 31 December 2013 and 2012.

	Year ended 31 December		
	2013	2012	Change
	(in NOK millions)		(%)
Rent paid by Entra Eiendom	34.1	44.6	-23.5
Project operating expenses	21.3	32.7	-34.9
Development costs	0.1	-0.1	-
Depreciation and write-downs	32.7	40.0	-18.3
Total other property costs	**88.2**	**117.1**	**-24.7**

Other property costs for the year ended 31 December 2013 was NOK 88.2 million compared to NOK 117.1 million for the year ended 31 December 2012, a decrease of NOK 28.9 million, or 24.7%. The decrease was primarily attributable to lower rent paid by Entra Eiendom for Akersgata 55, which had been leased by the Group in relation to the relocation of a tenant during the renovation of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) in Oslo. The decrease in project operating expenses also contributed to a lower level of other property costs, and was primarily attributable to completion of the project at Professor Olaf Hanssens vei 10 in Stavanger in the fourth quarter of 2012 and a lower level of write-downs related to development projects for the year ended 31 December 2013. The year ended 31 December 2012 had high levels of write-downs in connection with the loss of the potential contract with Schibsted and the related development plans on Tullinkvartalet and write-downs on several other minor projects, principally in relation to a write-down of Greenfield Property AS as a result of a lower probability of completion.

11.4.3.7 Administrative owner costs

The following table sets forth total administrative owner costs of the Group for the years ended 31 December 2013 and 2012.

	Year ended 31 December		
	2013	2012	Change
	(in NOK millions)		(%)
Payroll and personnel expenses	132.8	108.7	22.2
Office expenses, furnishing and equipment	27.1	26.3	3.0
Consultancy fees	45.2	39.9	13.3
Other administrative owner costs	18.0	19.7	-9.6
Total administrative owner costs	**223.1**	**194.7**	**14.5**

Administrative owner costs for the year ended 31 December 2013 was NOK 223.1 million compared to NOK 194.7 million for the year ended 31 December 2012, an increase of NOK 28.4 million, or 14.6%. The increase was primarily attributable to higher costs of a legal restructuring designed to prepare the Group for privatisation for the year ended 31 December 2013, including increased costs related to severance packages in the second quarter of 2013 and management consultancy fees throughout 2013 (with the largest impact in the second quarter).

11.4.3.8 Total operating costs

Total operating costs for the year ended 31 December 2013 was NOK 468.7 million compared to NOK 464.9 million for the year ended 31 December 2012, an increase of NOK 3.8 million, or 0.8%. The increase was primarily attributable to higher administrative owner costs, which was partly offset by a decrease in other property costs as described above.

11.4.3.9 Net income from property management

As a result of the factors described above, net income from property management for the year ended 31 December 2013 was NOK 1,106.8 million compared to NOK 1,067.8 million for the year ended 31 December 2012, an increase of NOK 39.0 million, or 3.7%.

11.4.3.10 Change in value of investment property

Change in value of investment property for the year ended 31 December 2013 resulted in a decrease in the value of investment property of NOK 495.1 million as compared to an increase in the value of investment property of NOK 129.0 million for the year ended 31 December 2012. The decrease for the year ended 31 December 2013 was primarily attributable to factors linked to specific properties, including a lower probability of renewal for the tenant Høyskolen i Akershus in Kunnskapsveien 55, higher estimates for repairs and maintenance requirements on certain properties and an expected increase in construction costs for the ongoing building project at Ringstabekkveien 105 in

Bærum. The increase for the year ended 31 December 2012 was primarily attributable to factors linked to individual properties, including positive effects from the sale of two properties in Oslo in the fourth quarter of 2012, and the positive impact of the signing of lease agreements for Vogtsgate 17 in Moss and Kongsgård Alle 20 in Kristiansand.

11.4.3.11 Share of profit from associates and jointly controlled entities

Share of profit from associates and jointly controlled entities for the year ended 31 December 2013 was NOK 235.5 million compared to NOK 508.7 million for the year ended 31 December 2012, a decrease of NOK 273.2 million, or 53.7%. Share of profit primarily relates to share of profit of Oslo S Utvikling AS, which recorded the sale of the Deloitte building and the third and final bank building to DNB Life and contributed share of profit of NOK 222.8 million for the year ended 31 December 2013. Oslo S Utvikling AS had recorded the sale of two bank buildings to DNB Life and contributed share of profit of NOK 522.6 million for the year ended 31 December 2012.

11.4.3.12 Operating profit

Operating profit for the year ended 31 December 2013 was NOK 847.2 million compared to NOK 1,705.5 million for the year ended 31 December 2012, a decrease of NOK 858.3 million, or 50.3%. The decrease was primarily attributable to a decrease in the fair value of the Group's investment properties and a decrease in share of profit from associates as a result of a lower contribution from Oslo S Utvikling AS, as described above.

11.4.3.13 Interest and other finance income

Interest and other finance income for the year ended 31 December 2013 was NOK 109.9 million compared to NOK 98.2 million for the year ended 31 December 2012, an increase of NOK 11.7 million, or 11.9%. The increase was primarily attributable to interest on the VAT compensation receivables from tenants at Professor Olaf Hanssens vei 10 and Middelthunsgate 29.

11.4.3.14 Interest and other finance expense

The following table sets forth total interest and other finance expense of the Group for the years ended 31 December 2013 and 2012.

	Year ended 31 December		
	2013	**2012**	**Change**
	(in NOK millions)		*(%)*
Interest expense	686.9	690.7	-0.6
- of which capitalised interest	-45.3	-43.9	3.2
Other finance expense	33.2	43.4	-23.5
Total interest and other finance expense	**674.8**	**690.2**	**-2.2**

Interest and other finance expense for the year ended 31 December 2013 was NOK 674.8 million compared to NOK 690.2 million for the year ended 31 December 2012, a decrease of NOK 15.4 million, or 2.2%. The decrease was primarily the result of a decrease in the average interest rate on financing from 5.13% for the year ended 31 December 2012 to 4.47% for the year ended 31 December 2013, which was partly offset by an increase in net interest-bearing debt, mainly to finance property investments.

11.4.3.15 Unrealised changes in value of financial instruments

The following table sets forth total change in fair value of financial instruments of the Group for the years ended 31 December 2013 and 2012.

	Year ended 31 December	
	2013	**2012**
	(in NOK millions)	
Change in fair value of bank loans over the year	0.0	-136.2
Change in fair value of bonds over the year	38.5	-98.2
Change in fair value of interest rate derivatives over the year	146.4	-21.4
Premiums/discounts, loan arrangements	-1.2	-16.1
Total change in fair value of financial instruments	**183.7**	**-272.0**

Unrealised changes in value of financial instruments resulted in an increase in fair value of financial instruments of NOK 183.7 million for the year ended 31 December 2013 as compared to a decrease in fair value of financial instruments of NOK 272.0 million for the year ended 31 December 2012. The increase in the year ended 31 December 2013 was primarily attributable to the general increase in market interest rates during the period, which resulted in a lower liability for both the Group's bonds and interest rate derivatives. The decrease for the year ended 31 December 2012 was primarily attributable to a NOK 136.2 million adjustment to fair value of the Group's bank loans.

11.4.3.16 Profit before tax

As a result of the factors described above, profit before tax for the year ended 31 December 2013 was NOK 466.0 million compared to NOK 841.5 million for the year ended 31 December 2012, a decrease of NOK 375.5 million, or 44.6%.

11.4.3.17 Tax expense

Tax expense for the year ended 31 December 2013 was a credit of NOK 4.0 million compared to an expense of NOK 103.8 million for the year ended 31 December 2012. The credit for the year ended 31 December 2013 consisted of a change in deferred tax of NOK -4 million and resulted in an effective tax rate of -0.8%. The effective tax rate was below the nominal tax rate of 28% primarily due to the NOK 91.3 million increase in deferred tax assets and liabilities as a result of the change in the nominal tax rate from 28% to 27% and the effect of taxes on profits earned by associates and jointly controlled entities that are consolidated net of tax. The tax expense for the year ended 31 December 2012 related to change in deferred tax. There was no tax payable by the Group in either period.

11.4.3.18 Profit for the year

For the reasons described above, profit for the year ended 31 December 2013 was NOK 469.9 million compared to NOK 737.8 million for the year ended 31 December 2012, a decrease of NOK 267.9 million, or 36.3%.

11.4.4 Year ended 31 December 2013 compared to year ended 31 December 2012 by operating segment

11.4.4.1 Central Oslo

The following table sets forth the results of operations of the Central Oslo segment through net income from property management for the years ended 31 December 2013 and 2012.

	Year ended 31 December	
	2013	**2012**
	(in NOK millions)	
Rental income	667.3	691.9
Other operating revenue	18.2	17.7
Total operating revenue	**685.5**	**709.6**
Repairs and maintenance	33.2	33.4
Operating costs	34.3	29.1
Other property costs	27.5	75.6
Administrative owner costs	13.2	7.3
Total operating costs	**108.2**	**145.4**
Net income from property management	**577.3**	**564.1**

Total operating revenue for the year ended 31 December 2013 was NOK 685.5 million compared to NOK 709.6 million for the year ended 31 December 2012, a decrease of NOK 24.1 million, or 3.4%. The decrease was primarily attributable to lower rental income as a result of the sale of Hammersborgata 12 in Oslo in the first quarter of 2013, which was partly offset by rental income from Vahlsgate 1-3 in Oslo, which was acquired in the third quarter of 2013.

Total operating costs for the year ended 31 December 2013 was NOK 108.2 million compared to NOK 145.4 million for the year ended 31 December 2012, a decrease of NOK 37.2 million, or 25.6%. The decrease was primarily attributable to a decrease in other property costs associated with the termination of the lease contracts for Akersgaten 55 and Kristian Augustgate 19 in Oslo, which had been leased by the Group in connection with renovation of management properties, and lower levels of write-downs related to development projects for the year ended 31 December 2013. The year ended 31 December 2012 had high levels of write-downs in connection with the loss of the potential contract with Schibsted and the related development plans on Tullinkvartalet and write-downs on several other minor projects, principally in relation to a write-down of Greenfield Property AS as a result of a lower probability of completion.

For the reasons stated above, net income from property management in the Central Oslo segment for the year ended 31 December 2013 was NOK 577.3 million, as compared to NOK 564.1 million for the year ended 31 December 2012, an increase of NOK 13.2 million, or 2.3%.

11.4.4.2 Greater Oslo

The following table sets forth the results of operations of the Greater Oslo segment through net income from property management for the years ended 31 December 2013 and 2012.

	Year ended 31 December	
	2013	**2012**
	(in NOK millions)	
Rental income	453.0	445.8
Other operating revenue	5.3	6.0
Total operating revenue	**458.3**	**451.9**
Repairs and maintenance	10.6	17.2
Operating costs	25.6	22.1
Other property costs	28.9	21.8
Administrative owner costs	12.6	10.3
Total operating costs	**77.7**	**71.5**
Net income from property management	**380.6**	**380.4**

Total operating revenue for the year ended 31 December 2013 was NOK 458.3 million compared to NOK 451.9 million for the year ended 31 December 2012, an increase of NOK 6.4 million, or 1.4%. The increase was primarily attributable to the effect of the completion of the new building in Grønland 51 in the second quarter of 2012. The increase was partly offset by a reduction of rental income due to the commencement of Powerhouse Kjørbo in Sandvika (Bærum) in the first quarter of 2013, which required the relocation of the previous tenant.

Total operating costs for the year ended 31 December 2013 were NOK 77.7 million compared to NOK 71.5 million for the year ended 31 December 2012, an increase of NOK 6.2 million, or 8.7%. The increase was primarily attributable to an increase in other property costs driven by write-downs on intangible assets developed by the Group in connection with the development of Powerhouse Kjørbo and Otto Sverdrups plass 4 in Sandvika (Bærum), as well as an increase in rental cost related to the ongoing project in Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn), which required the temporary relocation of the tenant to premises leased by the Group.

For the reasons stated above, net income from property management in the Greater Oslo segment for the year ended 31 December 2013 was NOK 380.6 million, as compared to NOK 380.4 million for the year ended 31 December 2012, an increase of NOK 0.2 million, or 0.1%.

11.4.4.3 South/West Norway

The following table sets forth the results of operations of the South/West Norway segment through net income from property management for the years ended 31 December 2013 and 2012.

	Year ended 31 December	
	2013	**2012**
	(in NOK millions)	
Rental income	222.4	201.9
Other operating revenue	3.5	4.6
Total operating revenue	**226.0**	**206.5**
Repairs and maintenance	13.6	9.0
Operating costs	16.6	13.6
Other property costs	3.4	10.2
Administrative owner costs	11.0	10.9
Total operating costs	**44.7**	**43.7**
Net income from property management	**181.3**	**162.9**

Total operating revenue for the year ended 31 December 2013 was NOK 226.0 million compared to NOK 206.5 million for the year ended 31 December 2012, an increase of NOK 19.5 million, or 9.4%. The increase was primarily attributable to the completion of the renovation project in Professor Olav Hanssens vei 10 in Stavanger in the fourth quarter of 2012, which resulted in more office space under lease and higher rental income for the year ended 31 December 2013.

Total operating costs for the year ended 31 December 2013 was NOK 44.7 million compared to NOK 43.7 million for the year ended 31 December 2012, an increase of NOK 1 million, or 2.3%. The increase was primarily attributable to an increase in repairs and maintenance and operating costs as a result of the lower occupancy rate associated with completion of the renovation project in Professor Olav Hanssens vei 10 in Stavanger in the fourth quarter of 2012, which were largely offset by a decrease in other property costs as a result of the completion of the same project. During the renovation, the Group had incurred expenses related to the rental of temporary office premises.

For the reasons stated above, net income from property management in the South/West Norway segment for the year ended 31 December 2013 was NOK 181.3 million, as compared to NOK 162.9 million for the year ended 31 December 2012, an increase of NOK 18.4 million, or 11.3%.

11.4.4.4 Mid/North Norway

The following table sets forth the results of operations of the Mid/North Norway segment through net income from property management for the years ended 31 December 2013 and 2012.

	Year ended 31 December	
	2013	**2012**
	(in NOK millions)	
Rental income	201.2	161.2
Other operating revenue	3.7	4.1
Total operating revenue	**204.9**	**165.3**
Repairs and maintenance	8.5	8.0
Operating costs	15.1	16.7
Other property costs	2.3	2.6
Administrative owner costs	13.6	10.5
Total operating costs	**39.5**	**37.7**
Net income from property management	**165.4**	**127.6**

Total operating revenue for the year ended 31 December 2013 was NOK 204.9 million compared to NOK 165.3 million for the year ended 31 December 2012, an increase of NOK 39.6 million, or 24.0%. The increase was primarily attributable to the completion of the new office building in Brattørkaia 15 in the first quarter of 2013 and a NOK 24.3 million payment in the second quarter of 2013 from a former tenant in connection with the early termination of the lease for Tungasletta 2 in Trondheim.

Total operating costs for the year ended 31 December 2013 was NOK 39.5 million compared to NOK 37.7 million for the year ended 31 December 2012, an increase of NOK 1.8 million, or 4.8%. The increase was primarily attributable to an increase in administrative owner costs related to severance packages in connection with the Group's legal restructuring.

For the reasons stated above, net income from property management in the Mid/North Norway segment for the year ended 31 December 2013 was NOK 165.4 million, as compared to NOK 127.6 million for the year ended 31 December 2012, an increase of NOK 37.8 million, or 29.6%.

11.4.5 Year ended 31 December 2012 compared to year ended 31 December 2011

The financial information for the year ended 31 December 2011 included in this section relates to Entra Eiendom, and is derived from the Financial Statements of Entra Eiendom for the year ended 31 December 2011. See Section 11.1.3 "Factors affecting comparability of financial information" for more information.

The following table is extracted from the Financial Statements for the years ended 31 December 2012 and 2011.

	Year ended 31 December		
	2012	**2011**	**Change**
	(in NOK millions)		*(%)*
Rental income	1,500.3	1,434.7	4.6
Other operating revenue	32.4	33.1	-2.1
Total operating revenue	**1,532.7**	**1,467.8**	**4.4**
Repairs and maintenance	66.2	61.9	6.9
Operating costs	86.9	88.6	-1.9
Other property costs	117.1	127.2	-7.9
Administrative owner costs	194.7	186.0	4.7
Total operating costs	**464.9**	**463.7**	**0.3**
Net income from property management	**1,067.8**	**1,004.1**	**6.3**
Change in value of investment property	129.0	629.2	-79.5
Share of profit from associates and jointly controlled entities	508.7	-28.4	-
Operating profit	**1,705.5**	**1,604.8**	**6.3**
Interest and other finance income	98.2	114.7	-14.4
Interest and other finance expense	-690.2	-706.0	2.2
Net realised financial items	**-591.9**	**-591.3**	**-0.1**
Unrealised changes in value of financial instruments	-272.0	-208.0	-30.8
Net financial items	**-864.0**	**-799.3**	**-8.1**
Profit before tax	**841.5**	**805.6**	**4.5**
Tax expense	-103.8	-226.6	54.2
Profit for the period	**737.8**	**579.0**	**27.4**

11.4.5.1 Rental income

Rental income for the year ended 31 December 2012 was NOK 1,500.3 million compared to NOK 1,434.7 million for the year ended 31 December 2011, an increase of NOK 65.6 million, or 4.6%. The increase was primarily attributable to the completion of development projects, including Lerviksveien 36 in Stavanger in the first quarter of 2012 and Papirbredden 2, Building 1, in Drammen in the second quarter of 2012, and a corresponding increase in the levels of occupied office space during the year ended 31 December 2012.

11.4.5.2 Other operating revenue

The following table sets forth total other operating revenue of the Group for the years ended 31 December 2012 and 2011.

	Year ended 31 December		
	2012	**2011**	**Change**
	(in NOK millions)		*(%)*
Sales of repairs and maintenance services to tenants	10.4	11.4	-8.8
Administrative charges	8.8	8.4	4.8
Sale of services[1]	-	1.9	-
Service concession arrangements (IFRIC 12)	7.1	8.6	-17.4
Other operating revenue	6.1	2.9	110.3
Total other operating revenue	**32.4**	**33.1**	**-2.1**

1 The sale of services relates to property development and project management in Optimo Prosjekt AS, which was part of the Group until 25 May 2011.

Total other operating revenue for the year ended 31 December 2012 was NOK 32.4 million compared to NOK 33.1 million for the year ended 31 December 2011, a decrease of NOK 0.7 million, or 2.1%, primarily as a result of decrease in sales of repairs and maintenance services to tenants as well as a decrease in service concession arrangements (IFRIC 12). This decrease was partly offset by lower other operating revenue in 2011 due to an estimated loss of NOK 1 million in connection with the delayed completion of the project in Brattørkaia 14.

11.4.5.3 Total operating revenue

Total operating revenue for the year ended 31 December 2012 was NOK 1,532.70 million compared to NOK 1,467.8 million for the year ended 31 December 2011, an increase of NOK 64.9 million, or 4.4%. The increase was primarily attributable to higher levels of rental income, as described above.

11.4.5.4 Repairs and maintenance

Repairs and maintenance for the year ended 31 December 2012 was NOK 66.2 million compared to NOK 61.9 million for the year ended 31 December 2011, an increase of NOK 4.3 million, or 6.9%. The increase was primarily attributable to yearly differences in the repairs and maintenance program, which was partly offset by reduced provision for repairs and maintenance of IFRIC 12 properties.

11.4.5.5 Operating costs

The following table sets forth total other operating costs of the Group for the years ended 31 December 2012 and 2011.

	Year ended 31 December		
	2012	**2011**	**Change**
	(in NOK millions)		*(%)*
Management costs	41.7	38.5	8.3
Salary and personnel costs[1]	13.8	-	-
Operating costs[1]	22.1	38.1	-42.0
Other operating costs[1]	9.2	11.9	-22.7
Total operating costs	**86.9**	**88.6**	**-1.9**

1 The Group changed its reporting of total operating costs in the year ended 31 December 2012 by allocating costs previously included in the line items operating costs and other operating costs to a new line item salary and personnel costs. As a result, the line items salary and personnel costs, operating costs and other operating costs are not comparable for the years ended 31 December 2012 and 2011.

Operating costs for the year ended 31 December 2012 was NOK 86.9 million compared to NOK 88.6 million for the year ended 31 December 2011, a decrease of NOK 1.7 million, or 1.9%. The decrease was primarily attributable to a lower occupancy rate for management properties for the year ended 31 December 2012 (95.8% in 2012 the year ended 31 December 2012 as compared to 96.3% for the year ended 31 December 2011), which resulted in reduced operating costs attributable to the Group, as the Group was no longer responsible for repairs and maintenance costs in relation to unoccupied management properties.

11.4.5.6 Other property costs

The following table sets forth total other property costs of the Group for the years ended 31 December 2012 and 2011.

	Year ended 31 December		
	2012	**2011**	**Change**
	(in NOK millions)		*(%)*
Rent paid by Entra Eiendom	44.6	59.3	-24.8
Project operating expenses	32.7	32.7	0.0
Development costs	-0.1	23.0	-100.4
Depreciation and write-downs	40.0	12.3	225.2
Total other property costs	**117.1**	**127.2**	**-7.9**

Other property costs for the year ended 31 December 2012 was NOK 117.1 million compared to NOK 127.2 million for the year ended 31 December 2011, a decrease of NOK 10.1 million, or 7.9%. The decrease was primarily attributable to lower rent costs for the Group for the year ended 31 December 2012. The decrease is primarily attributable to fewer development projects for which the tenants were required to be relocated to another property leased by the Group from a third party. In addition, the decrease in other property costs was driven by a change in the method by which the Group estimated development costs. For the year ended 31 December 2011, ongoing development costs were expensed. From 1 January 2012, development costs are recognised as assets on the balance sheet to the extent that a future financial benefit can be associated with the development of an identifiable intangible asset and the costs can be measured reliably. If this is not the case, they are expensed on an ongoing basis. Intangible assets are written down to the recoverable amount where the expected economic benefit does not justify the carrying amount.

11.4.5.7 Administrative owner costs

The following table sets forth total administrative owner costs of the Group for the years ended 31 December 2012 and 2011.

	Year ended 31 December		
	2012	**2011**	**Change**
	(in NOK millions)		*(%)*
Payroll and personnel expenses	108.7	112.9	-3.7
Office expenses, furnishing and equipment	26.3	22.3	17.9
Consultancy fees	39.9	33.5	19.1
Other administrative owner costs	19.7	17.2	14.5
Total administrative owner costs	**194.7**	**186.0**	**4.7**

Administrative owner costs for the year ended 31 December 2012 was NOK 194.7 million compared to NOK 186.0 million for the year ended 31 December 2011, an increase of NOK 8.7 million, or 4.7%. The increase was primarily attributable to the ongoing legal restructuring of the Group, which began in the year ended 31 December 2011 and accelerated in the year ended 31 December 2012. The increase in consultancy fees for the year ended 31 December 2012 was primarily due to temporary outsourcing of certain key positions.

11.4.5.8 Total operating costs

Total operating costs for the year ended 31 December 2012 was NOK 464.9 million compared to NOK 463.7 million for the year ended 31 December 2011, an increase of NOK 1.2 million, or 0.3%. The increase was primarily attributable to higher repairs and maintenance and administrative owner costs, which was partly offset by a decrease in other property costs, as described above.

11.4.5.9 Net income from property management

For the reasons described above, net income from property management for the year ended 31 December 2012 was NOK 1,067.8 million compared to NOK 1,004.1 million for the year ended 31 December 2011, an increase of NOK 63.7 million, or 6.3%.

11.4.5.10 Change in value of investment property

Change in value of investment property for the year ended 31 December 2012 resulted in an increase in value of investment property of NOK 129 million compared to an increase in value of investment property of NOK 629.2 million for the year ended 31 December 2011. The increase for the year ended 31 December 2012 was primarily attributable to factors linked to specific properties, including the signing of significant lease contracts, adjustments in the estimated costs of building projects and sales of properties. The increase for the year ended 31 December 2011 was primarily attributable to the signing of several new contracts, for example, in relation to Powerhouse Kjørbo in Sandvika (Bærum), Pilestredet 28 in Oslo and Cort Adelers gate 30 in Oslo, and by the positive impact of a yield decrease in centrally-located properties in the second quarter.

11.4.5.11 Share of profit/(loss) from associates and jointly controlled entities

Share of profit from associates and jointly controlled entities for the year ended 31 December 2012 was NOK 508.7 million as compared to share of loss of NOK 28.4 million for the year ended 31 December 2011. The share of profit for the year ended 31 December 2012 was primarily attributable to increased profit at Oslo S Utvikling AS due to profit from the sale of the first two bank buildings to DNB Life. The share of loss for the year ended 31 December 2011 was primarily attributable to share of loss at Oslo S Utvikling AS, which was primarily driven by negative changes in the value of financial instruments due to the change from hedge accounting to fair value accounting of financial derivatives.

11.4.5.12 Operating profit

For the reasons described above, operating profit for the year ended 31 December 2012 was NOK 1,705.5 million compared to NOK 1,604.8 million for the year ended 31 December 2011, an increase of NOK 100.7 million, or 6.3%.

11.4.5.13 Interest and other finance income

Interest and other finance income for the year ended 31 December 2012 was NOK 98.2 million compared to NOK 114.7 million for the year ended 31 December 2011, a decrease of NOK 16.5 million, or 14.4%. The decrease was primarily attributable to a lower level of interest income from Borgarting Court of Appeal, which is recorded on the balance sheet as a financial asset pursuant to IFRIC 12, as a result of an updated assessment of the purchase option related to Borgarting Court of Appeal, which is recognised on the balance sheet as a financial asset pursuant to IFRIC 12.

11.4.5.14 Interest and other finance expense

The following table sets forth total interest and other finance expense of the Group for the years ended 31 December 2012 and 2011.

	Year ended 31 December		
	2012	**2011**	**Change**
	(in NOK millions)		*(%)*
Interest expense	690.7	644.0	7.3
- of which capitalised interest	-43.9	-29.2	50.3
Other finance expense[1]	43.4	91.2	-52.4
Total interest and other finance expense	**690.2**	**706.0**	**-2.2**

1 Other finance expense in 2011 includes the impact of the write-down of the IFRIC 12 assets totalling NOK 87.5 million before tax.

Interest and other finance expense for the year ended 31 December 2012 was NOK 690.2 million compared to NOK 706.0 million for the year ended 31 December 2011, a decrease of NOK 15.8 million, or 2.2%. The decrease was primarily attributable to a decrease in other finance expense, reflecting the impact of a write-down on the IFRIC 12 financial assets subsequent to an updated assessment of the purchase option related to Borgarting Court of Appeal, which is recognised on the balance sheet as a financial asset pursuant to IFRIC 12. The decrease was partly offset by higher interest expenses, reflecting an increase in interest-bearing liabilities for the year ended 31 December 2012 related to financing for several development projects.

11.4.5.15 Unrealised changes in value of financial instruments

The following table sets forth total change in fair value of financial instruments of the Group for the years ended 31 December 2012 and 2011.

	Year ended 31 December	
	2012	**2011**
	(in NOK millions)	
Change in fair value of bank loans over the year[1]	-136.2	40.0
Change in fair value of bonds over the year	-98.2	-158.7
Change in fair value of interest rate derivatives over the year	-21.4	-71.9
Premiums/discounts, loan arrangements	-16.1	-17.4
Total change in fair value of financial instruments	**-272.0**	**-208.0**

1 Spreads on bank loans are included in market value calculations for 2011. The agreed spreads on bank loans were considered to be below the assumed market spreads on bank loans with an equivalent term to maturity and credit risk on the balance sheet date. The difference between the agreed interest rate spreads and market spreads has been discounted over the loan's term to maturity. This reduces the market value of the liability for 2011. In 2012, the recognition of liabilities with variable interest rates was adjusted, which resulted in liabilities with variable interest rates now being valued at nominal value.

Unrealised changes in value of financial instruments for the year ended 31 December 2012 resulted in a decrease in fair value of financial instruments of NOK 272.0 million compared to a decrease in fair value of financial instruments of NOK 208.0 million for the year ended 31 December 2011. The decrease for the year ended 31 December 2012 was primarily attributable to change in fair value of bank loans, which was the result of the recognition of liabilities on the Group's bank loans with variable interest rates at their nominal value. The decrease for the year ended 31 December 2011 was primarily attributable to falling market interest rates that had a negative impact on the value of derivatives, as well as the market value of the Group's interest-bearing loans nearly reaching the nominal value of such loans.

11.4.5.16 Profit before tax

For the reasons described above, profit before tax for the year ended 31 December 2012 was NOK 841.5 million compared to NOK 805.6 million for the year ended 31 December 2011, an increase of NOK 35.9 million, or 4.5%.

11.4.5.17 Tax expense

Tax expense for the year ended 31 December 2012 was NOK 103.8 million compared to NOK 226.6 million for the year ended 31 December 2011, a decrease of NOK 122.8 million, or 54.2%. The tax expense for the year ended 31 December 2012 consisted of a change in deferred tax of NOK 103.8 million, resulting in an effective tax rate of 12.3%. The effective tax rate was below the nominal tax rate primarily due to share of profit from associated companies, since the profit from associated companies is net of tax. The tax expense for the year ended 31 December 2011 was attributable to a change in deferred tax of NOK 234.1 million, resulting in an effective tax rate of 28.1%. The Group did not have any tax payable in either period.

11.4.5.18 Profit for the year

For the reasons described above, profit for the year ended 31 December 2012 was NOK 737.8 million compared to NOK 579.0 million for the year ended 31 December 2011, an increase of NOK 158.8 million, or 27.4%.

11.5 Liquidity and capital resources

11.5.1 Sources and uses of cash

The Group's principal sources of liquidity are cash flows from operating activities, sale of investment properties and interests in subsidiaries, external debt in the form of bonds, bank loans and commercial paper, and dividends from associates and jointly controlled entities. Cash flow from operating activities is generally stable, reflecting the long WAULT of the Group's lease agreements. The Group primarily uses cash for repayment of current and non-current liabilities, purchase of management properties, upgrades to management properties and payment of dividends to the Selling Shareholder. The Group manages cash levels on a rolling 12-month basis, which takes into account, among other things, repayment of maturing liabilities, timing of project development expenses and expected timing of acquisitions and disposals.

The Group defines working capital as trade and other receivables and cash and bank deposits less trade and other payables, the current portion of interest-bearing liabilities and prepayments and provisions. Fluctuations in working capital levels are primarily driven by levels of prepayments from public sector tenants as well as by the level of trade payables, which may vary significantly and are primarily driven by the number of the Group's ongoing development projects and the related intensity of construction and development activity at any given time. Trade payables and other payables were NOK 814.6 million as of 30 June 2014 as compared to NOK 825.6 million as of 31 December 2013. The decrease is primarily attributable to the decision to reduce the dividend payable to the Selling Shareholder and an increase in short-term debt in connection with the Group's acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014.

In order to manage its liquidity risk, the Group has available unused credit facilities with Norwegian and international banks, primarily to provide a source of liquidity as a reserve to cover debt falling due within the next 12 months, as well as available liquid assets. As of 30 June 2014, the Group had cash and cash equivalents of NOK 209.9 million and unused credit facilities of NOK 3,426 million. All cash and cash equivalents of the Group are held in NOK. As of 30 June 2014, the weighted average commitment fee on unused credit facilities was 0.35%. All existing bank loans have been financed by DNB Bank ASA, Danske Bank AS, Handelsbanken, Nordea Bank ASA, Skandinaviska Enskilda Banken AB, Swedbank Norge and SR-Bank.

The Group also maintains cash pooling arrangements to finance the liquidity requirements of subsidiaries in the Group.

The following table sets forth the total assets and total liabilities of the Group as of 30 June 2014 and 31 December 2013, 2012 and 2011.

	As of 30 June	**As of 31 December**		
	2014	**2013**	**2012**	**2011**
	(in NOK millions)			
Total intangible assets	177.2	30.9	36.3	16.5
Total property, plant and equipment	25,109.6	23,182.0	22,234.5	21,875.3
Total non-current financial assets	2,059.5	2,074.6	2,450.8	1,623.6
Total non-current assets	**27,346.4**	**25,287.5**	**24,721.5**	**23,515.4**
Total current receivables	1,118.5	793.0	190.2	140.1
Cash and bank deposits	209.9	177.4	64.8	48.3
Total current assets	**1,328.3**	**970.4**	**255.0**	**188.4**

	As of 30 June	As of 31 December		
	2014	2013	2012	2011
		(in NOK millions)		
Investment properties held for sale	275.2	388.2	734.2	36.5
Total assets	**28,949.8**	**26,646.1**	**25,710.8**	**23,740.3**
Total equity	**8,316.6**	**7,993.0**	**7,942.6**	**7,391.4**
Total non-current liabilities	16,778.0	15,290.9	13,398.9	12,356.9
Total current liabilities	3,855.2	3,362.2	4,369.2	3,992.0
Total liabilities	**20,633.3**	**18,653.1**	**17,768.2**	**16,348.9**
Total equity and liabilities	**28,949.8**	**26,646.1**	**25,710.8**	**23,740.3**

The Group's total assets increased by NOK 2,303.7 million, or 8.6%, from NOK 26,646.1 million as of 31 December 2013 to NOK 28,949.8 million as of 30 June 2014, primarily as a result of the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014, which contributed to an increase in total intangible assets and total property, plant and equipment, as the Group recognised goodwill of NOK 145.9 million in connection with the acquisition and Hinna Park Eiendom AS held properties, including three management properties, with a total property value of approximately NOK 1.3 billion. The Group's total liabilities increased by NOK 1,980.2 million, or 10.6%, from NOK 18,653.1 million as of 31 December 2013 to NOK 20,633.3 million as of 30 June 2014, primarily as a result of an increase in the Group's borrowings to finance expenditures related to development projects, principally in connection with Otto Sverdrups plass 4 in Sandvika (Bærum) and Schweigaards gate 16 in Oslo in addition to finance the Group's purchase of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014 for cash consideration of NOK 294.3 million, and as a result of the consolidation by the Group of borrowings by Hinna Park Eiendom AS and its subsidiaries.

The Group's total assets increased by NOK 935.3 million, or 3.6%, from NOK 25,710.8 million as of 31 December 2012 to NOK 26,646.1 million as of 31 December 2013, primarily as a result of an increase in the value of the Group's investment properties as a result of purchases of investment properties at Vahls gate 1-3 in Oslo for NOK 404 million and Schweigaards gate 16 in Oslo for 187 million and expenditures related to development projects, principally in connection with Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn), Otto Sverdrups plass 4 in Sandvika (Bærum), Schweigaards gate 16 in Oslo and Powerhouse Kjørbo in Sandvika (Bærum). The Group's total liabilities increased by NOK 884.9 million, or 5.0%, from NOK 17,768.2 million as of 31 December 2012 to NOK 18,653.1 million as of 31 December 2013, primarily as a result of an increase in the Group's borrowings to finance the purchase of new investment properties and project development expenses as described above.

The Group's total assets increased by NOK 1,970.5 million, or 8.3%, from NOK 23,740.3 million as of 31 December 2011 to NOK 25,710.8 million as of 31 December 2012, primarily as a result of an increase in total property, plant and equipment as a result of purchases of investment property and an increase in the Group's investments in associates and jointly controlled entities as a result of the establishment of Entra OPF Utvikling AS and increased levels of profit at Oslo S Utvikling AS. In the year ended 31 December 2012, the Group made significant purchases of investment properties at Kristian Augustsgate 19 in Oslo for NOK 151 million and Universitetsgaten 7 in Oslo for NOK 244 million. The Group's total liabilities increased by NOK 1,419.0 million, or 8.7%, from NOK 16,348.9 million as of 31 December 2011 to NOK 17,768.2 million as of 31 December 2012, primarily as a result of an increase in the Group's borrowings to finance the purchase of new investment properties as described above and to finance expenditures related to development projects, principally in connection with Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn), Professor Olav Hanssens vei 10 in Stavanger and Brattørkaia 15 in Trondheim.

11.5.2 Cash received from subsidiaries

The Company does not believe that there are significant obstacles or barriers to transfers of funds to it from its subsidiaries that may affect its ability to meet or fulfil its financial or other obligations.

11.5.3 Cash flows

The financial information for the year ended 31 December 2011 included in this section relates to Entra Eiendom, and is derived from the Financial Statements of Entra Eiendom for the year ended 31 December 2011. See Section 11.1.3 "Factors affecting comparability of financial information" for more information.

Since 30 June 2014, the Group has used cash of NOK 287.7 million for completion of the purchase of a 100% interest in Lilletorget 1 in Oslo in the third quarter of 2014. On 31 July 2014, the Group paid a cash dividend of NOK 250 million to the Selling Shareholder. On 8 August 2014, the Group received cash proceeds of NOK 499.3 million as a result of the issuance of bonds in the principal amount of NOK 500 million by Entra Eiendom, which were used to repay NOK 240.0 million outstanding under the NOK 500,000,000 revolving credit facility, NOK 180.0 million outstanding under the NOK 1,000,000,000 credit facility and NOK 80.0 million under the NOK 300,000,000 revolving facility.

The following table sets forth the Group's historical cash flows and is extracted from the Interim Financial Statements and the Financial Statements for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

	Six months ended 30 June		**Year ended 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
			(in NOK millions)		
Profit before tax	**415.4**	**131.1**	**466.0**	**841.5**	**805.6**
Adjustments to reconcile profit before tax to total cash flows from operating activities:					
Expensed interest on loans from financial institutions	321.0	331.4	668.0	683.0	636.7
Accrued, not paid interest income	-	-0.3	-0.3	-0.2	-4.0
Share of profit from associates and jointly controlled entities	-27.2	-10.8	-235.5	-508.7	28.4
Ordinary depreciation	8.5	9.7	17.9	14.8	12.3
Write-downs on non-current assets	-	23.3	26.9	47.8	-
Non-cash impact of IFRIC 12	-5.4	8.7	3.2	-10.9	56.5
Change in value of investment property	265.5	-277.8	495.1	-129.0	-629.2
Changes in market value of financial derivatives	270.8	-123.1	-183.7	272.0	208.0
Changes in trade receivables	-10.6	-0.5	0.1	16.0	-36.6
Changes in trade payables	-19.0	70.9	31.3	28.1	89.5
Difference between pension expense and payments into/out of pension schemes	2.0	-8.3	-4.9	4.2	-3.3
Change in other accruals	12.9	-127.8	-70.3	107.4	-10.8
Total cash flows from operating activities	**702.9**	**582.1**	**1,213.7**	**1,366.1**	**1,153.1**
Interest paid on loans from financial institutions	-348,6	-355.0	-694.6	-679.0	-618.6
Payment of loan fees	-0,6	-12.9	-10.8	-31.1	-17.3
Net cash flows from operating activities	**353.6**	**214.2**	**508.4**	**656.0**	**517.2**
Proceeds from sales of property, plant and equipment	191.0	590.7	596.3	185.7	47.6
Sales of operations, net liquidity	125.2	0.0	0.1	28.0	-40.8
Purchase of investment properties	-	-189.4	-592.1	-396.0	-127.4
Cost of upgrades of investment properties	-537.0	-500.0	-998.0	-1,067.1	-1,135.1
Purchase of intangible assets and other property, plant and equipment	-9.6	18.9	-101.8	-103.6	-12.0
Purchase of shares and other investments	218.9	-	-	-	-2.6
Investment in housing units for sale	-95.5	41.8	-106.8	-24.2	-
Repayment of loans to associates and jointly controlled entities	-	-8.0	-5.2	7.7	122.4
Investments in associates and jointly controlled entities	-	-	-	-191.0	-
Dividends from associates and jointly controlled entities	29.6	107.4	207.4	322.3	95.3
Net cash flows used in investing activities	**-515.2**	**-60.0**	**-999.7**	**-1,238.2**	**-1,052.5**
New non-current liabilities	3,780.0	2,980.0	7,770.0	4,380.0	2,597.0
Repayment of non-current liabilities	-3,736.0	2,643.5	-6,509.5	-2,662.6	-2,188.0
New current liabilities	1,800.0	1,372.0	2,642.0	3,200.0	4,144.0
Repayment of current liabilities	-1,650.0	1,782.0	-2,882.0	-4,110.0	-3,994.0
Equity injection by non-controlling interests	-	-	-	-	0.2
Purchase of non-controlling interests	-	-	-	-71.7	-
Dividends paid	-	-	-416.6	-137.0	-124.6
Net cash flows from financing activities	**194.0**	**-73.5**	**603.9**	**598.8**	**434.6**
Cash and cash equivalents at beginning of period	**177.4**	**64.8**	**64.8**	**48.3**	**149.1**
Cash and cash equivalents at end of period	**209.9**	**145.5**	**177.4**	**64.8**	**48.3**

11.5.3.1 Six months ended 30 June 2014 compared to six months ended 30 June 2013

Total cash flows from operating activities were NOK 702.9 million in the six months ended 30 June 2014 compared to NOK 582.1 million for the six months ended 30 June 2013, an increase of NOK 120.8 million, or 20.8%. The increase in the six months ended 30 June 2014 was primarily attributable to increased profit before tax from property management. Net cash flows from operating activities for the six months ended 30 June 2014 were NOK 353.6 million compared to NOK 214.2 million for the six months ended 30 June 2013, an increase of NOK 139.4 million, or 65.1%.

Net cash flows used in investing activities increased significantly to NOK 515.2 million in the six months ended 30 June 2014 from NOK 60.0 million for the six months ended 30 June 2013, an increase of NOK 455.2 million. The increase was primarily attributable to lower sales proceeds from property sales compared with the first half of 2013 and a slightly higher level of investments on housing under development at Ringstabekkveien 105 in Bærum and on investment property. In addition, the Group had a net cash effect of NOK -218.9 million related to the purchase of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014.

Net cash flows from financing activities for the six months ended 30 June 2014 were NOK 194.0 million compared to net cash used in financing activities of NOK 73.5 million for the six months ended 30 June 2013. The difference was primarily attributable to financing the purchase of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014 and improvements to the existing property portfolio, which were partly offset by the use of proceeds from the sale of the Group’s remaining 50% interest in UP Entra AS in the second quarter of 2014 to repay outstanding debt.

11.5.3.2 Year ended 31 December 2013 compared to year ended 31 December 2012

The most significant drivers of total cash flows from operating activities are rental income from the Group’s management properties and changes in working capital items. Total cash flows from operating activities were NOK 1,213.7 million for the year ended 31 December 2013 compared to NOK 1,366.1 million for the year ended 31 December 2012, a decrease of NOK 152.4 million, or 11.1%. The decrease was primarily attributable to changes in working capital and other accruals as a result of lower levels of prepayment for rent and common costs and increased VAT receivables. The most significant drivers of cash flows used in operating activities were interest paid on loans from financial institutions, which remained stable between the years ended 31 December 2013 and 2012, and payment of loan fees, which decreased from NOK 31.1 million for the year ended 31 December 2012 to NOK 10.8 million for the year ended 31 December 2013 as a result of the lower refinancing activity in the year ended 31 December 2013 as compared to the year ended 31 December 2012. For the reasons described above, net cash flows from operating activities for the year ended 31 December 2013 were NOK 508.4 million compared to NOK 656.0 million for the year ended 31 December 2012, a decrease of NOK 147.6 million, or 22.5%.

Net cash flows used in investing activities for the year ended 31 December 2013 were NOK 999.7 million compared to NOK 1,238.20 million for the year ended 31 December 2012, a decrease of NOK 238.5 million, or 19.3%. The decrease was primarily attributable to higher proceeds from sales of property, plant and equipment, as a result of the sale of Hammersborggata 12 in Oslo in the first quarter of 2013, which was partly offset by an increase in purchase of investment properties and investments in housing units for sale, as the Group sought to expand its portfolio of management properties with the purchase of Vahls gate 1-3 in Oslo in the third quarter of 2013 and Schweigaards gate 16 in Oslo in the second quarter of 2013. Net cash flows used in investing activities were also higher for the year ended 31 December 2012 due to a NOK 191.0 million investment in associates and jointly controlled entities, primarily relating to the establishment of Entra OPF Utvikling AS, a joint venture with Oslo Pensjonforsikring.

Net cash flows from financing activities for the year ended 31 December 2013 were NOK 603.9 million compared to NOK 598.8 million for the year ended 31 December 2012, an increase of NOK 5.1 million, or 0.9%. The increase was primarily attributable to a net increase in net non-current borrowings in order to finance ongoing projects, and was partly offset by payment of a NOK 416.6 million dividend, as compared to payment of a NOK 137.0 million dividend for the year ended 31 December 2012.

11.5.3.3 Year ended 31 December 2012 compared to year ended 31 December 2011

Total cash flows from operating activities were NOK 1,366.1 million for the year ended 31 December 2012 compared to NOK 1,153.1 million for the year ended 31 December 2011, an increase of NOK 213.0 million, or 18.5%. The increase was primarily attributable to changes in working capital and other accruals as a result of prepayments of rent and common costs from tenants. The most significant driver of cash flows used in operating activities were interest paid on loans from financial institutions, which increased to NOK 679.0 million for the year ended 31 December 2012 from NOK 618.6 million for the year ended 31 December 2011, primarily as a result of increased levels of borrowings. For the reasons described above, net cash flows from operating activities for the year ended 31 December 2012 were NOK 656 million compared to NOK 517.2 million for the year ended 31 December 2011, an increase of NOK 138.8 million, or 26.8%.

Net cash flows used in investing activities for the year ended 31 December 2012 were NOK 1,238.2 million compared to NOK 1,052.5 million for the year ended 31 December 2011, an increase of NOK 186.7 million, or 17.6%. The increase was primarily attributable to increases in purchase of investment properties (WexelsPlass Garasje in Oslo in the second quarter, Universitetsgaten 7 in Oslo in the second quarter and Kristian Augustsgate 19 in Oslo in the second quarter), investments in intangible assets and other property, plant and equipment (Greenfield Property AS in Oslo and Tullinkvartalet) and investment in associates and jointly controlled entities (relating to the establishment of Entra OPF Utvikling AS, a joint venture with Oslo Pensjonforsikring). These increases were partly offset by higher proceeds from sales of property, plant and equipment and an increase in dividends from associates and jointly controlled entities from NOK 95.3 million for the year ended 31 December 2011 to NOK 322.3 million for the year ended 31 December 2012.

Net cash flows from financing activities for the year ended 31 December 2012 were NOK 598.8 million compared to NOK 434.6 million for the year ended 31 December 2011, an increase of NOK 164.2 million, or 37.8%. The increase was primarily attributable to a net increase in net non-current borrowings in order to finance ongoing projects. This increase was partly offset by a NOK 71.7 million purchase of non-controlling interests related to the acquisition of the remaining 48% of Brattørkaia AS not already owned by the Group.

11.5.4 Borrowing and funding sources

11.5.4.1 Financial liabilities

The table below sets out the maturity structure of all financial liabilities of the Group as of 30 June 2014.

	Remaining term as of 30 June 2014								
	Under 3 months	**4-12 months**	**1-2 years**	**2-4 years**	**4-6 years**	**6-8 years**	**8-10 years**	**Over 10 years**	**Total**
	(in NOK millions)								
Interest-bearing bank loans – principal	-	-	1,973.5	2,810.0	222.4	195.0	-	489.0	5,689.9
Interest-bearing bank loans – interest	40.6	121.8	136.4	110.5	45.7	29.5	21.5	30.5	536.4
Bonds – principal	0	1,139.6	1,200.0	1,600.0	1,700.0	700.0	500.0	1,100.0	7,939.6
Bonds – estimated interest	59.3	244.1	245.2	420.1	275.7	181.4	126.6	304.9	1,857.4
Commercial paper - principal	650.0	1,150.0	-	-	-	-	-	-	1,800.0
Commercial paper – estimated interest	6.3	15.6	-	-	-	-	-	-	21.9
Financial instruments – interest rate derivatives – estimated interest	50.4	107.1	154.3	226.7	98.8	-5.2	-19.4	-59.7	553.0
Trade payables	286.5	-	-	-	-	-	-	-	286.5
Other financial liabilities	405.9	-	-	-	-	-	-	-	405.9
Total	**1,499.0**	**2,778.2**	**3,709.4**	**5,167.3**	**2,342.6**	**1,100.7**	**628.7**	**1,864.7**	**19,090.6**

See Section 9 "Capitalisation and Indebtedness" for more information on material changes to the Group's unaudited consolidated capitalisation and net financial indebtedness since 30 June 2014.

The table below sets out the interest-bearing liabilities of the Group as of 30 June 2014.

	Average interest rate	**Nominal amount**	**Market value**	**Carrying amount**
	(%)	*(in NOK millions)*		
Current interest-bearing liabilities				
Bank loans to Entra Eiendom	-	-	-	-
Bank loans to subsidiaries of Entra Eiendom	2.83	21.2	21.2	21.2
Commercial paper	2.02	1,800.0	1,800.0	1,800.0
Bonds	4.04	1,139.6	1,150.8	1,142.5
Total current interest-bearing liabilities	**2.81**	**2,960.8**	**2,972.0**	**2,963.7**
Non-current interest-bearing liabilities				
Bank loans to Entra Eiendom	2.53	3,390.0	3,390.0	3,390.0
Bank loans to subsidiaries of Entra Eiendom	3.33	2,281.6	2,281.6	2,281.6
Bonds issued by Entra Eiendom	3.71	5,700.0	5,909.8	5,921.0
Bonds issued by subsidiaries of Entra Eiendom	4.62	1,100.0	1,199.0	1,199.0
Total non-current interest bearing liabilities	**3.40**	**12,471.6**	**12,780.4**	**12,791.6**
Total interest-bearing liabilities	**3.29**	**15,432.4**	**15,752.4**	**15,755.3**

	Average interest rate	Nominal amount	Market value	Carrying amount
	(%)		*(in NOK millions)*	

See Section 9 "Capitalisation and Indebtedness" for more information on material changes to the Group's unaudited consolidated capitalisation and net financial indebtedness since 30 June 2014.

The Group's interest-bearing debt as of 30 June 2014 was NOK 15,755.3 million as compared to NOK 14,431.0 million as of 31 December 2013. The increase was primarily attributable to increased borrowings in order to finance property investments and the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014. As of 30 June 2014, the Group's interest-bearing debt comprised listed bonds (44%), bank loans to Entra Eiendom (22%), bank loans to subsidiaries of the Group (15%), commercial paper (12%) and secured bonds (7%). As of 30 June 2014, the Group's interest-bearing debt had a weighted average interest rate of 4.45% (excluding commitment fees and capitalised interest) and a weighted average maturity of 4.5 years, and comprised 60% fixed rate borrowings and 40% floating rate borrowings, in each case based on NOK 15,432.4 million of interest-bearing debt. The average loan margin on the Group's loans as of 30 June 2014 was 0.99%. The average interest rate maturity of the Group's interest rate hedges as of 30 June 2014 was 2.9 years. The Group estimates that the market interest rate for new borrowings as of 30 June 2014 would have been 2.85%, based on a 5 year swap rate of 2.12% as reported by Reuters and a margin of 0.725% for new 5-year bonds as reported by Verdipapirfondenens Forening (week 26).

The table below sets out the net cash interest paid by the Group in respect of its financial liabilities for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

	Six months ended 30 June		**Year ended 31 December**		
	2014	**2013**	**2013**	**2012**	**2011**
			(in NOK millions)		
Interest and other finance expense	-330.5	-349.6	-674.8	-690.2	-706.0
Interest and other finance income	62.3	57.3	109.9	98.2	114.7
Net realised financial expense (A)	**-268.2**	**-292.2**	**-564.9**	**-591.9**	**-591.3**
Cash interest, interest rate swap	-107.0	-133.8	-243.7	-189.7	-178.4
Cash interest, bonds	-132.8	-102.1	-234.4	-200.0	-184.0
Cash interest, bank loans	-84.5	-76.6	-156.0	-186.0	-194.5
Cash interest, commercial paper	-24.3	-42.5	-60.5	-103.2	-65.9
Total cash interest paid (B)	**-348.6**	**-355.0**	**-694.6**	**-678.9**	**-622.7**
Cash fees paid, interest rate swaps	-	-	-9.4	-9.0	-
Cash fees paid, bonds	-	-9.9	2.7	0.4	-
Cash fees paid, bank loans	-0.4	-3.0	-4.0	-21.0	-17.1
Cash fees paid, commercial paper	-0.2	0.1	-	-1.6	-0.2
Commitment fees paid	-7.2	-9.4	-18.5	-14.3	-16.6
Total cash fees paid (C)	**-7.8**	**-22.3**	**-29.3**	**-45.5**	**-33.9**
Cash interest received (D)[1]	62.3	57.1	109.6	98.1	109.7
Accrued, not paid interest (E)	2.0	12.2	19.1	18.2	19.6
Non-interest bearing items (F)[2]	-2.6	-6.1	12.4	8.3	-67.3
Net cash interest (B+C+D+E+F=G)	**-294.7**	**-314.1**	**-582.9**	**-599.9**	**-594.6**
Net financial items paid as per cash flow statement (G-A)	**-26.5**	**-21.9**	**-17.9**	**-8.0**	**-3.3**

1 Cash interest received includes interest income on IFRIC 12 properties of NOK 50.9 million for the six months ended 30 June 2014, NOK 46.7 million for the six months ended 30 June 2013, NOK 95.7 million for the year ended 31 December 2013, NOK 96.1 million for the year ended 31 December 2012 and NOK 104.0 million for the year ended 31 December 2011.

2 Non-interest bearing items consists primarily of capitalised interest, interest expense and write-downs related to IFRIC 12 properties, write-downs on loans and other finance interest and expenses. Non-interest bearing items includes capitalised interest of NOK 16.9 million for the six months ended 30 June 2014, NOK 21.6 million for the six months ended 30 June 2013, NOK 45.3 million for the year ended 31 December 2013, NOK 43.9 million for the year ended 31 December 2012 and NOK 29.2 million for the year ended 31 December 2011.

11.5.4.2 Commercial paper programme

The Group has established a commercial paper programme through Nordic Trustee ASA, as trustee acting on behalf of holders. The proceeds of commercial paper may be used for the general corporate purposes of the Group. The commercial paper programme includes standard events of default and standard covenants relating to provision of information to the trustee. The commercial paper programme does not include any financial covenants.

As of 30 June 2014, the Group had eight series of commercial paper outstanding with a balance of NOK 1,800.0 million as compared to NOK 1,650.0 million as of 31 December 2013. During the six months ended 30 June 2013, net outstanding commercial paper debt increased by NOK 150 million, of which new borrowings totalled NOK 150 million and refinanced borrowings totalled NOK 1,650 million. The weighted average interest rate applicable to the Group's commercial paper outstanding as of 30 June 2014 was 2.00%.

See Note 20 to the Financial Statements for more information on the Group's outstanding commercial paper as of 31 December 2013.

11.5.4.3 Credit facilities

Borrowings under the Group's credit facilities were NOK 5,689.9 million as of 30 June 2014 as compared to NOK 4,935.0 million as of 31 December 2013. The increase of NOK 754.9 million for the six months ended 30 June 2014 was primarily attributable to the Group's acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014.

The following table sets forth the committed credit facilities of the Group as of 30 June 2014.

Facility	Borrower	Total utilised amount (MNOK)	Total unutilised amount (MNOK)	Interest rate (%)	Maturity date
NOK 1,200,000,000 term loan..........	Entra Eiendom AS	1,200.0	-	3-month NIBOR + 0.70%[1]	22 Dec 2016
NOK 500,000,000 revolving credit facility..	Entra Eiendom AS	410.0	90.0	3-month NIBOR + 0.90%	30 Jul 2017
NOK 1,000,000,000 revolving credit facility..	Entra Eiendom AS	960.0	40.0	3-month NIBOR + 0.90%	15 Dec 2016
NOK 700,000,000 revolving facility[2]...	Entra Eiendom AS	0	700.0	3.month NIBOR + 1.10%[3]	27 Jun 2018
NOK 300,000,000 revolving facility	Entra Eiendom AS	80.0	220.0	3-month NIBOR + 1.10%[3]	27 Jun 2018
NOK 750,000,000 revolving credit facility..	Entra Eiendom AS	490.0	260.0	3-month NIBOR + 0.85% - 1.15%	14 Jun 2016
NOK 1,250,000,000 revolving credit facility..	Entra Eiendom AS	0	1,250.0	3-month NIBOR + 1.20% - 1.80%	20 Dec 2017
NOK 250,000,000 revolving credit facility..	Entra Eiendom AS	0	250.0	3-month NIBOR + 1.00% to 1.10%	28 Dec 2015
NOK 250,000,000 term loan agreement....................................	Entra Eiendom AS	250.0	-	3-month NIBOR + 1.05%	28 Dec 2015
NOK 500,000,000 revolving credit facility..	Entra Eiendom AS	0	500.0	3-month NIBOR + 1.40%	25 Jun 2016
NOK 540,000,000 term loan.............	Papirbredden Eiendom AS	489.0	-	3-month NIBOR + 0.35% (fixed margin until Jan 2016)	31 Dec 2026
NOK 260,000,000 term loan agreement....................................	Papirbredden Eiendom AS	195.0	65.0	3-month NIBOR + 1.80%[4]	15 Jul 2021
NOK 200,000,000 term loan facility agreement....................................	Brattørkaia AS	200.0	-	3-month NIBOR + 1.40%	1 Oct 2015
NOK 160,000,000 term loan facility ...	Brattørkaia AS	160.0	-	3-month NIBOR + 1.40%	1 Oct 2015
NOK 120,000,000 term loan facility ...	Brattørkaia AS	120.0	-	3-month NIBOR + 1.40%	1 Oct 2015
NOK 25,000,000 credit facility..........	Brattørkaia AS	25.0	-	3-month NIBOR + 1.40%	1 Oct 2015
NOK 400,000,000 credit facility	Brattørkaia AS	400.0	-	3-month NIBOR + 1.40%	1 Oct 2015
NOK 300,000,000 amortising loan	Hinna Park Eiendom AS	285.0	-	3-month NIBOR + 2.40%	16 Nov 2015
NOK 45,000,000 amortising loan	Hinna Park Eiendom AS	43.5	-	3-month NIBOR + 2.40%	16 Jun 2016
NOK 273,000,000 construction loan ...	Hinna Park Eiendom AS	222.4	-	3-month NIBOR + 2.75%	no term
NOK 100,000,000 term loan.............	Hp Stadionblokk C AS	100.0	-	3-month NIBOR + 1.75%	15 Mar 2017

Facility	Borrower	Total utilised amount (MNOK)	Total unutilised amount (MNOK)	Interest rate (%)	Maturity date
NOK 60,000,000 term loan	Hp Stadionblokk C II AS	60.0	-	3-month NIBOR + 1.75%	15 Mar 2017
NOK 51,350,000 overdraft facility......	Hinna Park Eiendom AS	-	51.4	3-month NIBOR + 2.75%	2014[5]
Total		**5,689.9**	**3,426.4**		

1 Effective from 19 September 2014, the term loan has an interest of 3-month NIBOR plus 0.90%.

2 The Group may also use the facility to refinance commercial paper as it becomes due, by issuing commercial paper with maturity within 3 months to the marketable price, but in no event higher than 3-month NIBOR plus 0.25%.

3 On 23 September 2014, these facilities were refinanced by a new facility with a total commitment of NOK 1,500,000,000 at a floating interest rate of 3-month NIBOR plus 0.725%. The margin is fixed for 1 year and renegotiated annually.

4 Effective from 15 September 2014, the term loan has an interest of 3-month NIBOR plus 1.50%.

5 The NOK 51,350,000 overdraft facility can be terminated by the each of the parties to the agreement within 14 days' notice. The facility has been a source of funding for the company since it was established in 2012. There is no guarantee that this facility will continue to be renewed or renegotiated in the future, or that the terms of such renewal or renegotiation will be the same as the terms of the current overdraft facility.

The following sections summarise the material terms of the Group's credit facilities as of 30 June 2014.

Interest

Borrowings under the Group's credit facilities bear interest at variable rates of three-month NIBOR plus margin. The margins range from 35 to 275 basis points and the variable margins depend on, for instance, the total amount of drawings made under the facility or the Group interest cover ratio. Most margins are adjustable annually or on fourteen days' notice from the lender.

Regular amortisation

The terms of Entra Eiendom's credit facilities provide for repayments of outstanding borrowings under the revolving facilities on the last day of an interest period chosen by the borrower at drawdown, while the term loans made available under the facilities fall due on the final maturity date. The credit facilities of certain subsidiaries of Entra Eiendom contain different repayment provisions. Of the facilities made available to subsidiaries of Entra Eiendom, one is an interest-only loan until 13 July 2014, after which it converts to a long-term loan repaid in quarterly instalments, the seven in respect of Brattørkaia AS, Hp Stadionblokk C II AS and Hp Stadionblokk C AS are interest-only loans until final maturity date, while the two in respect of Hinna Park Eiendom AS are amortising loans that amortise with a set amount in accordance with a repayment profile of 30 years. The amortisation payments (prior to final maturity) under the NOK 300,000,000 and NOK 45,000,000 amortising loans made available to Hinna Park Eiendom AS are due quarterly and amounts to NOK 2,500,000 and NOK 375,000, respectively. Remaining loan balances must be repaid at the end of the fixed term (as shown in the table above).

Prepayment

The terms of most of the Group's credit facilities allow partial voluntary prepayments without penalty in certain circumstances, such as in the event the borrower is required to pay additional amounts in respect of taxes or increased costs. The terms of the credit facilities of the subsidiaries of Entra Eiendom provide that the borrower may prepay the loan, in part or in full, subject to a breakage fee. In some cases the breakage fee is assessed only if the prepayment does not take place on the last day of an interest period. The terms of most credit facilities allow the borrower to cancel without penalty any undrawn portion under the commitment, which amount may not be redrawn, on applicable notice to the lender, although certain facility agreements do provide for a penalty chargeable upon prepayment or cancellation of the facility.

Negative pledge and security

The Entra Eiendom credit facilities contain negative pledge clauses that provide that the borrower may not, subject to certain exceptions, create or permit any security interest in any of the Group's assets, present or future, without the consent of the lender. Due to the nature of the business of the borrowers, none of the borrowers have granted the security package typically granted in Norwegian credit facilities comprising security over trade receivables, inventory, operating assets and bank accounts.

The terms of the relevant negative pledge provisions of the Entra Eiendom credit facilities allow for certain security to be pledged by the Company's subsidiaries. The NOK 540,000,000 revolving term loan made available to Papirbredden Eiendom AS is secured by a first priority mortgage over the properties with Title no. 110, Land no. 946 and 947 in the amount of NOK 560,000,000, and a first priority mortgage over the properties with Title no. 110, Land no. 950 in the amount of NOK 560,000,000. The NOK 260,000,000 term and revolving credit facility made available to Papirbredden

Eiendom AS is secured by a first priority mortgage over the properties with Title no. 110, Land no. 946, 947, 948 and 950 in the amount of NOK 1,050,000,000, and a first priority mortgage granted by Kreftings Gate 33 AS over the property with Title no. 110, Land no. 274 in the amount of NOK 1,050,000,000. In addition, the borrower has issued a personal guarantee for due and prompt payment of all amounts, whether of principal, interest, costs, fees or by way of indemnity or otherwise payable under or pursuant to the facility in the total amount of NOK 260,000,000.

Each loan made available to Brattørkaia AS is secured by a first priority pledge over the shares held by Brattørkaia in Brattørkaia 14 AS, Brattørkaia 15ab-16 AS, Brattørkaia 17a AS and Brattørkaia 17b AS (the "Brattørkaia subsidiaries"). Additionally, the borrowings of Brattørkaia AS under the NOK 200,000,000 term loan facility, the NOK 160,000,000 term loan facility, the NOK 120,000,000 term loan facility, the NOK 25,000,000 credit facility and the NOK 400,000,000 credit facility are secured by a first priority mortgage granted by the Brattørkaia subsidiaries over certain of their owned properties and leasehold (*Nw.: festerett*) of properties in amounts, respectively, (i) equal to the principal amount including interest, costs and expenses, (ii) of NOK 650,000,000, (iii) of NOK 650,000,000, (iv) of NOK 650,000,000 and (v) of NOK 1,500,000,000.

Each of the loans made available to Hinna Park Eiendom AS is secured by a first priority mortgage in the amount of NOK 725,000,000 granted by subsidiaries of Hinna Park Eiendom AS in Title no 16, Land no 1429 and 1431, Title no 16, Land no 1464, Title no 16, Land no 1461, Title no 16, Land no 1247, Title no 16, Land no 1465, Title no 16, Land no 1485 and Title no 16, Land no 1484, by a first priority mortgage granted by Hinna over its property Title no 316 Land no 3 in the amount of NOK 865,000,000 and by a first priority pledge over trade receivables between Hinna and its subsidiaries. In addition, Hinna has issued parent guarantees of due and prompt payment of all amounts, whether of principal, interest, costs, fees or by way of indemnity or otherwise payable under or pursuant to all facilities.

The loans made available to Hp Stadionblokk C AS and Hp Stadionblokk C II AS are each secured by a first priority mortgage over the property with Title no 16 and Land no 1264 Section no 9 in the amount of NOK 175,000,000 and by a guarantee in the total amount of NOK 175,000,000. The NOK 60,000,000 term loan made available to Hp Stadionblokk C II AS is additionally secured by guarantees from Camar AS and Eføy Investering AS, which are companies outside the Group, respectively in the amounts of NOK 36,000,000 and NOK 12,000,000.

Financial covenants

Certain of the Group's credit facilities contain one or more substantially identical financial maintenance covenants relating to ratio of financial indebtedness to market value of the property portfolio, ratio of value adjusted equity to value adjusted assets, interest cover ratio and ratio of required capital expenditures.

Certain of the Group's credit facilities include a maximum ratio of financial indebtedness to market value of the property portfolio of 75%. The ratio of financial indebtedness to market value of the property portfolio is calculated as the quotient of interest-bearing indebtedness incurred in respect of borrowed money or other payment obligations, including guarantee commitments, financial leasing commitments, and any other commitments that may expose any person to financial loss (but excluding subordinated debt), divided by the lower of the two valuations made by valuation firms evaluating the borrower's property portfolio. Both values and debt in "separately financed companies" are typically excluded from the calculations. For the purposes of the financial covenants, separately financed companies are those owned in whole or in part by the borrower which are incorporated for the sole purpose of owning, developing and constructing real estate properties where such properties are subject to any form of project-based financing structure involving a security interest in the relevant property.

Certain of the Group's credit facilities include a minimum ratio of value adjusted equity to value adjusted assets of 35%. The ratio of value adjusted equity to value adjusted assets is calculated as the quotient of the market value of all assets less the value of all liabilities each according to Norwegian Accounting Principles, divided by the market value of all assets according to Norwegian Accounting Principles. Both values and debt in separately financed companies are typically excluded from the calculations.

Certain of the Group's credit facilities include a minimum interest cover ratio of 1.40. The interest cover ratio is calculated as the quotient of total income, less the higher of operating costs and 15% of total income, divided by interest expense excluding interest on construction or development project facilities before relevant completion dates. Calculation of interest cover ratio typically excludes amounts related to separately financed companies.

Certain of the Group's credit facilities include a maximum ratio of required capital expenditures to value adjusted assets of 5%. The ratio of required capital expenditures to value adjusted assets is calculated as the quotient of the sum of (a) all project and development costs invested and (b) all remaining project and development costs multiplied by the quotient of square metres not leased to any third party divided by total square metres under development by the borrower, divided by the value of all assets according to Norwegian Accounting Principles.

Each of the financial covenants is typically tested on a rolling-four quarterly basis at the end of each financial quarter. The breach of financial covenants generally allows the bank to terminate the respective loan and claim early repayment of the entire loan unless the borrower notifies the bank of the breach and the breach is cured within thirty days.

Restrictions on financial indebtedness

The Entra Eiendom credit facilities contain restrictions on the ability of Group members to incur secured and unsecured financial indebtedness. Financial indebtedness refers to any interest bearing indebtedness (whether actual or contingent) incurred in respect of borrowed money or any other payment obligations, including guarantee commitments of any nature related to borrowed monies, financial leasing commitments and other commitments of any nature that may expose any person to financial costs or losses. Financial indebtedness does not include subordinated debt, and such restrictions generally do not apply to financial indebtedness incurred by certain companies becoming members of the Group after the date of the relevant credit facility agreement, incurred by one member of the Group (other than a separately financed company) to another member of the Group, incurred by separately financed companies or incurred with the consent of the lenders.

Representation and warranties

The Group's credit facilities contain several customary representations given at signing and at each drawdown, including, among others, representations and warranties in respect of status and ownership, powers and authority, legal validity and enforceability, non-conflict, no default, authorisations and consents and no withholdings or deductions.

Termination and acceleration rights

The Group's credit facilities contain customary rights of the banks to terminate credit facilities early and accelerate and immediately cancel any outstanding amount of the commitment under the facility. In particular, termination and acceleration rights exist if amounts payable under the facility are not made when due, obligations under the facility (including financial covenant thresholds and information obligations) are not complied with, a member of the Group becomes insolvent or defaults on other financial liabilities, a lien is levied upon the property of any member of the Group, representations and warranties turn out to have been incorrect, a member of the Group ceases to carry out a substantial part of its business or there is a material adverse change in the financial condition of the borrower.

Change of control provisions

Almost all the Group's credit facilities contain change-of-control clauses. In some cases, these clauses stipulate that if the Norwegian Government at any time ceases to own and/or control, directly or indirectly, more than 51% of the shares in Entra Eiendom, unless the new shareholder(s) has been approved by the lender, Entra Eiendom is obligated to prepay any outstanding amount under the relevant facility upon 120 days' prior written notice from the lender. In other cases, a change-of-control event occurs only when (i) the Norwegian Government at any time ceases to own and/or control, directly or indirectly, more than one third of the shares and voting rights in Entra Eiendom and/or (ii) another shareholder (or several shareholders acting in concert) acquires 50% or more of the share capital of Entra Eiendom.

In connection with the Listing, the Group has entered into amendment agreements with its lenders to remove change of control clauses related to the Norwegian Government's ownership interest in the Company. In consideration of removing these clauses, the Group and the lenders have agreed to include a new prepayment provision setting forth that the borrower shall prepay the loan upon 120 days' prior written notice from the lenders in the event that (i) one shareholder (or several shareholders acting in concert), other than the Norwegian Government, directly or indirectly, shall acquire more than 50% of the voting shares of the borrower or, as the case may be, the voting shares of the Company, unless such new shareholder or group of shareholders acting in concert has been approved in advance by the lenders or the lenders otherwise, by application of reasonable discretion, shall agree to maintain the facilities available to the Group following any such change of ownership; or (ii) after listing of the shares of the borrower or, as the case may be, the Company, on the Oslo Stock Exchange or any other regulated market place, a "Delisting Event" occurs. A "Delisting Event" is defined as an event where the shares of the borrower or, as the case may be, the Company, are (for any reason) delisted from the Oslo Stock Exchange or any other regulated market where such shares may have been listed. The amendments are subject to, and will take effect upon, the first day of Listing.

The facilities made available to subsidiaries of Entra Eiendom also include change-of-control provisions. Some require consent of the lender or mandatory repayment if Entra Eiendom ceases to own at least 60% of the shares and voting rights in the subsidiary. Others allow the lender to immediately accelerate the loan and cancel the commitment under the facility if Entra Eiendom ceases to hold at least 52% of the subsidiary or if a substantial change in the ownership situation of the subsidiary is carried out without the consent of the lender.

Additional undertakings

The Group's credit facilities contain customary covenants, such as, among others, information undertakings, delivery of compliance certificates, notifications of default, restrictions on financial indebtedness in respect of the other members of the Group, restrictions on the borrower and other members of the Group's ability to provide financial support to other members of the Group and third parties, restrictions on disposals, restrictions on mergers, demergers and other corporate reconstructions, and pari passu ranking. The Group's credit facilities also include property undertakings relating to the market value assessments and maintenance and insurance of the properties. Certain of the Group's credit facilities require the borrower to maintain an interest rate hedging strategy reasonably acceptable to the lenders.

11.5.4.4 Bonds issues in the Norwegian market

Entra Eiendom has issued ten series of NOK-denominated senior debt obligations, each with Nordic Trustee ASA as bond trustee on behalf of the bondholders. Each series of bonds ranks pari passu between themselves, and at least pari passu with all other obligations of Entra Eiendom, subject to bankruptcy, insolvency, liquidation and other similar laws of general application, and rank ahead of subordinated debt. The proceeds of the bonds were used for the general corporate purposes of the Group. The bonds include standard covenants and events of default, but do not include any financial covenants.

The NOK 1,100,000,000 in bonds issued on 5 September 2005 by Entra Eiendom, and transferred to Entra Kultur 1 AS in 2008, are secured by a first priority mortgage on the National Library and associated buildings, located at Henrik Ibsens gate 110 in Oslo, as well as a first priority charge over the security deposit account for lease earnings from that property. All other bonds include a negative pledge in relation to Entra Eiendom and its subsidiaries.

All of the Group's bonds (other than the NOK 1,100,000,000 in bonds issued on 5 September 2005) contain change of control provisions permitting the holders to put at a price of 100% of principal amount plus accrued interest in the event that any person or group of persons acting in concert (other than the Norwegian Government) directly or indirectly acquires more than 50% of the voting rights of Entra Eiendom or the right to elect or remove a majority of the members of the board of directors of Entra Eiendom.

As of 30 June 2014, the Group had a balance of NOK 7,942.5 million in principal amount of bonds outstanding, with a weighted average interest rate of 3.89%. The Group has issued publicly-listed bonds since 2003. On 8 August 2014, Entra Eiendom issued an additional NOK 500 million in principal amount of bonds due 8 August 2019 at a floating interest rate of 3 month NIBOR + 0.61%. The proceeds of the issuance were used to repay NOK 240 million outstanding under the NOK 500,000,000 revolving credit facility, NOK 180 million outstanding under the NOK 1,000,000,000 credit facility and NOK 80 million under the NOK 300,000,000 revolving facility. See Section 9 "Capitalisation and Indebtedness" for more information on material changes to the Group's unaudited consolidated capitalisation and net financial indebtedness since 30 June 2014.

See Note 20 to the Financial Statements for more information on the Group's outstanding bonds as of 31 December 2013.

11.5.5 Historical capital expenditures and investments

The capital expenditures and investments of the Group arise primarily from the cost of upgrades of investment properties and the purchase of investment properties. Capital expenditures and investments also include the purchase of intangible assets (such as concept development and software) and the purchase of other property, plant and equipment, investment in housing units for sale and investments in associates and jointly controlled entities.

The following table sets forth the historical capital expenditures and investments of the Group reflected in the Financial Information for the six months ended 30 June 2014 and 2013 and the years ended 31 December 2013, 2012 and 2011.

	Six months ended 30 June		Year ended 31 December		
	2014	2013	2013	2012	2011
	(in NOK millions)				
Purchase of investment properties	-	189.4	592.1	396.0	127.4
Cost of upgrades of investment properties	537.0	500.0	998.0	1,067.1	1,135.1
Purchase of intangible assets and other property	9.6	18.9	101.8	103.6	12.0
Investment in housing units for sale	95.5	41.8	106.8	24.2	-
Investments in associates and jointly controlled entities	-	-	-	191.0	-
Purchase of business	218.9	-	-	-	-
Total	**861.0**	**750.0**	**1,798.7**	**1,781.9**	**1,274.5**

Principal capital expenditures and investments in the six months ended 30 June 2014 comprised the acquisition of a 50% interest in Hinna Park Eiendom AS in the first quarter of 2014 for cash consideration of NOK 294.3 million and expenditures related to development projects such as expenditures of NOK 151 million in relation to Otto Sverdrups plass 4 in Sandvika (Bærum), NOK 103 million in relation to Schweigaards gate 16 in Oslo, NOK 36 million in relation to the construction of the commercial part of the project in Ringstabekkveien 105 in Bærum, NOK 46 million in relation to Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn), and NOK 40 million in relation to Kongsgård Alle 20 in Kristiansand. In addition, the Group invested NOK 96 million in the construction of housing units in Ringstabekkveien 105 in Bærum. Other than in connection with the Hinna Park Eiendom AS acquisition, the Group did not acquire any management properties during the six months ended 30 June 2014.

Principal capital expenditures and investments for the year ended 31 December 2013 primarily comprised purchases of management properties, such as Vahlsgate 1-3 in Oslo in the third quarter of 2013 for NOK 404 million and Schweigaards gate 16 in Oslo in the second quarter of 2013 for NOK 187 million. In addition, the Group incurred expenditures related to development projects, such as expenditures of NOK 255 million in connection with the renovation of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) and NOK 171 million in connection with the renovation of Otto Sverdrups plass 4 in Sandvika (Bærum) and NOK 124 million in connection with the construction of Schweigaards gate 16 in Oslo. In addition, the Group also invested NOK 107 million in a housing project in Ringstabekkveien 105 in Bærum during the year ended 31 December 2013.

Principal capital expenditures and investments for the year ended 31 December 2012 primarily comprised purchases of investment properties, such as Universitetsgaten 7 in Oslo for NOK 244 million and Kristian Augustgate 19 in Oslo for NOK 151 million. In addition, the Group incurred expenditures related to ongoing projects, such as NOK 330 million in connection with the renovation of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) and NOK 176 million in connection with the renovation of Professor Olav Hanssens vei in Stavanger, and NOK 180 million in connection with the construction of Brattørkaia 15 in Trondheim. The Group also invested NOK 171 million in the jointly controlled entity Entra OPF Utvikling AS (of which the Group holds 50%) in order to finance the purchase of Allehelgens gate 6 in Bergen by Entra OPF Utvikling AS from the Group.

Principal capital expenditures and investments for the year ended 31 December 2011 primarily comprised purchases of the development property Lakkegata 55 in Oslo for NOK 97.5 million. The Group also incurred expenditures related to ongoing projects, such as NOK 270 million in connection with the renovation of Professor Olav Hanssens vei 10 in Stavanger, NOK 85 million in connection with the renovation of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn), as well as the investments of NOK 187 million for construction of Grønland 51 in Drammen and NOK 110 million for construction of Brattørkaia 15 in Trondheim.

On 16 June 2014, the Group entered into an agreement to purchase a 100% interest in AS Lilletorget 1, which owns the property Lilletorget 1 in Oslo, from AS Eiendommer. The transaction was completed on 1 July 2014, with the Group paying NOK 287.7 million for the 100% interest in AS Lilletorget 1.

Since 30 June 2014, the Group has also made principal capital investments and expenditures in relation to the ongoing projects described in Section 8.5.3 "Ongoing development projects and project properties". From 30 June 2014 to the date of the Prospectus, the principal capital investments and expenditures of the Group were approximately NOK 50 million related to Schweigaards gate 16 in Oslo, NOK 40 million related to Langkaia 1 in Oslo, NOK 21 million related to Akersgata 34/36 in Oslo and NOK 20 million related to Otto Sverdrups plass 4 in Sandvika (Bærum).

Other than as described above, there have been no principal capital expenditures or investments since the date of the Interim Financial Statements as of and for the six months ended 30 June 2014, which have been included in this Prospectus as Appendix C.

11.5.6 Principal investments in progress and planned principal investments

The principal liquidity needs of the Group include funding for acquisition of new properties, upgrades to existing management properties and financing development of projects during the next 12 months (a significant portion of which is discretionary). The Group also engages in ongoing reinvestment in management properties. These ongoing investments may represent maintenance capital expenditures not requiring relocation of existing tenants (such as window replacement, facade work, roof replacement and repainting), which is either accounted for as maintenance in the statement of comprehensive income or capitalised as investment in the balance sheet and accordingly treated as investment in upgrade of investment properties in the cash flow statement, depending on the nature of the expenditure. These ongoing investments may also represent capital expenditures for larger overhauls of management properties requiring relocation of tenants during renovation. The renovations of Fredrik Selmers vei 4 in Oslo (Helsfyr-Bryn) and Professor Olav Hanssens vei 10 in Stavanger are recent examples of major renovation projects. The Group also expects that significant costs in relation to the construction and completion of residential properties at Ringstabekkveien 105 in Bærum will be incurred in the future, and will be recognised in the statement of comprehensive income under other property costs. However, the Group does not expect that any significant gains will be recognised on any future sale of the residential properties at Ringstabekkveien 105 in Bærum.

The Group expects to incur approximately NOK 1,450 million during the 12 months following 30 June 2014 in connection with principal investments in progress and approximately NOK 1,110 million during the 12 months following the first day of Listing. The Group expects to fund these investments from planned sales of management properties, cash generated by ongoing operations and the issuance of new debt. A significant portion of these investments are discretionary in nature and the Group may ultimately determine not to make these investments or the timing of such investments may vary. The Group continues to evaluate acquisition opportunities, but no major acquisitions are currently contemplated, and therefore expenditures for future acquisitions are not currently included in these future estimates. In addition, the short-term liquidity needs of the Group include repayment of current and non-current liabilities, interest on loans from financial institutions and payment of dividends.

See Section 8.5.3 "Ongoing development projects and project properties" for a description of the seven large projects which were being developed by the Group as of 30 June 2014. These seven projects represent an estimated total investment by the Group of approximately NOK 2.3 billion, of which approximately NOK 1.6 billion had been invested by the Group as of 30 June 2014. The Group expects to fund these investments from planned sales of management properties, cash generated by ongoing operations and the issuance of new debt.

The Group's long-term liquidity needs primarily consist of funds for acquisition of new properties, improvements to existing management properties and financing of projects under development, as well as scheduled debt maturities and recurring and non-recurring capital expenditures.

See Section 8.5.4 "Future development pipeline and land and development properties" for a description of the 13 development projects of the Group for which regulatory approvals are either completed or at an advanced stage as of 30 June 2014. These 13 development projects would represent an estimated total investment of approximately NOK 6-7 billion, of which the Group's share would be an estimated total investment of approximately NOK 5 billion. The Group does not currently have any specific plans to accelerate or decelerate development activity, and expects that the overall scale of the Group's development projects in each of the next five years to be broadly similar to the scale of development projects as for the year ended 31 December 2013. However, the level of development activity will depend on the Group's ability to pre-let development properties at attractive levels and may therefore fluctuate over time.

The Group expects to meet its short- and long-term liquidity needs for such investments with cash generated from operations.

11.5.7 Consolidated tax values on fixed assets

As of 31 December 2013, the Group's consolidated tax value on fixed assets was NOK 12,784.9 million. For tax purposes, the Group does not depreciate land or art, depreciates office buildings at a rate of 2% annually and depreciates technical installations at a rate of 10% annually. As of 30 June 2014, the Group had remaining tax loss carry forwards of NOK 1,160.0 million. There is no limitation on the Group's use of tax loss carry forwards against future taxable income. Tax values are determined on an annual basis.

The following table sets forth the consolidated tax values on fixed assets of Entra Eiendom and its wholly owned subsidiaries, Papirbredden Eiendom AS (of which the Group holds 60%), Hinna Park Eiendom AS (of which the Group holds 50%) and the Group as of 31 December 2013.

	Entra Eiendom and wholly owned subsidiaries	Consolidated		Group
		Papirbredden Eiendom AS	Hinna Park Eiendom AS[2]	
		(in NOK millions)		
Land	1,115.6	77.2	44.1	1,236.9
Buildings	6,355.0	446.9	396.9	7,178.8
Technical installations	2,640.9	183.0	109.8	2,933.7
Other property, plant and equipment	79.8	0.5	-	80.4
Art	9.9	1.4	-	11.3
Total excluding project properties	**10,181.3**	**709.0**	**550.8**	**11,441.1**
Project properties[1]	1,884.8	9.8	-	1,894.6
Total	**12,066.1**	**718.8**	**550.8**	**13,335.7**

1 Project Properties relates to the project properties of the Group as of 31 December 2013. For more information on the Group's project properties, see Section 8.5.3 "Ongoing development projects and project properties".

2 Hinna Park Eiendom AS was not part of the Group as of 31 December 2013, but has been consolidated by the Group as of 1 February 2014. The tax values in relation to Hinna Park Eiendom AS have been included in this table for illustrative purposes only.

11.6 Financial risk management

11.6.1 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due and that financing will not be available at a reasonable price. The Group's principal sources of liquidity are cash flows from operating activities, sale of investment properties and interests in subsidiaries, external debt in the form of bonds, bank loans and commercial paper, and dividends from associates and jointly controlled entities. The Group primarily uses cash for repayment of current and non-current liabilities, purchase of management properties, upgrades to management properties and payment of dividends to the Selling Shareholder. The Group manages cash levels on a rolling 12-month basis, which takes into account, among other things, repayment of maturing liabilities, timing of project development expenses and expected timing of acquisitions and disposals. In order to manage its liquidity risk, the Group has available unused credit facilities with Norwegian and international banks, primarily to provide a source of liquidity as a reserve to cover debt falling due within the next 12 months, as well as available liquid assets. See also Section 2.2 "Risks related to the business of the Group and the industry in which the Group operates—Due to the potentially illiquid nature of the commercial properties in which the Group has invested, the Group could be unable to sell any portion of its property portfolio on favourable terms or could be unable to sell at all" and Section 2.4 "Risks relating to the financial profile of the Group—The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders".

11.6.2 Capital management and solvency

The main purpose of the Group's capital management is to maintain an appropriate balance between debt and equity, in order to maximise the value of the Shares, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the Group. There are covenants in the Group's credit facilities that specify requirements in relation to the financial strength of Entra Eiendom. For more information on covenants applicable to the Group, see Section 11.5.4.3 "Credit facilities".

11.6.3 Interest rate risk

Interest rate risk arises from the loan portfolio's exposure in debt instruments being affected by changes in market rates. Interest rate risk affects the cash flows of the Company and the market value of the liabilities of the Company. The Group has adopted a hedging strategy in relation to exposure to interest rate risk. The Group evaluates the share of interest rate hedging based on an assessment of the Group's total interest rate risk and the Group's strategy to manage interest rate risk in order to achieve a balance between the desired interest rate expense and interest rate risk. The Group uses a hedging strategy where they create a variable rate coupon from fixed coupon bonds (bond value hedge). The rationale is to separate the bond maturity with the interest rate maturity in order to separately manage the interest rate fixings. This limits mark-to-market fluctuations of the fixed rate bonds, and gives flexibility to buy back the bond at close to par (except for fluctuations due to changes in credit spread).

To manage and alter the swap portfolio, Entra uses interest rate derivatives, including forward rate agreements, interest rate options, swaps, swaptions or other forms of derivative instruments to ensure flexibility and predictability in the cash flow hedge positions based on the risk framework in financial policy, analysis of future interest rate developments and desired interest rate risk profile of interest bearing debt. This creates a flexible position of altering the cash flow hedge positions without having to alter the underlying bonds and the value hedged swap transactions.

The Group's financial policy includes requirements for fixed interest rates for at least 50% of the debt portfolio, an average duration in the range of two to five years and diversification of the maturity structure for fixed interest rates. As of 30 June 2014, the Group had hedged 60% of its interest rate exposure through the use of interest rate derivatives. The Group first enters into fixed-to-floating rate swaps in relation to its fixed rate borrowings, and then adjusts the maturity profile of its fixed interest rates by entering into floating-to-fixed rate swaps of different maturities. As of 30 June 2014, 40% of the Group's borrowings were floating rate and therefore have an interest rate maturity of less than one year.

Based on its historical hedging strategy in place at the time, the Group previously entered into certain long-term derivative transactions in order to reduce its overall interest expense in an increasingly high interest rate environment. As market interest rates have since decreased, these derivatives, included in the interest rate maturity profile below, have led the Group's average interest cost (4.45% as of 30 June 2014) to be significantly higher than current market interest rates.

The following table sets forth the maturity profile of the interest rates (including credit margins) applicable to the nominal interest-bearing debt of the Group as of 30 June 2014.

Interest rate maturity	**Nominal interest-bearing debt (MNOK)[1]**	**Interest rate**	**Share**
<1 year[2]	6,110	4.66%	40%
1 – 2 years	550	5.50%	4%
2 – 3 years	1,020	3.98%	7%
3 – 4 years	1,642	4.69%	11%
4 – 5 years	1,850	3.77%	12%
5 – 6 years	1,600	4.14%	10%
6 – 7 years	1,150	4.39%	7%
7 – 8 years	550	3.67%	4%
8 – 9 years	300	3.97%	2%
9 – 10 years	150	5.36%	1%
>10 years	510	5.36%	3%
Total	**15,432**	**4.45%**	**100%**

1 The Group defines nominal interest-bearing debt as the aggregate nominal value of outstanding bank loans, bonds, commercial paper and other interest-bearing liabilities. Nominal interest-bearing debt is a non-IFRS financial measure. See Section 4.2.3 "Non-IFRS financial measures" for the reconciliation of nominal value of outstanding non-current bank loans, current and non-current bonds, commercial paper and other interest-bearing liabilities to nominal interest-bearing debt as of 30 June 2014 and 2013 and 31 December 2013, 2012 and 2011.

2 Fixed credit margins (i.e., the interest expense associated with floating rate debt for which the margin is fixed through the maturity of the debt) with maturities greater than one year are included in <1 year interval, since the interest rate will be reset within one year. If fixed credit margins with maturities greater than one year were excluded from the <1 year interval, the average interest rate for interest rate maturities in the <1 year interval would be 3.19%.

The following table sets forth the calculation of interest rate for interest rate maturities in the <1 year interval as of 30 June 2014.

Instrument	**Interest rate**
Interest rate maturity <1Y[1]	2.17%
Credit margin maturity <1Y[2]	1.02%
Credit margin maturity >1Y[3]	1.47%
Total	**4.66%**

1 Interest rate maturity <1Y includes the underlying index component (i.e., NIBOR) of floating interest rates on bank debt and bonds (floating rate notes and fixed rate bonds swapped back to floating rate), commercial paper and existing floating to fixed interest rate swaps with maturity of less than one year.

2 Credit margin maturity<1Y includes credit spreads that reset within one year on debt bearing interest at an index that resets within that period.

3 Credit margin maturity>1Y includes credit spreads that are fixed for a period of more than one year on debt bearing interest that resets within one year.

See also Section 2.4 "Risks relating to the financial profile of the Group—Interest rate fluctuations could materially and adversely affect the Group's business, financial condition, results of operations and cash flows".

11.6.4 Credit and counterparty risk

Credit and counterparty risk is the risk that creditors and counterparties of the Group are unable or unwilling to meet their obligations to the Group. The Group monitors the creditworthiness of tenants on a continuing basis, and the

Group normally requires bank guarantees for six months of lease payments in respect of any private sector tenants. As of 30 June 2014, bank guarantees were provided by approximately 85% of the private sector tenants. See also Section 2.2 "Risks related to the business of the Group and the industry in which the Group operates—The failure by tenants of the Group to meet their obligations, or the termination of lease agreements by tenants, could result in significant loss of rental income, increase in bad debts and decrease in the value of the Group's properties" and Section 2.4 "Risks relating to the financial profile of the Group—The Group's degree of leverage and ability to incur additional indebtedness could have a material and adverse effect on the Group's ability to obtain additional financing or make it more vulnerable in the event of a downturn in the business or the economy generally".

11.6.5 Currency risk

The Group's presentation currency is NOK. This is also the functional currency of the Company and all of its subsidiaries. The Group maintains a policy not to incur any currency risk and at 30 June 2014 the Group had no currency exposure.

For more detailed information on the financial risk management of the Group, see Note 4 to the Financial Statements included in this Prospectus as Appendix B.

11.7 Critical accounting estimates and subjective judgments

Note 2 to the Financial Statements included in this Prospectus as Appendix B includes a summary of the significant accounting policies and methods used in the preparation of such financial statements. Note 3 to the Financial Statements included in this Prospectus as Appendix B includes a summary of critical accounting estimates and subjective judgments. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that management believes to be relevant at the time the Financial Statements are prepared. Critical accounting estimates and subjective judgements are those that have a significant risk of causing material adjustments. The estimates and judgements have been consistently applied to all the years presented in the Financial Statements.

The following is a summary of critical accounting estimates and subjective judgements which may have a material effect on the financial statements of the Group if changed in subsequent periods.

11.7.1 Fair value of investment properties

Investment properties are measured at their fair value based on external, independent valuations. Each quarter, all the properties are valued by the Independent Appraisers, Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations of the Independent Appraisers are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenants' financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk relating to letting and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the Independent Appraisers receive comprehensive details of the leases for the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and leases are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The Independent Appraisers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated occupancy levels and the need for alterations and upgrades. The remaining term of the leases is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc.)

11.7.2 Fair value of financial liabilities

The Group values liabilities with fixed interest rates and financial derivatives at fair value in the Group's balance sheet. The Group's interest-bearing debt is measured at fair value using valuation methods where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.

The fair value of both listed and unlisted bonds with fixed interest rates is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association, www.nfmf.no).

The fair value of commercial paper is estimated as its nominal value, due to the short term to maturity. For more information on how the Group values its financial assets and liabilities see Note 4–2 to the Financial Statements included in this Prospectus as Appendix B.

The carrying amount of financial liabilities classified at fair value through profit or loss will increase by NOK 300.3 million or decrease by NOK 301.1 million in the event of a shift in market interest rates of +/- 1 percentage point.

11.7.3 Pensions

The present value of pension obligations is dependent on several different factors that are determined by a number of actuarial assumptions. The assumptions used to calculate net pension costs (revenue) include the discount rate. Any changes to these assumptions will affect the carrying amount of the pension obligations.

The Group determines the relevant discount rate at the end of each year. This is the interest rate used to calculate the present value of the future estimated outgoing cash flows required to fulfil the pension obligations. When determining the relevant discount rate, the Group looks at the interest rate for high-quality corporate bonds or bonds with preference rights, which mature around the same time as the related pension obligations. At 30 June 2014, the discount rate was determined on the basis of bonds with preference rights.

If a discount rate is used which deviates from the management estimates by +/- 0.5%, the carrying amount of the pension obligations will be NOK 11.1 million lower or NOK 11.2 million higher. See Note 18 to the Financial Statements included in this Prospectus as Appendix B for more details on pensions and estimates.

11.7.4 Uncertainty surrounding estimates pursuant to IFRIC 12

IFRIC 12 applies to service concession arrangements whereby a public sector tenant enters into a contract with a private operator to develop, upgrade, operate or maintain the public sector tenant's infrastructure asset. Under IFRIC 12, the Group's investment in the infrastructure asset cannot be classified on the balance sheet as property, plant and equipment of the Group, but must instead be classified as either a financial asset or an intangible asset. Whether an infrastructure asset is held on the balance sheet as a financial asset or an intangible asset will depend on the nature of the payment rights established under the relevant contract. If the Group has a contractual right to receive a specific amount of compensation or other financial asset from the public sector tenant in return for constructing or upgrading and subsequently maintaining and operating the asset for an agreed period, the infrastructure asset is deemed a financial asset as defined in IAS 39. If the Group instead receives a right to charge a fee to users or the public sector tenant based on the use of the infrastructure asset, the infrastructure asset is deemed an intangible asset as defined in IAS 38.

The Group has three properties classified and recognised as IFRIC 12 properties: Vøyenenga school (Munchsgate 4/Keysersgate 13), Borgarting Court of Appeal (Borkenveien 1-3) and the National Library (Henrik Ibsens gate 110). The Group holds the legal title to each of these IFRIC 12 properties. These properties are classified as IFRIC 12 properties and recognised as financial assets pursuant to IAS 39 because:

- The Group has entered long-term lease contracts with public sector tenants in respect of each property;
- the public sector tenant (or another Norwegian Government entity) controls a significant residual interest in each property as a result of a call options to acquire the relevant property from the Group at the end of the lease period; and
- the Group has a contractual right to receive specified amount of compensation from the relevant public sector tenant for the operation and maintenance of each of the properties.

Under IFRIC 12, the initial fair value of the financial asset represents the acquisition price/construction cost.

Subsequent measurement of the financial asset will be at amortised cost in accordance with IAS 39 using the effective interest rate method. The effective interest is presented under interest income. In practice, the financial income for the relevant period is calculated as the ingoing carrying amount of the financial asset, adjusted for rent payments in the period, multiplied by the effective interest rate. As a result, the Group will accrue a financial receivable over the term of the lease agreement. At the end of the term, the financial receivable will equal the exercise price of the option of the public sector tenant (or other Norwegian Government entity) to acquire the IFRIC 12 property.

In the event of an objective indication of impairment (e.g., a long-term and material decline in the asset's value) of an IFRIC 12 property held on the balance sheet as a financial asset, a write-down is recognised in the statement of comprehensive income under interest and other finance expense.

Operating income in relation to IFRIC 12 properties is generated either through the sale of services to the tenant or through owner-costs paid by the tenant to the Group. Services are only provided to the tenant at Vøyenenga school, while owner-costs are applicable to all three IFRIC 12 properties. As sales of services to tenants and payment of owner-costs relating to IFRIC 12 properties may be reliably estimated by the Group, the operating income is recognised in the statement of comprehensive income in accordance with IAS 11.

The Group has a contractual obligation to restore each of the IFRIC 12 properties to a specified condition before it is handed over to the grantor at the end of the service arrangement. The contractual obligation to maintain or restore the IFRIC 12 properties (other than with respect to upgrades) is recognised in the balance sheet and measured in accordance with IAS 37 at the Group's estimate of the expenditure that would be required to settle the present obligation at the balance sheet date. The provision for repairs and maintenance is recognised in the statement of comprehensive income under repairs and maintenance for each relevant period. A corresponding financial expense representing the discounting effect of the provision for repairs and maintenance is recognised in the statement of comprehensive income as a finance expense in the relevant period.

Any analysis regarding the application of IFRIC 12 to certain contracts and activities involves various complex factors. It depends on the legal interpretation of certain contractual agreements or other terms and conditions with public sector tenants and requires judgment with respect to, among other factors: (i) the identification of certain infrastructure assets within the scope of IFRIC 12; (ii) the nature of the payments received from the public sector tenant; (iii) the recognition of the revenue from construction and/or operation and repairs and maintenance activity; and (iv) calculation of the value of the receivable using property-specific estimates relating to future rent payments, future ownership costs, investments and purchase options is attached. Changes in one or more of these factors may affect the conclusions as to the appropriateness of the application of IFRIC 12 and, therefore, the Group's results of operations or financial position.

11.8 Valuation reports

The fair value of the Group's properties as of 30 June 2014 is based on the average of the estimated market values of the Property Appraisal Reports prepared by the Independent Appraisers, Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. For further information on the Independent Appraisers and the scope, limitations and valuation methods of the Property Appraisal Reports, see the Property Appraisal Reports included in Appendix H to this Prospectus.

11.9 Recent developments

At the annual general meeting of the Company held on 3 June 2014, the Company declared a dividend of NOK 250 million to the Selling Shareholder. The Company paid the dividend to the Selling Shareholder on 31 July 2014. On 1 July 2014, the Group completed the acquisition of Lilletorget 1 AS for a purchase price of NOK 287.7 million. On 26 September 2014, the Company declared an extraordinary dividend to the Selling Shareholder in an amount of NOK 650 million subject to completion of the Listing. The Selling Shareholder's entitlement to the dividend arises upon the date of unconditional trading in the Shares on the Oslo Stock Exchange. The extraordinary dividend will be paid by drawing on the Group's existing credit facilities. The resolution to distribute the dividend shall be deemed void if such date has not occurred prior to 31 December 2014. On 8 August 2014, Entra Eiendom issued an additional NOK 500 million in principal amount of bonds due 8 August 2019 at a floating interest rate of 3 month NIBOR + 0.61%. The proceeds of the issuance were used to repay NOK 240 million outstanding under the NOK 500,000,000 revolving credit facility, NOK 180 million outstanding under the NOK 1,000,000,000 credit facility and NOK 80 million under the NOK 300,000,000 revolving facility. On 23 September 2014, Entra Eiendom entered into a new revolving credit facility agreement with a total amount of NOK 1,500 million at interest rate of 3-month NIBOR plus 0.725% and five year maturity. The credit margin is fixed for successive one year periods from the date of the loan agreement. As of the date of the Prospectus, no amounts have been drawn under the facility.

For the third quarter of 2014, the Group does not expect a material change in the occupancy rate for its portfolio of management properties from the 95.2% occupancy rate as of 30 June 2014. There has been no material change in the rent levels payable under the lease agreements of the Group in the third quarter of 2014, as such rent levels are typically automatically adjusted for changes in CPI from November to November in order to allow increases in rent levels to take effect at the beginning of the next calendar year. As of the date of this Prospectus, none of the Group's tenants had defaulted on their obligations under lease agreements with the Group. In the third quarter of 2014, the Group acquired the property Lilletorget 1 in central Oslo and the project in Otto Sverdrupsplass 4 in Sandvika (Bærum) has been completed. As a result, the Group expects that rental income in the third quarter of 2014 will increase slightly as compared to the rental income of the Group for the first and second quarters. Operating costs are also expected to increase slightly as compared to the first and second quarters as a result of costs related to the privatisation process. Net income from property management in the third quarter for 2014 is expected to be in line with the second quarter of 2014. Share of profit from associated and jointly controlled entities is expected to be lower in the third quarter of 2014 as compared to first and second quarters, which were positively impacted by the reversal of provisions made by Oslo S Utvikling AS in connection with the sale of properties in prior periods. The Group does not expect any material changes in value of investment property or unrealised changes in value of financial instruments for the three months ended 30 September 2014 as a result of measurement at fair value.

Other than as described above, there have been no significant changes in the financial or trading position of the Group since the date of the Interim Financial Statements, which have been included in this Prospectus as Appendix C.

11.10 Outlook

With respect to the Norwegian economy since 30 June 2014, DNB Markets forecasts an annual Mainland GDP growth rate of 2.1% for all of 2014 ("Economic Outlook", August 2014). DNB forecasts a gradual rise in the unemployment rate from 3.5% as of 30 June 2014 (as measured by the Labour Force Survey (AKU by Statistics Norway 2014, 30 July 2014)) to 4.0% in 2016 (DNB, "Economic Outlook", August 2014). DNB Markets forecasts that inflation will remain at 2.1% in 2014 before rising to 2.4% in 2015, then declining to 2.1% in 2016 and 2.0% in 2017. DNB Markets forecasts that core inflation will peak at 2.5% in 2014, before declining to 2.3% in 2015, and 2.1% in 2016 and 2017.

With respect to the Norwegian commercial property market since 30 June 2014, DNB expects transaction volume in the second half of 2014 to increase to NOK 29 billion, as compared to NOK 21 billion in the second half of 2013, as a result of the stable Norwegian economy, banks' willingness to provide lending at attractive interest rates, capital available from both domestic and international investors and a healthy rental market. Investor demand for both city centre properties and development properties in Oslo has been strong, leading to increased pressure on yields. DNB expects the vacancy rate in Bergen to be higher in 2015 and 2016 as a result of high levels of new construction. DNB expects that declining investments by the petroleum industry until 2017 will cause market office vacancy levels in Stavanger to increase. DNB expects that the vacancy rates will remain relatively stable in Oslo and Trondheim in 2014. DNB also expects that continued urbanisation will further widen the existing gap between property prices in Norway's large cities and in its smaller cities and towns.

The Group expects that these economic and market conditions will support continued positive value development for its property portfolio. Entra Eiendom issued a new bond in August 2014 at a credit margin of 0.61% above 3-month NIBOR. This transaction indicates that the Group maintains its strong position in the credit markets in a situation where a privatisation is anticipated.

The Group also believes that customers will to an increasing degree prefer environmentally sustainable office premises. The Group is continuing to work systematically to achieve environmentally and economically efficient solutions. The Group believes that efficient operations, good project implementation and active portfolio management are the most important parameters for delivering the Group's objective of profitable growth. The Group aims to achieve the highest customer satisfaction in the sector through its operational strength and follow-up with customers.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company.

The overall management of the Group is vested in the Company's Board of Directors and the Group's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has two sub-committees: an audit committee and a remuneration committee. In addition, the Company has established a nomination committee with effect from the first day of Listing.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Group's chief executive officer ("**CEO**") is responsible for keeping the Group's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Group's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Group's activities, financial position and operating results at a minimum of one time per month.

12.2 Board of Directors

12.2.1 Overview of the Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of a minimum of seven and a maximum of ten Board Members. The current Board of Directors consist of seven Board Members, as listed in the table below.

The composition of the Board of Directors is in compliance with the independence requirements of the Corporate Governance Code, meaning that (i) the majority of the shareholder elected members of the Board of Directors is independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's Management serves on the Board of Directors. Currently, the Company does not have an arrangement in place for the employees to appoint members to the Board of Directors. Entra Eiendom has a group arrangement in place for the employees to appoint members to the board of directors of Entra Eiendom. The employees of the Group have appointed Birthe Helén Smedsrud Skeid and Frode Erland Halvorsen as employee representatives in the board of directors of Entra Eiendom.

The Company has recently entered into an agreement with the employees of the Group to establish an arrangement for the employees of the Group to appoint employee representatives directly to the Board of Directors. Further, the Company has applied to the Norwegian Corporate Democracy Committee (*Nw.: Bedriftsdemokratinemnda*) to establish an arrangement where the employee representatives in Entra Eiendom also shall be appointed as employee representatives in the Company. The application has not yet been assessed by the Norwegian Corporate Democracy Committee. Pending the assessment from the Norwegian Corporate Democracy Committee, the Selling Shareholder has, in a General Meeting, appointed Birthe Helén Smedsrud Skeid and Frode Erland Halvorsen to represent the employees of the Group on the Board of Directors.

The Company's registered business address, Biskop Gunnerus' gate 14, 26th floor, N-0185 Oslo, Norway, serves as the c/o address for the Board Members in relation to their directorship of the Company. As of the date of this Prospectus, none of the Board Members holds any Shares, options or other rights to acquire Shares.

12.2.2 The Board of Directors

The names and positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Siri Beate Hatlen	Chair	20 December 2012[1]	2016
Martin Mæland	Vice Chair	20 December 2012[2]	2016
Ingrid Therese Tjøsvold	Board member	20 December 2012[3]	2016

Name	Position	Served since	Term expires
Kjell Bjordal	Board member	20 December 2012[4]	2016
Arthur Sletteberg	Board member	20 December 2012[5]	2016
Birthe Helén Smedsrud Skeid	Board member	25 August 2014[6]	2016
Frode Erland Halvorsen	Board member	25 August 2014[7]	2016

1 Siri Beate Hatlen has been the chair of the board of directors of Entra Eiendom since 14 May 2012.

2 Martin Mæland has been a member of the board of directors of Entra Eiendom since 13 June 2007.

3 Ingrid Therese Tjøsvold has been a member of the board of directors of Entra Eiendom since 15 October 2012.

4 Kjell Bjordal has been a member of the board of directors of Entra Eiendom since 15 October 2012.

5 Arthur Sletteberg has been a member of the board of directors of Entra Eiendom since 15 October 2012.

6 Birthe Helén Smedsrud Skeid has been an employee representative on the board of directors of Entra Eiendom since 4 July 2012.

7 Frode Erland Halvorsen has been an employee representative on the board of directors of Entra Eiendom since 23 June 2014.

12.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Siri Beate Hatlen, Chair

Siri Beate Hatlen has been the Chair of the board of directors of Entra Eiendom since May 2012 and Chair of the Board of Directors since incorporation of the Company in December 2012. Ms Hatlen has a Master of Science from the Norwegian University of Science and Technology (NTNU) and a Master of Business Administration from INSEAD. In her early career she worked for Statoil on larger offshore projects, later as management for hire and as board member/chair of the board of directors for numerous companies in Norway. From 2007 to 2009 she was Executive Vice President of Statkraft, and was the CEO of Oslo University Hospital from 2009 to 2011. Ms Hatlen currently also serves as the chair of the board of directors of among others Sevan Marine ASA and is a board member of Norske Skogindustrier ASA, Kitron ASA and Eksportkreditt AS. Ms Hatlen is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Sevan Marine ASA (chair of the board), Norske Skogindustrier ASA (board member), Kitron ASA (board member), Eksportkreditt AS (board member), Teknologirådet (chair of the board), Ungdoms-OL Lillehammer 2016 (chair of the board), Norwegian University of Life Sciences (chair of the board) and DNT Oslo og Omegn (chair of the board).*
Previous directorships and senior management positions last five years	*Oslo Universitetssykehus HF (CEO), Statkraft (EVP), Kongsberggruppen ASA (board member), Norwegian University of Science and Technology (board member), Unibuss AS (board member) and Nobels Fredssenter (board member).*

Martin Mæland, Vice Chair

Martin Mæland has been a member of the board of directors of Entra Eiendom since 2007 and a member of the Board of Directors since incorporation of the Company in December 2012. Mr Mæland has a Master of Science (Cand.mag) and a Master of Economics (Cand.oecon) from the University of Oslo. He also serves as the CEO of OBOS and the chair of the board of directors of Veidekke ASA, BWG Homes AS, Block Watne AS and Eika Boligkreditt AS. Mr Mæland is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*OBOS BBL (CEO), Veidekke ASA (chair of the board), BWG Homes AS (chair of the board), Block Watne AS (chair of the board), BWG Homes AB (board member), Kärnhen AB (board member), Eika BoligKreditt AS (chair of the board), OBOS Finans Holding AS (chair of the board), OBOS Fornebulandet AS (chair of the board), OBOS Forretningsbygg AS (chair of the board), OBOS Kværnerbyen AS (chair of the board), OBOS Nye Hjem AS (chair of the board), OBOS Nye Hjem Nidaros AS (chair of the board), OBOS Nye Hjem Rogaland AS (chair of the board), Odense Projektudviklingsselskab A/S (chair of the board), OBOS Bostad AB (board member) and OBOS Exploatering AB (board member).*
Previous directorships and senior management positions last five years	*OBOS Eiendomsmeglere AS (board member), OBOS Invest AS (chair of the board), OBOS Skadeforsikring AS (board member), Eika Gruppen AS (board*

member), Patentbygg AB, Malmø (board member) and Utstillingsplassen Eiendom AS (board member).

Ingrid Therese Tjøsvold, Board member

Ingrid Therese Tjøsvold has been a member of the board of directors of Entra Eiendom since 2012 and a member of the Board of Directors since incorporation of the Company in December 2012. Ms Tjøsvold has a Master of Business Administration from the University of Strathclyde. She also serves as Executive Vice Presient (Business Support) of Mesta AS, a board member of Mesta Eiedom AS and a board member of W. Giertsen Tunnel AS. Ms Tjøsvold is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Mesta AS (EVP), Mesta Eiendom AS (board member) and W. Giertsen Tunnel AS (board member).*
Previous directorships and senior management positions last five years	*Bulder AS (CEO), Bulder Import AS (chair of the board), Bulder Maskin AS (chair of the board), Bulder Utstyr AS (chair of the board), Bulder Verksted AS (chair of the board), Mesta Drift AS (CEO), Mesta Stein AS (board member), Mesta Asfalt AS (board member), VB Agilis AS (CEO), Corner Tape AS (board member), NHO Mat og Drikke (board member) and Rieber & Søn ASA (Business Unit Director Norway).*

Kjell Bjordal, Board member

Kjell Bjordal has been a member of the board of directors of Entra Eiendom since 2012 and a member of the Board of Directors since incorporation of the Company in December 2012. Mr Bjordal has a Master of Business Administration from the Norwegian School of Economics (NHH). He is an independent business advisor and serves as the chair of the board of directors of Sparebank 1 SMN, AXESS Holding AS, Brødr Dyrøy AS and Norsk Landbrukskjemi AS. Mr Bjordal is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Sparebank 1 SMN (chair of the board), AXESS Holding AS (chair of the board), Brødr Dyrøy AS (chair of the board), Norsk Landbrukskjemi AS (chair of the board), Pharmaq AS (board member) and Florvaag Bruk Holding AS (board member).*
Previous directorships and senior management positions last five years	*EWOS AS (chair of the board), EWOS Innovation AS (chair of the board), EWOS Canada Ltd (chair of the board), EWOS Chile Alimentos Ltda (chair of the board), EWOS Limited (chair of the board), NorAqua AS (chair of the board), EWOS Group (CEO) and Cermaq ASA (COO).*

Arthur Sletteberg, Board member

Arthur Sletteberg has been a member of the board of directors of Entra Eiendom since 2012 and a member of the Board of Directors since incorporation of the Company in December 2012. Mr Sletteberg has a Master of Business Administration from the Norwegian School of Economics (NHH) and a Master of International Economics from the Kiel Institute for the World Economy. He also serves as CEO of The Norwegian Microfinance Initiative, a board member of DNB Livsforsikring AS and Ness, Risan & Partners AS. Mr Sletteberg is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*DNB Livsforsikring AS (board member), Ness, Risan & Partners AS and The Norwegian Microfinance Initiative (CEO).*
Previous directorships and senior management positions last five years	*Ferd AS (executive vice president and board member), Ferd Eiendom AS (chair of the board), Norwegian Microfinance Initiative (interim chair of the board) and Norfund (chair of the investment committee).*

Birthe Helén Smedsrud Skeid, Board member

Birthe Helén Smedsrud Skeid has been an employee representative of the board of directors of Entra Eiendom since 2012, and has been elected by the Selling Shareholder as a member of the Board of Directors as a representative of the employees of the Group. Ms Smedsrud Skeid has a Master of Technology from the Norwegian University of Science and Technology (NTNU). She serves as an investment analyst in the Group. Ms Smedsrud Skeid is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ...	*Sameiet Stasjonsgaten 61 (board member).*
Previous directorships and senior management positions last five years	*None.*

Frode Erland Halvorsen, Board member

Frode Erland Halvorsen has been an employee representative of the board of directors of Entra Eiendom since 2014, and has been elected by the Selling Shareholder as a member of the Board of Directors as a representative of the employees of the Group. He serves as manager of operations (Oslo) of the Group. He also serves as the local labour union leader for Forbundet for Ledelse og Teknikk (FLT). Mr Halvorsen is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ... None.
Previous directorships and senior management positions
last five years .... None.

12.3 Management

12.3.1 Overview

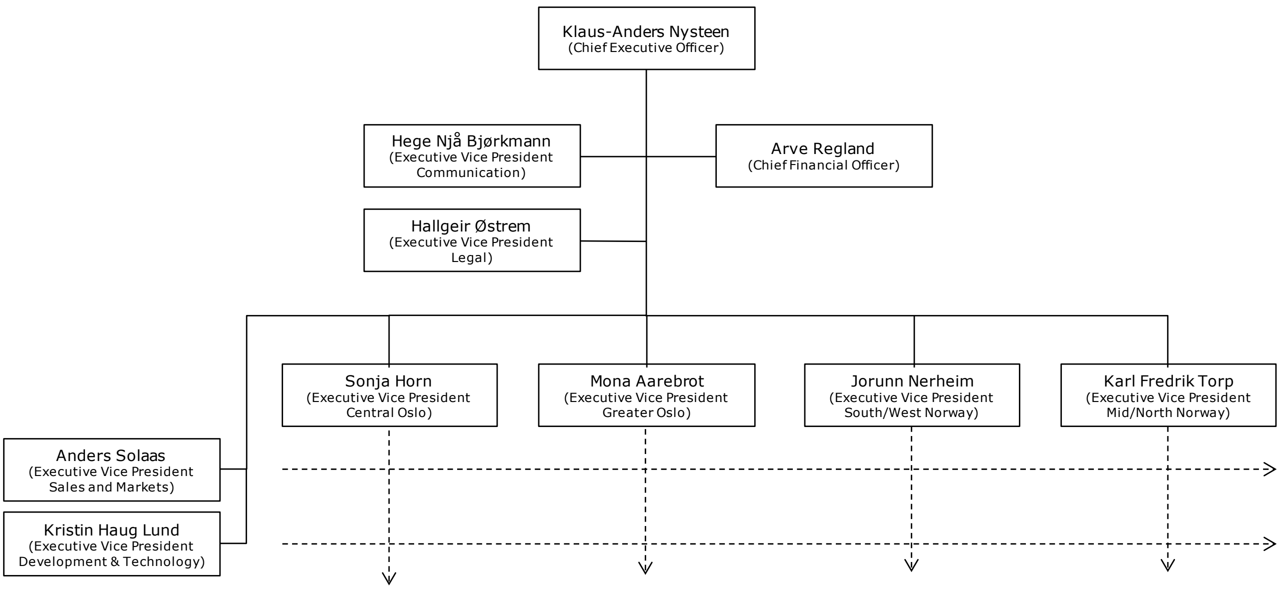
The Group's management team consists of ten individuals. As at the date of this Prospectus, no member of the Management holds any Shares, options or other rights to acquire Shares.

The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Current position within the Group	Employed with the Group since
Klaus-Anders Nysteen	Chief Executive Officer	2013
Arve Regland	Chief Financial Officer	2014
Hege Njå Bjørkmann	Executive Vice President Communication	2013
Hallgeir Østrem	Executive Vice President Legal	2013
Sonja Horn	Executive Vice President Central Oslo	2013
Mona Aarebrot...................................	Executive Vice President Greater Oslo	2012
Jorunn Nerheim	Executive Vice President South/West Norway	2004
Karl Fredrik Torp	Executive Vice President Mid/North Norway	2004
Anders Solaas	Executive Vice President Sales and Markets	2010
Kristin Haug Lund	Executive Vice President Development & Technology	2012

The Company's registered business address, Biskop Gunnerus' gate 14, 26th floor, N-0185 Oslo, Norway, serves as the business address for the members of the Management in relation to their employment with the Group.

The following chart sets out the Management's organisational structure:



12.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Klaus-Anders Nysteen, Chief Executive Officer

Klaus-Anders Nysteen holds the position as Chief Executive Officer and has been employed by the Group since January 2013. Mr Nysteen has a Master of Business Administration from the Norwegian School of Economics (NHH) and is also a graduate from the Royal Norwegian Naval Academy. He has previously served as CFO of Statoil Fuel & Retail ASA from 2010 to 2013, CEO of Storebrand Bank ASA from 2006 to 2010, CFO of Norway Post from 2001 to 2006 and CFO of Hydro Seafood AS from 1996 to 2001. Mr Nysteen is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*AIM Norway SF (board member), NWI AS (chair of the board), Oslo S Utvikling AS (board member), AFF AS (chair of the board) and Nyttegruppen Invest AS (board member).*
Previous directorships and senior management positions last five years	*Statoil Fuel & Retail ASA (CFO), Statoil Fuel & Retail Norge AS (board member), Storebrand Bank ASA (CEO), Storebrand Boligkreditt AS (chair of the board), Storebrand Eiendom AS (board member), Storebrand Eiendomskreditt AS (chair of the board), Storebrand Realinvestering AS (board member), Hadrian Eiendom AS (chair of the board), Hadrian Utvikling AS (chair of the board) and Konghellegaten Panorama AS (chair of the board).*

Arve Regland, Chief Financial Officer

Arve Regland holds the position as Chief Financial Officer and has been employed by the Group since January 2014. Mr Regland has a MSc in Business from the Norwegian Business School (BI) and is a state-authorised public accountant from the Norwegian School of Economics (NHH). He has previously been a partner with ABG Sundal Collier from 2004 to 2014, been a manager with Ernst & Young AS from 2002 to 2004, been listing advisor at the Oslo Stock Exchange from 2001 to 2002 and accountant with Arthur Andersen & Co from 1998 to 2001. Mr Regland is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*K9 Invest AS (chair of the board).*
Previous directorships and senior management positions last five years	*ABG Sundal Collier Real Estate AS (managing director), AGB Sundal Collier Eiendom AS (board member), Sigma Eiendom 1 AS (chair of the board), Lahaugmoen Invest AS (board member), Lahaugmoen AS (board member), Lahaugmoen Infrastruktur AS (board member), Felt V AS (board member), Felt W1 AS (board member), Felt Z 1 AS (board member), Felt Z AS (board member), C-Invest 2007 AS (board member), C-Invest AS (board member), Næringsbygg Holding I AS (board member), Gullaug Utvikling AS (board member), Lagerselskapet Holding AS (board member), Obligo Real Estate AS (board member), Patrizia Lille Grensen 5 AS (board member), Patrizia Lille Grensen 5 Hjemmel AS (board member), Patrizia Lille Grensen 5 Holding AS (board member), Sandberggården AS (board member), AS Grønnegaten 92 (chair of the board), Lagerselskapet 68 AS (chair of the board), Lagerselskapet 69 AS (chair of the board), Lagerselskapet 70 AS (chair of the board), Lagerselskapet 71 AS (chair of the board), Lagerselskapet 72 AS (chair of the board), Lagerselskapet 73 AS (chair of the board), Lagerselskapet 74 AS (chair of the board), Lagerselskapet 75 AS (chair of the board), Lagerselskapet 76 AS (chair of the board), Lagerselskapet 77 AS (chair of the board), Lagerselskapet 78 AS (chair of the board), Lagerselskapet 79 AS (chair of the board), Lagerselskapet 80 AS (chair of the board), Lagerselskapet 81 AS (chair of the board), Lagerselskapet 82 AS (chair of the board), Lagerselskapet 83 AS (chair of the board), Lagerselskapet 84 AS (chair of the board), Lagerselskapet 85 AS (chair of the board), Lagerselskapet 86 AS (chair of the board), Lagerselskapet 87 AS (chair of the board), Lagerselskapet 88 AS (chair of the board), Lagerselskapet 89 AS (chair of the board), Lagerselskapet 90 AS (chair of the board), Lagerselskapet 91 AS (chair of the board), Lagerselskapet 92 AS (chair of the board), Lagerselskapet 93 AS (chair of the board), Lagerselskapet 94 AS (chair of the board), Lagerselskapet 95 AS (chair of the board), Lagerselskapet 96 AS (chair of the board), Lagerselskapet 97 AS (chair of the board), Lagerselskapet 98 AS (chair of the board), Lagerselskapet 99 AS (chair of the board), Lagerselskapet 100 AS (chair of the board), Re Datter AS (chair of the board), Triangelgården Invest AS (chair of the board), Stadsrum Fastigheter AB (chair of the board), Nordier Retail & Logistics AB (chair of the board), Nordier Property Group AB (chair*

of the board), Nordier Property Advisors AB (chair of the board) and Nordier Leasing AB (chair of the board).

Hege Njå Bjørkmann, Executive Vice President Communication

Hege Njå Bjørkmann holds the position as Executive Vice President Communication and has been employed by the Group since April 2013. Ms Njå Bjørkmann has a MSc in Business from the Norwegian Business School (BI). She has previously been a partner and communication advisor with Kreab Gavin Anderson from 2009 to 2013, senior communication advisor with 20/20 Communications (BWPR) from 2005 to 2009, communication advisor with JKL from 2004 to 2005 and journalist with Kapital from 2000 to 2004. Ms Njå Bjørkmann is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*None.*
Previous directorships and senior management positions last five years	*Kreab Gavin Anderson (partner) and Heidi Hals AS (deputy board member).*

Hallgeir Østrem, Executive Vice President Legal

Hallgeir Østrem holds the position as Executive Vice President Legal and has been employed by the Group since October 2013. Mr Østrem has a law degree (Cand.jur) from the University of Bergen. He has previously been a lawyer and partner with Advokatfirmaet Schjødt AS from 2001 to 2013, lawyer with OBOS from 1994 to 2001 and senior legal advisor with the municipality of Flora from 1993 to 1994. Mr Østrem is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Sentrallager Nord-Norge KS (chair of the board), Sentrallager Nord-Norge AS (chair of the board) and Skarvenesveien 3 Eiendom ANS (chair of the board).*
Previous directorships and senior management positions last five years	*Advokatfirmaet Schjødt IS (partner).*

Sonja Horn, Executive Vice President Central Oslo

Sonja Horn holds the position as Executive Vice President Central Oslo and has been employed by the Group since August 2013. Ms Horn has a MSc in Business from the Norwegian Business School (BI). She has previously been Director and Senior Vice President (Real Estate Asset Management) at Statoil Fuel & Retail AS from 2011 to 2013, transaction advisor and partner with Union Norsk Næringsmegling AS from 2009 to 2011, head of large corporate accounts and with Fokus Bank ASA from 2004 to 2008, Director of Commercial Real Estate with the mortgage institution Fokus Kreditt AS from 2000 to 2004 and client account manager with Sparebankenes Kredittselskap AS (now DnB) from 1996 to 2000. Ms Horn is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Oslo S Utvikling AS (board member), Foreningen Byfolk Oslo Sentrum (board member), Horn Collection DA (owner) and Artha Holding AS (owner and board member).*
Previous directorships and senior management positions last five years	*Union Norsk Næringsmegling AS (partner), Fagerstrand Utvikling AS (board member), Statoil Fuel & Retail Eiendom Vest AS (board member), Gamleveien 51 AS (board member), Svend Haugs Gate 32 AS (board member), Dolvik Utvikling AS (board member), Statoil Fuel & Retail Eiendom Østlandet AS (board member), Statoil Fuel & Retail Eiendom Innlandet AS (board member), Statoil Fuel & Retail Norge Eiendom AS (board member), Schweigaards Gate 16 AS (board member), Statoil Fuel & Retail Properties 3 AS (board member), Statoil Fuel & Retail Properties 2 Holding AS (board member), Statoil Fuel & Retail Properties 3 Holding AS (board member), Statoil Fuel & Retail Utvikling Holding AS (board member), Statoil Fuel & Retail Properties 2 AS (board member), Statoil Fuel & Retail Properties Holding AS (board member), Statoil Fuel & Retail Property Holding AS (board member) and Statoil Fuel & Retail Properties 1 Holding AS (board member).*

Mona Aarebrot, Executive Vice President Greater Oslo

Mona Aarebrot holds the position as Executive Vice President Greater Oslo and has been employed by the Group since February 2012. Ms Aarebrot has a Master of Business Administration from the Norwegian Business School (BI) and a basic university course in psychology from the University of Oslo. She has previously served as CEO of Mesta Eiendom AS from 2008 to 2012, been head of property for the south-east region of Mesta AS from 2004 to 2008 and managing director of Brækhus Dege Eiendom AS from 1999 to 2004. Ms Aarebrot is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Sameiet Behrensgate 6 (board member), Sandvika Byutvikling (board*

	member) and Jensvollveien 3 AS (contact person).
Previous directorships and senior management positions last five years	*UP Entra AS (deputy board member), Karoline Kristiansens vei 2 AS (managing director), Billingstadsletta 26 AS (board member and contact person), Elsethveien 67 AS (board member and contact person), Gamle Ravei AS (board member and contact person), Grus Eiendom AS (managing director and board member), HRS Metallco Eiendom Tromsø AS (board member and contact person), Janaveien AS (board member and contact person), Jon Sundsvei 1 AS (managing director and board member), Lemminkäinen Industri AS (board member), Lyngbøveien 164 AS (board member and contact person), Mesta Drift AS (board member), Mesta Eiendom AS (managing director and board member), Mesta Elektro AS (board member), Mesta Entreprenør AS (board member), Navarveien 6 AS (board member and contact person), Nordre Langarinden 5 AS (board member and contact person), Røedstien 7 AS (board member and contact person), Salemsveien 24 AS (board member and contact person), Svaddevegen 157 AS (board member and contact person), Tverrveien 1 AS (board member and contact person), Bølerveien AS (managing director), Årø Næringspark AS (managing director), Forusbeen 248 AS (contact person), Kvassnesvegen 32 AS (contact person), Sameiet Bygdøy Alle 8 (contact person) and Åshaugveien 39 AS (contact person).*

Jorunn Nerheim, Executive Vice President South/West Norway

Jorunn Nerheim holds the position as Executive Vice President South/West Norway and has been employed by the Group since January 2004. Ms Nerheim has a law degree (Cand.jur) from the University of Bergen. She has previously served as administration manager and special consultant of Bergen Bygg og Eiendom AS from 1998 to 2003. Ms Nerheim is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Allehelgensgate 6 AS (chair of the board), Entra OPF Utvikling AS (chair of the board), Entra OPF Utvikling Holding AS (chair of the board) and Lars Hillesgate 30 AS (chair of the board).*
Previous directorships and senior management positions last five years	*Sørlandet Kunnskapspark Eiendom AS (chair of the board) and Ullandhaug Energi AS (board member).*

Karl Fredrik Torp, Executive Vice President Mid/North Norway

Karl Fredrik Torp holds the position as Executive Vice President Mid/North Norway and has been employed by the Group since March 2004. Mr Torp has a degree from the Norwegian Retail Management College (Varehandelens Høgskole). He has previously served as Director of Euro-Invest from 2000 to 2004, CEO of Eiendomsmegler 1 from 1996 to 2000 and centre director at Trondheim Torg from 1992 to 1996. Mr Torp is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*Trondheim Gårdeierforening (board member), Bogart AS (board member), Fosen Utbygging AS (board member) and Generalkonsul Adolf Øiens kapitalfond (board member).*
Previous directorships and senior management positions last five years	*None.*

Anders Solaas, Executive Vice President Sales and Markets

Anders Solaas holds the position as Executive Vice President Sales and Markets and has been employed by the Group since August 2010. Mr Solaas has a bachelor from the University of Mannheim and a degree in finance from the University of Lund. He has previously held various positions with Hafslund ASA, including CEO of Hafslund Eiendom AS from 2006 to 2010, CFO (Markets) from 2004 to 2005, group controller from 2002 to 2003, general manager of Hafslund Energy Trading LLC from 2000 to 2002 and group controller and finance director of Hafslund Strøm AS from 1999 to 2000. In addition he has served as portfolio manager of Fondsforvaltning AS from 1994 to 1999. Mr Solaas is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ...	*None.*
Previous directorships and senior management positions last five years	*Parkgaten 36 ANS (board member), UP Entra AS (board member), Ulven I AS (chair of the board), Ulven II AS (chair of the board), Sinsenveien 86 AS (chair of the board), Hafslund Eiendom AS (managing director), Hafslund Energy Trading AS (managing director), Rosenkrantz gate 14 AS (chair of the board), Slemdalsveien 105 AS (chair of the board), Parkveien 74 AS*

(chair of the board), Prof. Birkelandsvei 38-42 AS (chair of the board), Akershusstranda 10 AS (chair of the board), Pilestredet 34 AS (chair of the board), Parkgaten 36 ANS (chair of the board), UP Entra AS (chair of the board) Storhamargata Eiendom AS (board member), and Hafslund Nett AS (board member).

Kristin Haug Lund, Executive Vice President Development & Technology

Kristin Haug Lund holds the position as Executive Vice President Development & Technology and has been employed by the Group since May 2012. Ms Haug Lund has a Master of Science from the Norwegian Technical University College (NTH) and a Master in Property Development and Management from the Norwegian University of Science and Technology (NTNU). She has previously served as managing director of Horisont from 2011 to 2012, project manager of Vital Eiendom from 2005 to 2011, project manager of AF Gruppen from 2004 to 2006, project manager of NCC Property Development from 2002 to 2004 and construction manager of Veidekke ASA from 1997 to 2002. Ms Haug Lund is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ... *Haug Eiendom AS (CEO and board member).*
Previous directorships and senior management positions last five years .... *Vital Eiendom AS (project manager) and BMB Horisont AS (CEO).*

12.3.3 Internal control framework

The Group has an effective control function and a robust finance organisation where risks are managed individually based on a matrix of commercial risk, operational risk, project risk and business/strategic risk. The Group's projects are reviewed on a quarterly basis by the project and accounting departments together to assure the quality of the accounting and calculation of tax. The Group's internal controls are linked to ethical guidelines and the Group's corporate social responsibility is implemented on an ongoing basis. The employees of the Group are encouraged to report unsatisfactory situations internally or externally to a designated law firm.

12.4 Remuneration and benefits

12.4.1 Remuneration of the Board of Directors

The total remuneration paid to the current Board Members in 2013 was NOK 1.6 million (for the period between the dates of the Annual General Meetings in 2012 and 2013). The table below sets out the remuneration paid to the current Board Members in such period.

Name and position	Board fees	Committee fees	Total remuneration in 2013
Siri Beate Hatlen (Chair)	NOK 380,000	NOK 41,000	NOK 421,000
Martin Mæland (Vice Chair)	NOK 191,000	NOK 45,000	NOK 236,000
Ingrid Therese Tjøsvold (Board member)[1]	NOK 143,000	NOK 30,000	NOK 173,000
Kjell Bjordal (Board member)[1]	NOK 143,000	NOK 17,000	NOK 160,000
Arthur Sletteberg (Board member)[1]	NOK 143,000	NOK 39,000	NOK 182,000
Birthe Helén Smedsrud Skeid	NOK 191,000	-	NOK 191,000
Frode Erland Halvorsen	-	-	-

1 From 15 October 2012.

12.4.2 Remuneration of the Management

The Board of Directors has established guidelines for the remuneration of the members of the Management. It is a policy of the Group to offer the Management competitive remuneration based on current market standards, company and individual performance. The remuneration consists of a basic salary element combined with a performance based bonus program as set forth below. The Management participates in the Group's insurances and medical coverage, and is entitled to certain fringe benefits, such as annual car allowance of NOK 125,000, mobile phone, broadband access at home and one newspaper. The Group operates an early retirement pension scheme (public AFP) from the age of 62, from which point in time employees can reduce their working week or retire completely. As of 31 December 2013, the net pension liabilities associated with the early retirement pension scheme amounted to NOK 7.4 million.

The remuneration paid to the members of the current Management in 2013 was NOK 13.4 million. The table below sets out the remuneration of the current Management in 2013.

Name	Salary	Performance related pay	Benefits in kind	Estimated pensions costs	Total remuneration
Klaus-Anders Nysteen[1]	NOK 2,436,000	-	NOK 121,000	NOK 161,000[7]	NOK 2,718,000
Arve Regland[2]	-	-	-	-	-
Hege Njå Bjørkmann[3]	NOK 796,000	-	NOK 109,000	NOK 133,000	NOK 1,038,000
Hallgeir Østrem[4]	NOK 410,000	-	NOK 1,000	NOK 44,000	NOK 455,000
Sonja Horn[5]	NOK 593,000	-	NOK 51,000	NOK 69,000	NOK 713,000
Mona Aarebrot..................	NOK 1,261,000	NOK 81,000	NOK 139,000	NOK 175,000	NOK 1,656,000
Jorunn Nerheim................	NOK 1,088,000	NOK 116,000	NOK 151,000	NOK 175,000	NOK 1,530,000
Karl Fredrik Torp	NOK 1,119,000	NOK 127,000	NOK 144,000	NOK 175,000	NOK 1,565,000
Anders Solaas	NOK 1,622,000	NOK 330,000	NOK 164,000	NOK 175,000	NOK 2,291,000
Kristin Haug Lund[6]	NOK 1,124,000	NOK 44,000	NOK 113,000	NOK 170,000	NOK 1,451,000

1 CEO from 29 January 2013.

2 CFO from 20 January 2014.

3 EVP Communications from 2 February 2013.

4 EVP Legal from 1 October 2013.

5 EVP Central Oslo from 19 August 2013.

6 EVP Development & Technology from 1 October 2013.

7 Klaus-Anders Nysteen has in addition an individual pension scheme with an estimated pension cost of NOK 419,000.

12.4.3 Bonus scheme for the Management

The Group has established a result based bonus scheme for the members of the Management pursuant to which the members may earn bonuses up to 25% of their base salary. The bonus scheme is based on targets defined at company and business level, as well as predefined personal targets. For 2013, the targets were based on return on equity, owner costs, achieved rents, occupancy rates, customer satisfaction and energy consumption.

Currently, the Chief Executive Officer is not included in the Group's bonus scheme. However, his employment agreement stipulates that in the event of an initial public offering, the Board of Directors will propose to the General Meeting that a long term incentive plan is introduced for the Management. Following the Offering, the Board of Directors intends to propose to the General Meeting that a long term incentive plan is introduced for the Management. The terms of such a program will be determined following the Offering and will be subject to approval of the shareholders of the Company at the General Meeting.

12.5 Benefits upon termination

No employee, including any member of the Management, has entered into employment agreements which provide for any special benefits upon termination, except for Klaus-Anders Nysteen (Chief Executive Officer) who is entitled to a severance payment equal to six months' base salary if the Board of Directors initiates a termination of his employment. None of the Board Members or the members of the nomination committee has a service contract and none will be entitled to any benefits upon termination of office.

12.6 Pensions and retirement benefits

The Group's employees are members of the Norwegian Public Services Pension Fund. This is a defined benefit scheme that gives the employees a defined level of pension under which the employees will receive at least 66% of their pension qualifying salary. Any income above twelve times the National Insurance Scheme's basis amount (currently NOK 1,022,940) is not included in the qualifying salary. For the year ended 31 December 2013, the estimated costs of this pension scheme for the members of the current Management were NOK 1.3 million. In addition, the Group has established an uninsured supplement pension for Klaus-Anders Nysteen (Chief Executive Officer) for base salary exceeding twelve times the National Insurance Scheme's basic amount (12G). The supplement pension scheme is a defined contribution scheme and the annual contributions payable to the scheme by the Group equals 30% of Klaus-Anders Nysteen's base salary above twelve times the National Insurance Scheme's basic amount. For the year ended 31 December 2013, the pension scheme had an estimated cost of NOK 419,000. The Company has no pension or retirement benefits for its Board Members.

For more information regarding pension and retirement benefits, see note 18 to the Financial Statements for the year ended 31 December 2013, included as Appendix B.

Following the Listing, the Company intends to review the current pension arrangements, which may include potential changes to its pension scheme.

12.7 Loans and guarantees

All employees are entitled to apply for a loan from the Group in the amount of up to two months' base salary with repayment within two years. As of 30 June 2014, Anders Solaas (Executive Vice President Sales and Markets) had a loan with an outstanding balance of NOK 114,345. Other than this, the Group has not granted any loans, guarantees or other commitments to any of its Board Members or to any member of the Management.

In connection with the Employee Offering, Entra Eiendom will grant Eligible Employees a loan of up to the lower of (i) NOK 50,000 and (ii) 20% of such Eligible Employee's net annual salary after deduction of withholding tax, for the financing, in whole or in part, of such Eligible Employee's payment for the Shares allocated to such Eligible Employee in the Employee Offering. The loan will have a term of 12 months and will not carry interest. Each Eligible Employee will grant Entra Eiendom the rights to deduct repayments of the loan from such Eligible Employee's monthly salary in equal amounts over 12 months and to deduct any remaining amounts from the last salary in the event such Eligible Employee's employment is terminated before the loan amount is repaid in its entirety.

12.8 Employees

As of the date of this Prospectus, the Group had 166 employees.

The table below shows the development in the numbers of full-time employees for the six months ended 30 June 2014 and the years ended 2013, 2012 and 2011 (all the employees are employed in Norway).

	As at 30 June	As at 31 December		
	2014	**2013**	**2012**	**2011**
Total employees Group	**162**	**152**	**163**	**155**
By segment:				
- Central Oslo	31	33	31	33
- Greater Oslo	26	28	30	27
- South/West Norway	34[1]	19	22	22
- Mid/ North Norway	11	11	13	12
- Administration	60	61	67	61

1 The increase in the number of employees in the South/West Norway segment from 31 December 2013 to 30 June 2014 is primarily due to the completion of the acquisition of Hinna Park Eiendom AS.

12.9 Nomination committee

The Company's Articles of Association provide for a nomination committee composed of up to five members who are shareholders or representatives of shareholders. The current members of the nomination committee are John Giverholt (chair), Rolv Gunnar Roverud and Thorunn K. Bakke. The nomination committee will be responsible for nominating the shareholder-elected Board Members and members of the nomination committee and making recommendations for remuneration to the Board Members and members of the nomination committee.

12.10 Audit committee

The Board of Directors has established an audit committee composed of three Board Members. The current members of the audit committee are Arthur Sletteberg (chair), Martin Mæland and Ingrid Tjøsvold.

The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets; the operation of adequate system and internal controls; control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Board of Directors on the risk profile and risk management of the Company.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.11 Remuneration committee

The Board of Directors has established a remuneration committee amongst the Board Members. The remuneration committee comprises Siri Beate Hatlen (chair) and Kjell Bjordal.

The primary purpose of the remuneration committee is to assist the Board of Directors in discharging its duty relating to determining Management's compensation. The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.12 Corporate governance

The Company has adopted and implemented a corporate governance regime which complies with the Corporate Governance Code.

12.13 Conflicts of interests etc.

During the last five years preceding the date of this Prospectus, none of the Board Members and the members of the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

Martin Mæland (Vice Chair of the Board of Directors) is the Chief Executive Officer of OBOS BBL and Arthur Sletteberg (Board Member) is a board member of DNB Livsforsikring AS, both of which from time to time compete for tenants and acquisitions of properties with the Group. Ingrid Therese Tjøsvold serves as Executive Vice Presient (Business Support) of Mesta AS and a board member of Mesta Eiendom AS. To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and the members of the Management, including any family relationships between such persons. The Board of Directors maintain a list of the Board Members' significant principal activities outside the Company and names of companies and partnerships of which a Board Member is a member of the administrative, management or supervisory bodies or partner.

13 THE SELLING SHAREHOLDER

13.1 The Norwegian Government as a shareholder

The registered address of the Selling Shareholder is P.O. Box 8090 Dep, NO-0032 Oslo, Norway.

As at the date of this Prospectus, the Selling Shareholder holds 142,194,000 Shares in the Company, corresponding to 100% of the issued and outstanding Shares.

On 9 June 2011, the Norwegian Parliament (*Nw.: Stortinget*) gave the Norwegian Government a mandate to reduce its ownership interest in the Group to 33.4% in connection with a partial sale and/or an initial public offering of the Company (cf Prop. 83 S (2010-2011) and Innst. 374 S (2010-2011)). In connection with the Norwegian Government's proposition to the Norwegian Parliament for supplements to the national budget for 2014, the Norwegian Parliament gave the Norwegian Government a mandate to sell 100% of its ownership interest in the Company (cf Prop. 1 S Tillegg 1) on 11 December 2013. On 14 January 2014, the Selling Shareholder announced that preparations were being made to privatise the Company, and that the privatisation process could be implemented without the divestment of properties from Entra.

Assuming that the maximum number of Sale Shares are sold and New Shares are issued in the Offering, and that no Additional Shares are sold, the Selling Shareholder will retain a shareholding in the Company of no less than 42% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). If the Over-Allotment Option is exercised in full by the Managers, and the maximum number of Additional Shares which may be purchased pursuant to the Over-Allotment Option is sold, the shareholding of the Selling Shareholder in the Company following such sale will amount to no less than 34% (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range). These calculations exclude any Bonus Shares to be delivered by the Selling Shareholder in accordance with the terms of the Retail Offering and the Employee Offering as further detailed in Sections 18.5 "The Retail Offering" and 18.6 "The Employee Offering". To the extent the maximum number of Bonus Shares is delivered, the shareholding of the Selling Shareholder will at such time be further reduced.

Pursuant to the terms of the Purchase Agreement, the Selling Shareholder will give an undertaking that will restrict its ability to offer, sell or transfer Shares, as applicable, for a period of 180 calendar days after the date of the Purchase Agreement. See Section 18.17 "Lock-up".

As long as the Norwegian Government owns more than one-third of the Shares, it will be able to prevent any amendments to the Articles of Association.

The Norwegian Government has adopted a set of general principles regarding Norwegian state ownership of companies which are expressed in a Governmental Paper laid down in "Et mangfoldig og verdiskapende eierskap" Meld.St. 27 (2013-2014).

13.2 The Norwegian Government as a regulatory authority

As a public limited company organised under the laws of Norway and engaged in business primarily in Norway, the Company is subject to the laws and regulations of Norway. The role of the Norwegian Government as regulator is managed by the Ministry of Local Government and Modernisation. Changes to relevant laws and regulations could have a significant impact on the Group's operations. Various Norwegian agencies and departments, such as the Ministry of Culture, the Ministry of Education and Research, the Ministry of Climate and Environment, the Ministry of Local Government and Modernisation, the Ministry of Finance and the Ministry of Justice and Public Security, exercise regulatory powers which affect the business and operations of the Group. See Section 8.13 "Regulations".

13.3 The Norwegian Government as a customer

Norwegian governmental bodies together with counties and municipalities in the aggregate comprise the Group's largest customers, with contractual rent from public sector tenants accounting for approximately 72% of total contractual rent as of 30 June 2014. The distribution of responsibility for leasing decisions by the Group and the Group's public sector tenants ensures that lease agreements are entered into on commercial terms and that tenant selection is based upon commercial considerations. Generally, the Company deals with various Norwegian governmental bodies, counties and municipalities as separate customers, except that the terms upon which the Company offers services to government entities are periodically established through a tender process in order to comply with the procurement rules to which the government entities are subject. In the year ended 31 December 2013, NOK 1,303 million of the Group's annual rental income (including rental income from IFRIC 12 properties) was generated by leases where Norwegian governmental bodies, counties and municipalities, were customers. See Section

8.6 "Tenants and lease structure" for more information on the ten largest tenants of the Group, including public sector tenants, based on contractual rent.

14 RELATED PARTY TRANSACTIONS

14.1 Introduction

Below is a summary of the Group's related party transactions for the periods covered by the historical financial information included in this Prospectus as Appendix B and Appendix C and up to the date of this Prospectus. For further information on related party transactions of the Group, please refer to note 31 of the Financial Statements, included in Appendix B to this Prospectus. All related party transactions have been concluded at arm's length principles.

During the period covered by the Financial Information, the Group has been wholly owned by the Selling Shareholder. Several of the Group's properties are leased to public-sector tenants. All lease contracts are entered into on commercial terms.

14.2 Transactions carried out with related parties in the years ended 31 December 2013, 2012 and 2011

The below table gives an overview of the transactions carried out with related parties in the years ended 31 December 2013, 2012 and 2011.

In NOK millions	Year ended 31 December		
Transaction	**2013** *(audited)*	**2012** *(audited)*	**2011[1]** *(audited)*
Rental income[2]	**1,303**	**1,192**	**1,154**
Interest income			
Jointly controlled entities	-	-	2.3
Associates	0.1	0.3	1.0
Total interest income	**0.1**	**0.3**	**3.3**
Receivables			
Jointly controlled entities	-	-	-
Associates	-	6.7	14.2
Total receivables	**0.0**	**6.7**	**14.2**

1 The Group's consolidated financial statements as of, and for the year ended, 31 December 2011 have been prepared with Entra Eiendom as the ultimate parent company of the Group.

2 Rental income in relation to lease agreements where Norwegian governmental bodies, counties and municipalities are tenants. The number includes rental income from IFRIC 12 properties.

14.3 Transactions carried out with related parties in the six months ended 30 June 2014

The below table gives an overview of the transactions carried out with related parties in the six months ended 30 June 2014.

In NOK millions	Six months ended 30 June
Transaction	**2014** *(unaudited)*
Rental income[1]	**335.9**
Interest income	
Jointly controlled entities	-
Associates	-
Total interest income	**-**
Receivables	
Jointly controlled entities	1.2
Associates	-
Total receivables	**1.2**

1 Rental income in relation to lease agreements where Norwegian governmental bodies, counties and municipalities are tenants. The number includes rental income from IFRIC 12 properties.

14.4 Transactions carried out with related parties in the period following 30 June 2014

As of 30 June 2014, the contractual rent of lease agreements where Norwegian governmental bodies, counties and municipalities are tenants was NOK 1,379.6 million. In the period following 30 June 2014, the Group has not entered into any new related party agreements. The related party agreements the Group was a party to during the six months ended 30 June 2014 have continued to be in effect in the period following 30 June 2014. As a result, related party transactions have been carried out under these related party agreements in the same manner as in the six months ended 30 June 2014.

15 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association, included in Appendix A to this Prospectus, and applicable law.

15.1 Company corporate information

The Company's registered name is Entra ASA. The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Oslo, Norway. The Company was incorporated in Norway by the Selling Shareholder on 20 December 2012 as a private limited company and converted into a public limited company on 22 September 2014. The Company's registration number in the Norwegian Register of Business Enterprises is 999 296 432, and the Shares are registered in book-entry form with the VPS under ISIN NO0010716418. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA, Registrar Department. The Company's registered office is located at Biskop Gunnerus' gate 14, 26th floor, N-0185 Oslo, Norway and the Company's main telephone number at that address is +47 21 60 51 00 and its telefax number is +47 21 60 51 01. The Company is in the process of relocating its registered office to another floor at Biskop Gunnerus gate 14, N-0185 Oslo, Norway. The Company's website can be found at www.entra.no. The content of www.entra.no is not incorporated by reference into and does not otherwise form a part of this Prospectus.

15.2 Legal structure

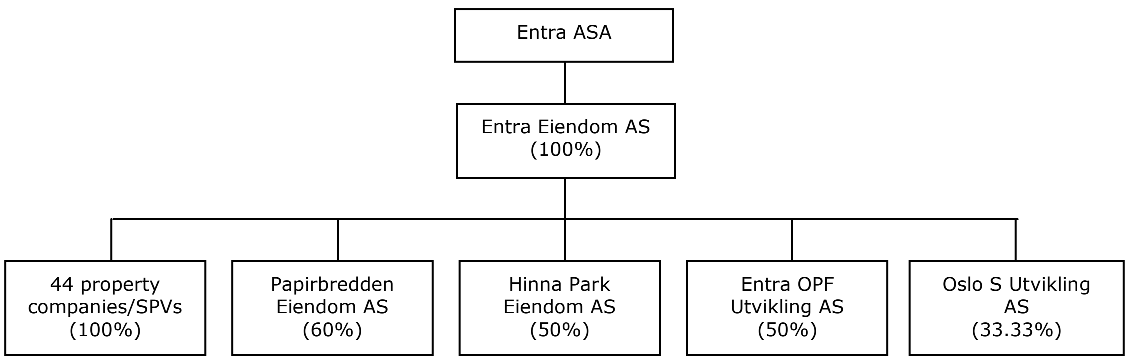
The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.

The following table sets out information about the Company's significant subsidiaries:

Company	Country of incorporation	Field of activity	Holding (%):
Entra Eiendom AS	Norway	Property owning company	100
Biskop Gunnerus Gate 14 AS	Norway	Property owning company	100
Entra Kultur 1 AS	Norway	Property owning company	100
Langkaia 1 AS	Norway	Property owning company	100
Universitetsgaten 2 AS	Norway	Property owning company	100

As at the date of this Prospectus, the Group is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

The following condensed chart sets out the Group's legal group structure as at the date of this Prospectus:



15.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 142,194,000 divided into 142,194,000 Shares, with each Share having a par value of NOK 1.00. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has one class of shares. There are no share options or other rights to subscribe for or acquire Shares issued by the Company. Neither the Company nor any of its subsidiaries directly or indirectly owns shares in the Company.

The table below shows the development in the Company's share capital for the period from its incorporation to the date hereof:

Date of resolution	Type of change	Change in share capital (NOK)	Par value (NOK)	New number of Shares	New share capital (NOK)
20 December 2012	Incorporation		1,000	142,194	142,194,000
26 September 2014	Share split	-	1.00	142,194,000	142,194,000

In the period from incorporation of the Company to the date of this Prospectus, NOK 142,194,000 of the share capital has been paid with assets other than cash (corresponding to 100% of the current share capital). See Section 8.4 "History and important events" for a description of the establishment of the Company.

15.4 Admission to trading

The Company will on or about 6 October 2014 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on or about 9 October 2014, subject to certain conditions being met. See Section 18.14 "Conditions for completion of the Offering—Listing and trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on an "if sold/if issued" basis, on or around 17 October 2014, and on an unconditional basis on or around 21 October 2014. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

15.5 Ownership structure

As of the date of this Prospectus, the Company has one shareholder, the Selling Shareholder, holding all the issued and outstanding Shares in the Company. See Section 13 "The Selling Shareholder" for a description of the Selling Shareholder's expected ownership interest following the Offering.

There are no differences in voting rights between the Shares.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 16.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

Depending on the number of Offer Shares sold in the Offering and the final Offer Price, the Selling Shareholder may hold more than 50% of the Shares following the Listing. Other than this, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company following the Listing. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Shares have not been subject to any public takeover bids.

15.6 Authorisation to increase the share capital and to issue Shares

The Board of Directors has been granted an authorisation to increase the share capital by up to NOK 70 million, corresponding to approximately 50% of the Company's current share capital to be used in connection with the Offering. See Section 18.3 "Resolution relating to the Offering and the issue of the New Shares".

The authorisation is valid until 31 December 2014. The preferential rights of the existing shareholders to subscribe for the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from. The authorisation does not permit share capital increases against contribution in kind or in connection with mergers.

15.7 Authorisation to acquire treasury shares

The Board of Directors does not have an authorisation to repurchase Shares.

15.8 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares or any shares in subsidiaries of the Company. Further, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

15.9 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 15.10 "The Articles of Association and certain aspects of Norwegian law".

15.10 The Articles of Association and certain aspects of Norwegian law

15.10.1 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association.

15.10.1.1 Objective of the Company

The objective of the Company is to own, acquire, sell, operate, develop and manage real property and other business related to this. The Company may also own shares or interests in, or participate in, other companies with businesses similar to the aforesaid.

15.10.1.2 Registered office

The Company's registered office is in the municipality of Oslo, Norway.

15.10.1.3 Share capital and par value

The Company's share capital is NOK 142,194,000 divided into 142,194,000 Shares, each with a par value of NOK 1.00.

15.10.1.4 Board of Directors

The Company's Board of Directors shall consist of seven to ten members to be elected for a period of up to two years at a time. The Chair of the Board of Directors shall be appointed by the General Meeting.

15.10.1.5 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

15.10.1.6 General Meetings

Documents relating to matters to be dealt with by the Company's General Meeting, including documents which by law shall be included in or attached to the notice of the General Meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the General Meeting are sent to him/her. The shareholders may cast their votes in writing, including through electronic communication (provided that a satisfactory method to authenticate the sender is available), in a period prior to the General Meeting. The Board of Directors can establish specific guidelines for such advance voting. The notice of the General Meeting shall describe the adopted guidelines. Shareholders shall pre-register their attendance at General Meetings within a deadline set forth in the notice of the General Meeting.

15.10.1.7 Nomination committee

The Company shall have a nomination committee. See Section 12 "Board of Directors, Management, Employees and Corporate Governance".

15.10.2 Certain aspects of Norwegian corporate law

15.10.2.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June.

Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the General Meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for General Meetings, the Company plans to include a proxy form with notices of General Meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at General Meetings. The Company's Articles of Association do however include a provision requiring shareholders to pre-register in order to participate at General Meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically.

15.10.2.2 Voting rights – amendments to the Articles of Association

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a General Meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the General Meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the General Meeting, transfer the Shares from such NOM-account to an account in the shareholder's name.

There are no quorum requirements that apply to the General Meetings.

15.10.2.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the par value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

15.10.2.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

15.10.2.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding 18 months.

15.10.2.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the company's website, at least one month prior to the General Meeting to pass upon the matter.

15.10.2.7 Liability of Board Members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company. A Board Member may not participate in the discussion or decision of any matter which is of such particular importance to him-/herself or any related parties that he/she must be deemed to have a special or prominent personal or financial interest in the matter.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting passing upon the matter. If a resolution to discharge the Company's Board Members from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's Board Members from liability or not to pursue claims against the Company's board members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

15.10.2.8 Indemnification of Board Members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

15.10.2.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

15.10.3 Shareholders' agreement

There are no shareholders' agreements related to the Shares.

16 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Shareholders who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

16.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As at 31 December 2013, the total capitalisation of companies listed on the Oslo Stock Exchange amounted to approximately NOK 1,927 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2013 amounted to approximately 37.3%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regard to, *inter alia*, trading systems for equities, fixed income and derivatives.

16.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is three trading days (T+3). Pursuant to new settlement requirements in the EU, including Regulation on improving securities settlement in the EU and on central securities depositories (CSDs) and amending Directive 98/26/EC, the VPS has decided to introduce a settlement period of two trading days (T+2) from 6 October 2014. This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange, except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

16.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

16.4 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

16.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

16.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

16.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

16.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

16.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above-mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

16.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders will be deemed to have accepted the offered price after the expiry of the specified deadline.

16.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

17 TAXATION

Set out below is a summary of certain Norwegian and United States tax matters related to an investment in the Company. The summary regarding Norwegian and United States taxation are based on the laws in force in Norway and the United States as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

17.1 Norwegian taxation

17.1.1 Norwegian shareholders

Taxation of dividends

Norwegian Personal Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income in Norway for such shareholders at a flat rate of 27% to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share.

Norwegian Corporate Shareholders

Dividends distributed from the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are effectively taxed at a rate of 0.81% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 27%).

Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 27%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 17.1.1 "Taxation of dividends – Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss. Any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Taxation of Bonus Shares

Shares delivered as Bonus Shares to investors in the Retail Offering and the Employee Offering will not be taxed as dividends, as the Bonus Shares are delivered by the Selling Shareholder and not the Company.

It is assumed that the cost price of the Bonus Share will equal a proportionate part of the cost price of the Shares which gave rights to receive a Bonus Share, reducing the cost price of such Shares by a proportionate amount. The cost price will be the basis for subsequent taxation of dividends and gains/losses related to the realisation of the Shares.

Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 1.0% of the value assessed. The value for assessment purposes for listed shares is equal to the listed value as of 1 January in the year of assessment, which is the year following the relevant fiscal year.

Norwegian Corporate Shareholders are not subject to net wealth tax.

17.1.2 Non-Norwegian shareholders

Taxation of dividends

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please refer to Section 17.1.1 "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Capital gains tax

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

Taxation of bonus shares

Shares delivered as Bonus Shares to investors in the Retail Offering and the Employee Offering will not be taxed as dividends in Norway (i.e. will not be subject to Norwegian withholding tax), as the Bonus Shares are delivered by the Selling Shareholder and not the Company.

Net wealth tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

17.1.3 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

17.1.4 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17.1.5 Taxation of the employee loan – Norwegian Eligible Employees

The interest-free loan to Eligible Employees of an amount up to the lower of (i) NOK 50,000 and (ii) 20% of the respective employee's net annual salary after deduction of withholding tax on a 12 month term will not trigger any Norwegian taxation of Eligible Employees who are individuals resident in Norway for tax purposes.

17.2 United States federal income tax considerations

This section describes the material United States federal income tax consequences to a U.S. holder (as defined below) of acquiring, owning and disposing of Shares. It applies to you only if you acquire your Shares in this offering and you hold your Shares as capital assets for United States federal income tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings,
- a tax-exempt organisation,

- a life insurance company,
- a person liable for alternative minimum tax,
- a person that actually or constructively owns 10% or more of our voting stock,
- a person that holds Shares as part of a straddle or a hedging or conversion transaction,
- a person that purchases or sells Shares as part of a wash sale for tax purposes, or
- a person whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions all as currently in effect, as well as on the U.S.-Norway Income Tax Treaty (the "**Treaty**"). These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the Shares, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Shares should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the Shares.

You are a U.S. holder if you are a beneficial owner of Shares and you are:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorised to control all substantial decisions of the trust.

You should consult your own tax advisor regarding the United States federal, state and local and other tax consequences of owning and disposing of Shares in your particular circumstances.

17.2.1 Dividends

Under the United States federal income tax laws, and subject to the passive foreign investment company, or PFIC, rules discussed below, if you are a U.S. holder, the gross amount of any distribution we make will constitute dividend income to the extent that such distribution is paid out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes). Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Shares and thereafter as capital gain. However, we do not expect to calculate earnings and profits in accordance with United States federal income tax principles. Accordingly, you should expect generally to treat distributions we make as dividends. If you are a noncorporate U.S. holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you hold the Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends received with respect to Shares will be qualified dividends if (i) we are eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service has approved for purposes of the qualified dividend rules and (ii) we were not, in the year prior to the year in which the dividend was paid, and we are not, in the year in which the dividend is paid, a PFIC. Dividends we pay with respect to the Shares should generally be qualified dividend income.

You must include any Norwegian tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The dividend is taxable to you when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. dollar value of the NOK payments made, determined at the spot NOK/USD rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into USD. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is included in your income to the date the payment is converted into USD will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. If VPS converts the dividend distribution from NOK to USD on the same date that it receives it, then there should not be any exchange gain or loss.

Subject to certain limitations, the Norwegian tax withheld in accordance with the Treaty and paid over to Norway will be creditable or deductible against your United States federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates. The rules governing foreign tax credits are complex, and U.S. holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Dividends will be income from sources outside the United States and, depending on your circumstances, will be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to you.

17.2.2 Capital gains

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of your Shares, you will recognise capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realise and your tax basis, determined in USD, in your Shares. If your Shares are sold or otherwise disposed of for an amount in NOK, the amount you realise would be the U.S. dollar value of such amount on the date the Shares are sold or otherwise disposed of, except that in the case of Shares that are traded on an established securities market, as defined in the applicable Treasury regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, would determine the amount realised based on the U.S. dollar value of the NOK on the settlement date of the sale. Capital gain of a noncorporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the capital gain or loss is included in your income to the date the payment of NOK is converted into USD will be treated as ordinary income or loss and will not be eligible for the preferential rates applicable to capital gains.

17.2.3 Medicare tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the U.S. holder's "net investment income" (or "undistributed net investment income" in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income (or "adjusted gross income" in the case of an estate or trust) for the taxable year over a certain threshold (which in the case of individuals is between USD 125,000 and USD 250,000, depending on the individual's circumstances). A U.S. holder's net investment income generally includes its dividend income and its net gains from the disposition of Shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Shares.

17.2.4 PFIC rules

We believe that Shares should not be treated as stock of a PFIC for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change.

In general, if you are a U.S. holder, we will be a PFIC with respect to you if for any taxable year in which you held our Shares:

- at least 75% of our gross income for the taxable year is passive income; or
- at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income.

Passive income generally includes dividends, interest, royalties, rents, annuities and gains from assets that produce passive income. For purposes of this determination, rents and gains from real estate generally are active income and the real estate is an active asset where the lessor regularly performs active and substantial management and operational functions through its own officers and employees. The determination of whether rental real estate assets and income are active is a factual inquiry.

If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate Share of the assets of the other corporation, and as receiving directly its proportionate Share of the other corporation's income.

Based on our present assets, income and activities, we believe that Shares should not be treated as stock of a PFIC for United States federal income tax purposes. However, as noted above, whether our activities are sufficient for our income and assets to be treated as "active" for these purposes is a factual determination, and how the law would be applied to our activities is unclear. Moreover, the rules applicable to the determination of whether rents and gains from self-managed real estate are active income are uncertain where management services are performed by affiliates of the lessor. Since our real property investments are at least in part managed by affiliates that do not themselves own the real property, those investments, and income and gains from them, may not be "active" assets or income for purposes of these rules. No assurance can be given that the U.S. Internal Revenue Service ("IRS") will not challenge our position that our rental income and assets are active or that such a challenge would not be sustained.

If we are treated as a PFIC, and you are a U.S. holder that did not make a mark-to-market election, as described below, you will be subject to special rules with respect to:

- any gain you realise on the sale or other disposition of your Shares; and
- any excess distribution that we make to you (generally, any distributions to you during a single taxable year that are greater than 125% of the average annual distributions received by you in respect of the Shares during the three preceding taxable years or, if shorter, the portion of your holding period for the Shares before the taxable year).
- Under these rules:
- the gain or excess distribution will be allocated ratably over your holding period for the Shares,
- the amount allocated to the taxable year in which you realised the gain or excess distribution will be taxed as ordinary income,
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.
- a U.S. holder will generally be subject to similar rules with respect to distributions to us by, and dispositions by us of the stock of, any direct or indirect subsidiaries of ours that are also PFICs.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

We do not intend to comply with the applicable information reporting requirements that would allow you to elect to treat your Shares as an interest in a "qualified electing fund." Accordingly, you will be unable to make a "QEF election." However, if you own Shares in a PFIC that are treated as "marketable stock", you may make a mark-to-market election. The mark-to-market election is available only for "marketable stock," which is stock that is regularly traded on a "qualified exchange or other market," as defined in the applicable U.S. Treasury regulations. You should consult your tax advisor regarding the availability of the mark-to-market election.

If a mark-to-market election is available and if you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your Shares at the end of the taxable year over your adjusted basis in your Shares. These amounts of ordinary income will not be eligible for the favourable tax rates applicable to qualified dividend income or long-term capital gains. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of your Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the Shares will be adjusted to reflect any such income or loss amounts. The application of the mark-to-market rules to an investment in a PFIC that has a subsidiary that is also PFIC is not entirely clear; however, there is a significant risk that some or all of such an investment will be subject to the special rules described above that apply if a mark-to-market election is not made, even if a mark-to-market election is made with respect to the regularly-traded PFIC. U.S. holders should consult their own tax advisors about the application of the mark-to-market rules with respect to our non-publicly traded subsidiaries. Your Shares will be treated as stock in a PFIC if we were a PFIC at any time during your holding period in your Shares, even if we are not currently a PFIC. For purposes of this rule, if a mark-to-market election is available and if you make a mark-to-market election with respect to your Shares, you will be treated as having a new holding period in your Shares beginning on the first day of the first taxable year beginning after the last taxable year for which the mark-to-market election applies.

In addition, notwithstanding any election you make with regard to the Shares, dividends that you receive from us will not constitute qualified dividend income to you if we are a PFIC either in the taxable year of the distribution or the preceding taxable year. Dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the preferential rates applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by us out of our accumulated earnings and profits (as determined for United States federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

A U.S. holder that owns an equity interest in a PFIC must annually file IRS Form 8621, and may be required to file other IRS forms. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of the U.S. holder's taxable years for which such form is required to be filed. As a result, the taxable years with respect to which the U.S. holder fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

17.2.5 Information with respect to foreign financial assets

Owners of "specified foreign financial assets" with an aggregate value in excess of USD 50,000 (and in some circumstances a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non- United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Shares.

17.2.6 Backup withholding and information reporting

If you are a noncorporate U.S. holder, information reporting requirements, on IRS Form 1099, generally will apply to dividend payments or other taxable distributions made to you within the United States, and the payment of proceeds to you from the sale of Shares effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

Payment of the proceeds from the sale of Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

18 THE TERMS OF THE OFFERING

18.1 Overview of the Offering

The Offering consists of (i) an offer of New Shares to raise an amount of NOK 2,700 million by the issuance of up to 44,262,296 New Shares, each with a par value of NOK 1.00, and (ii) an offer of between 29,009,265 and 64,673,913 Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a par value of NOK 1.00, offered by the Selling Shareholder. The Joint Bookrunners may elect to over-allot up to 16,340,432 Additional Shares, equalling up to approximately 15% of the number of New Shares and Sale Shares (assuming that all the Sale Shares and New Shares are sold in the Offering). The Selling Shareholder has granted Goldman Sachs International, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments. Assuming the Over-Allotment Option is exercised in full and that all the Sale Shares and New Shares are sold in the Offering, the Offering will amount to up to 125,276,641 Offer Shares. The sum of the allocated Sale Shares and Additional Shares will in no event be less than 40,000,000 Shares or more than 80,000,000 Shares. In addition, the Offering includes a right for investors in the Retail Offering and the Employee Offering to receive Bonus Shares from the Selling Shareholder on terms and conditions set out herein.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) investors in the United States who are QIBs. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.

- A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor, with a right to receive Bonus Shares (subject to the terms set out in Section 18.5.1 "Offer Price"). Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

- An Employee Offering, in which Offer Shares are being offered to Eligible Employees (as defined below) subject to a lower limit per application of an amount of NOK 1,500 or 15 Offer Shares (in the event a number of Offer Shares is applied for) and an upper limit per application of NOK 4,999,999 or 150 Offer Shares (in the event a number of Offer Shares is applied for) for each Eligible Employee, with a right to receive Bonus Shares (subject to the terms set out in Section 18.6.2 "Offer Price"). Eligible Employees who intend to place an order in excess of NOK 4,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Employee Offering are not allowed. All Eligible Employees will receive full allocation in the Employee Offering. Eligible Employees may not order Shares in both the Employee Offering and the Retail Offering. Entra Eiendom will grant Eligible Employees a loan of up to the lower of (i) NOK 50,000 and (ii) 20% of such Eligible Employee's net annual salary after deduction of withholding tax, for the financing, in whole or in part, of such Eligible Employee's payment for the Offer Shares allocated to such Eligible Employee in the Employee Offering.

All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important information" and Section 19 "Selling and transfer restrictions".

The Bookbuilding Period for the Institutional Offering is expected to take place from 6 October 2014 at 09:00 hours (CET) to 16 October 2014 at 15:00 hours (CET). The Application Period for the Retail Offering is expected to take place from 6 October 2014 at 09:00 hours (CET) to 15 October 2014 at 12:00 hours (CET) for physical orders and 12:00 hours (CET) on 16 October 2014 for Online Orders (as defined below). The Application Period for the Employee Offering is expected to take place from 6 October 2014 at 09:00 hours (CET) to 15 October 2014 at 12:00 hours (CET). The Company and the Selling Shareholder, in consultation with the Joint Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and Application Period at any time. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the prevailing expiration date of the Bookbuilding Period and/or the Application Period, provided, however, that in no event will the Bookbuilding Period and/or Application Period be shortened to expire prior to 12:00 hours (CET) on 14 October 2014. Any extension of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Bookbuilding Period and/or the Application Period. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times provided, however, that in no event will the Bookbuilding Period and/or Application Period be extended beyond 15:00 hours (CET) on 21 October 2014. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The Company and the Selling Shareholder have, together with the Joint Bookrunners, set an Indicative Price Range for the Offering from NOK 61 to NOK 72 per Offer Share. Assuming that the Offer Price is set at the mid-point of this range, the aggregate gross amount of the Offering will be approximately up to NOK 7,001 million, assuming that all the New Shares and Sale Shares are sold in the Offering (excluding any over-allotments). The Company and the Selling Shareholder will, in consultation with the Joint Bookrunners, determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the number of applications received in the Retail Offering and the Employee Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period. Any such amendments to the Indicative Price Range will be announced through the Oslo Stock Exchange's information system.

The Company expects that it will, on or about 16 October 2014, together with the Selling Shareholder, enter into a purchase agreement (the "**Purchase Agreement**") with the Joint Bookrunners (as representatives of the Managers) with respect to the Offering of the Offer Shares. On the terms and subject to the conditions set forth in the Purchase Agreement and provided that the Offering has not been terminated prior thereto, the Managers are expected to agree, severally and not jointly, to purchase from the Selling Shareholder and the Company the Sale Shares and the New Shares being sold in the Offering. The purchase commitments of each of the Managers will be determined in conjunction with determination of the final Offer Price and number of Offer Shares to be sold in the Offering, which is expected to take place on 16 October 2014.

In addition, the Selling Shareholder has granted the Stabilisation Manager (Goldman Sachs International), on behalf of the Managers, the Over-Allotment Option to purchase up to 16,340,432 Additional Shares, equalling up to approximately 15% of the final number of New Shares and Sale Shares (representing up to 8.8% of the Shares in issue in the Company following the Offering) at the Offer Price, exercisable, in whole or in part, within a 30-day period commencing at the time at which "if sold/if issued" trading in the Shares commences on the Oslo Stock Exchange, expected to be on 17 October 2014. The Over-Allotment Option is granted to cover over-allotments, if any, made in connection with the Offering on the terms and subject to the conditions described in this Prospectus. In order to permit delivery in respect of over-allotments made, if any, the Selling Shareholder will, pursuant to the Purchase Agreement, grant to the Stabilisation Manager an option (the "**Lending Option**") to require the Selling Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. See Section 18.10 "Over-allotment and stabilisation activities" for further details.

The Selling Shareholder and the Company will make certain representations and warranties, and will agree to certain undertakings, in the Purchase Agreement. The Company will undertake, subject to certain conditions and limitations, to indemnify the Managers against certain liabilities in connection with the Offering.

In connection with the Purchase Agreement, the Selling Shareholder and the Company will give an undertaking that will restrict their ability to issue, sell or transfer Shares for 180 calendar days after the date of the Purchase Agreement. In addition, Klaus-Anders Nysteen, Arve Regland, Sonja Horn, Mona Aarebrot, Jorunn Nerheim, Karl Fredrik Torp, Anders Solaas and Kristin Haug Lund will provide undertakings that will restrict their ability to sell or dispose of Shares for a period of 12 months after the date of the Purchase Agreement. For more information about these restrictions, see Section 18.17 "Lock-up" below.

The Purchase Agreement is expected to provide that the Managers may terminate the Purchase Agreement (and thus the Managers' obligation to purchase the Sale Shares and the New Shares) if prior to 07:30 hours (CET) on the first day of Listing on an "if sold/if issued" basis (expected to take place on or about 17 October 2014 as described below), there has been any material adverse change or any development involving a prospective material adverse change in the business, properties, financial condition or results of operations of the Group which would, in the judgment of the Joint Global Coordinators, acting in good faith after consultation with the Company and the Selling Shareholder to the extent reasonably practicable, make it impracticable or inadvisable to market the New Shares and the Sale Shares on the terms and in the manner contemplated herein. In addition, the Purchase Agreement is expected to provide that the Managers may terminate the Purchase Agreement (and thus the Managers' obligation to purchase the Sale Shares and the New Shares) if prior to 17:00 hours (CET) on 20 October 2014, one of the following events (each a "**force majeure**" event) occurs:

(i) a suspension or material limitation in trading in securities generally on the Oslo Stock Exchange, the New York Stock Exchange or the London Stock Exchange; (ii) a general moratorium on commercial banking activities declared by the federal, national, state or local regulatory authorities of Norway, the United States or the United Kingdom or a material disruption in commercial banking or securities settlement or clearance services in Norway, the United States or the United Kingdom; (iii) an outbreak or escalation of hostilities or acts of terrorism involving Norway, the United States or the United Kingdom or a declaration by Norway, the United States or the United Kingdom of a national emergency or war; or (iv) any other calamity or crisis the effect of which on the financial markets of Norway, the United States or the United Kingdom is, in the reasonable judgment of the Joint Bookrunners, material and adverse and, in the case of any of the events specified in clauses (i) through (iv) above makes it, in the reasonable judgment of the Joint Bookrunners, acting in good faith after consultation with the Company and the Selling Shareholder to the extent reasonably practicable, taking into account general market conditions as a result of such events and the interests of investors in the Shares, impossible to proceed with the delivery of the Offer Shares on the terms and in the manner contemplated in the Prospectus.

Further, the Purchase Agreement may terminate if prior to 17:00 hours (CET) on 20 October 2014, a Manager (or Managers) defaults in its obligation to purchase the number of Offer Shares it has agreed to purchase under the Purchase Agreement, and the aggregate number of Offer Shares which the defaulting Manager (or Managers) exceeds 10% of the total number of Offer Shares which all Managers are obligated to purchase under the Purchase Agreement and neither the non-defaulting Managers nor the Selling Shareholder have made arrangements for the purchase or subscription by another party or other parties of such Offer Shares.

Unless the Purchase Agreement has been terminated, delivery of the Offer Shares to investors being allocated Offer Shares in the Offering is expected to take place on or about 20 October 2014 for the Retail Offering and the Employee Offering, subject to due payment for allocated Offer Shares having been received from investors, and 21 October 2014 for the Institutional Offering (on a delivery versus payment basis).

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, and so that the New Shares may be delivered to applicants in the Institutional Offering on a delivery versus payment basis and to applicants in the Retail Offering and the Employee Offering on a prompt basis, Swedbank will subscribe and pay for the New Shares allotted in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares. Swedbank is entitled to a commission from the Company equal to 2.0 basis points (0.020%) of the aggregate subscription price for the New Shares allocated in the Offering (the "**Subscription Amount**") plus 3.0 basis points (0.030%) calculated on the net amount equal to the Subscription Amount less the aggregate debited amount from applicants in the Retail Offering and the Employee Offering in the first debit attempt on the morning of the Payment Date (as defined below).

The Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange on a conditional "if sold/if issued" basis from and including 17 October 2014 to and including 20 October 2014. Trades during this period will, in accordance with the ordinary settlement cycle for trades over the Oslo Stock Exchange, be settled on T+2 (T being the trade date). Accordingly, any trade made on 17 October 2014 will be settled on 21 October 2014. Should any of the termination events described above occur in the period from commencement of conditional trading (expected to take place on 17 October 2014) until 17:00 hours (CET) on the day prior to commencement of unconditional trading in the Shares (expected to take place on 21 October 2014 as described below), and the Purchase Agreement is terminated, no trades that have occurred in the Shares will be settled, and investors will have no right to compensation for any loss suffered as a result of such cancellation and payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Depending on the policy of their respective bank or investment firm, investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading in the Shares on 21 October 2014, may be prevented from such trading. Investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading are therefore urged to confirm the possibility of such trading with their own account operator.

Completion of the Offering is conditional upon, among other conditions, the Company satisfying the listing conditions and being listed on the Oslo Stock Exchange, see Section 18.14 "Conditions for completion of the Offering—listing and trading of the Offer Shares".

18.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Bookbuilding Period commences	6 October 2014 at 09:00 hours (CET)
Bookbuilding Period ends	16 October 2014 at 15:00 hours (CET)
Application Period commences	6 October 2014 at 09:00 hours (CET)
Application Period for physical orders ends	15 October 2014 at 12:00 hours (CET)
Application Period for Online Orders ends	16 October 2014 at 12:00 hours (CET)
Allocation of the Offer Shares	On or about 16 October 2014
Publication of the results of the Offering	On or about 17 October 2014
Issuance of allocation notes	On or about 17 October 2014
Listing and commencement of conditional trading in the Shares	On or about 17 October 2014
Accounts from which payment will be debited in the Retail Offering and the Employee Offering to be sufficiently funded	On or about 17 October 2014
Payment date in the Retail Offering and the Employee Offering	On or about 20 October 2014
Delivery of the Offer Shares in the Retail Offering and the Employee Offering (subject to timely payment)	On or about 20 October 2014
Payment date in the Institutional Offering	On or about 21 October 2014
Delivery of the Offer Shares in the Institutional Offering	On or about 21 October 2014
Commencement of unconditional trading in the Shares	On or about 21 October 2014

Please note that the Company and the Selling Shareholder, together with the Joint Bookrunners, reserve the right to shorten or extend the Bookbuilding Period and the Application Period. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

18.3 Resolution relating to the Offering and the issue of the New Shares

The General Meeting held on 26 September 2014 adopted the following resolution to grant the Board of Directors an authorisation to increase the share capital of the Company by up to NOK 70 million, to be used in connection with the Offering of the New Shares (*translated from Norwegian*):

1 The Board of Directors is authorised to increase the Company's share capital by up to NOK 70 million. The authorisation is nevertheless limited to issuance of new shares for a total share contribution of up to NOK 2,700 million.

2 The authorisation is valid until 31 December 2014.

3 The shareholders' preferential right to the new shares may be waived.

4 The authorisation shall not include share capital increases against contribution in kind other than cash or with rights to subject the Company to specific obligations.

5 The authorisation shall not include share capital increases in connection with mergers.

Following the end of the Bookbuilding Period and the Application Period, both the Board of Directors and the Selling Shareholder will on or about 16 October 2014 consider and, if thought fit, approve the completion of the Offering. If the Board of Directors and the Selling Shareholder determines that the Offering shall be completed, then they will also determine the final Offer Price, the number of New Shares to be issued and the allocation of the Offer Shares. The New Shares are expected to be issued on or about 20 October 2014. On 26 September 2014, the Selling Shareholder and the Board of Directors entered into an agreement regarding coordination and decision-making in connection with completion of the Offering. Pursuant to the agreement, the Selling Shareholder shall determine whether the Offering shall be completed, and, if completed, the terms and conditions of the Offering, including, amongst others, the final Offer Price, the final number of Offer Shares and the allocation of Offer Shares. Because the Board of Directors is not obliged under the agreement to adopt any specific resolutions in connection with the Offering, the completion of the

Offering is subject to the resolution of the Board of Directors to issue the New Shares in accordance with the terms and conditions approved by the Selling Shareholder. In the event the Board of Directors does not approve the issuance of the New Shares in accordance with the terms and conditions approved by the Selling Shareholder, the Offering will not be completed and the Board of Directors will not be entitled to utilise the authority granted by the General Meeting to issue the New Shares.

18.4 The Institutional Offering

18.4.1 Determination of the number of Offer Shares and the Offer Price

The Company and the Selling Shareholder have, together with the Joint Bookrunners, set an Indicative Price Range for the Offering from NOK 61 to NOK 72 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Joint Bookrunners, determine the number of Offer Shares and the Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering and the Employee Offering. The Offer Price will be determined on or about 16 October 2014. The Offer Price may be set within, below or above the Indicative Price Range. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within, above or below the Indicative Price Range. The final Offer Price is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 17 October 2014 under the ticker code "ENTRA".

18.4.2 Bookbuilding Period

The Bookbuilding Period for the Institutional Offering will last from 6 October 2014 at 09:00 hours (CET) to 16 October 2014 at 15:00 hours (CET), unless shortened or extended. The Company and the Selling Shareholder, in consultation with the Joint Bookrunners, may shorten or extend the Bookbuilding Period at any time, and extension may be made on one or several occasions. The Bookbuilding Period may in no event be shortened to expire prior to 12:00 hours (CET) on 14 October 2014 or extended beyond 15:00 hours (CET) on 21 October 2014. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

18.4.3 Minimum application

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

18.4.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order, and the price per share that the investor is offering to pay for such Offer Shares.

ABG Sundal Collier Munkedamsveien 45 D P.O. Box 1444 Vika N-0115 Oslo Norway	Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom	Swedbank Filipstad Brygge 1 P.O. Box 1441 Vika N-0115 Oslo Norway
Danske Bank Bryggetorget 4 P.O. Box 1170 Sentrum N-0250 Oslo Norway	Handelsbanken Capital Markets Tjuvholmen Alle 11 P.O. Box 1249 Vika N-0110 Oslo Norway	Kempen & Co Beethovenstraat 300 1077 WZ Amsterdam The Netherlands

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

18.4.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 17 October 2014, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 21 October 2014 (the "**Institutional Closing Date**"). The Institutional Closing Date is expected to be the second business day following the date of announcement of the final Offer Price by the Company through the Oslo Stock Exchange's information system on or about 17 October 2014.

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 9.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, or the Managers may enforce payment of any such amount outstanding.

18.5 The Retail Offering

18.5.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 18.4.1 "Determination of the number of Offer Shares and the Offer Price". However, each investor in the Retail Offering will have a right to receive, without further consideration payable, in total one additional Share (each a "**Bonus Share**") for every 15 Shares allocated and delivered to such investor in the Retail Offering. The number of Bonus Shares to which each investor in the Retail Offering is entitled will be set forth in the allocation note to such applicant to be issued on or about 17 October 2014. The right of any investor in the Retail Offering to receive Bonus Shares in respect of any Offer Shares allocated and delivered to such investor is subject to a maximum limit of NOK 150,000 in Offer Shares (i.e. the Offer Price multiplied by the number of Offer Shares allocated and delivered). As a result, no investor will have a right to receive any Bonus Shares in respect of any Offer Shares allocated and delivered to such investor in excess of an aggregate purchase price of NOK 150,000. Furthermore, the right of any investor to receive any Bonus Shares in connection with the Retail Offering is subject to such investor not selling or otherwise transferring any of the Offer Shares allocated to such investor between the first day of Listing and 16 October 2015. The Bonus Shares are being granted by the Selling Shareholder and will be delivered on 20 October 2015. The number of Bonus Shares delivered to any investor will be rounded down to the nearest whole number of Bonus Shares. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the Bonus Share limit of NOK 150,000.

Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix D and Appendix E (the "**Retail Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range.

18.5.2 Application Period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 6 October 2014 at 09:00 hours (CET) to 15 October 2014 at 12:00 hours (CET) for physical order forms received by hand, fax, post or email and to 16 October 2014 at 12:00 hours (CET) for Online Orders, unless shortened or extended. The Company and the Selling Shareholder, in consultation with the Joint Bookrunners, may shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event be shortened to expire prior to 12:00 hours (CET) on 14 October 2014 or extended beyond 15:00 hours (CET) on 21 October 2014. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

18.5.3 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be treated as an application for an amount of NOK 1,999,999. If two or more identical application forms are received from the same investor in the same offering, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

18.5.4 Application procedures and application offices

Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.abgsc.no, www.danskebank.no, www.handelsbanken.no/entra and www.swedbank.no (such orders referred to as "**Online Orders**"). Applicants in the Retail Offering not having access to the VPS online application system must apply using the Retail Application Form attached to this Prospectus as Appendix D "Application Form for the Retail Offering" in English or as Appendix E "Application form for the Retail Offering in Norwegian" in Norwegian. Retail Application Forms, together with this Prospectus, can be obtained from the Company, the Company's website www.entra.no, the Managers' websites listed above or the application offices set out below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for physical applications in the Retail Offering are:

ABG Sundal Collier	Danske Bank	Handelsbanken Capital Markets	Swedbank
Munkedamsveien 45 E	Bryggetorget 4	Tjuvholmen Alle 11	Filipstad Brygge 1
P.O. Box 1444 Vika	P.O. Box 1170 Sentrum	P.O. Box 1249 Vika	P.O. Box 1441 Vika
N-0115 Oslo	N-0250 Oslo	N-0110 Oslo	N-0115 Oslo
Norway	Norway	Norway	Norway
Tel: +47 22 01 60 00	Tel: +47 91 50 55 22	Tel: +47 22 82 30 40	Tel: +47 23 23 80 03
Fax: +47 22 01 60 62	Fax: +47 85 40 79 92	Fax: +47 22 39 70 68	Fax: +47 23 23 80 11
Email: subscription@abgsc.no	Email: emisjoner@danskebank.com	Email: entra@handelsbanken.no	

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the VPS online application system.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above by 12:00 hours (CET) on 15 October 2014 or registered electronically through the VPS application system by 12:00 hours (CET) on 16 October 2014, unless the Application Period is being shortened or extended. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 18.5.1 "Offer Price" above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

18.5.5 Allocation, payment and delivery of Offer Shares

Swedbank, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 17 October 2014, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above on or about 17 October 2014 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 17 October 2014.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise Swedbank (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 20 October 2014 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 October 2014. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (20 October 2014).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 October 2014, or can be obtained by contacting Swedbank at +47 23 23 80 03.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 9.50% per annum. Swedbank (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 24 October 2014 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 20 October 2014.

18.5.6 Opening a VPS account

To order Offer Shares in the Retail Offering, the investor must have a VPS account or establish such an account in relation to the order. If the investor already has a VPS account, it is easiest to order Offer Shares to be delivered to such existing account. The establishment of a VPS account must under the Norwegian anti-money laundering legislation be made in person unless an exemption is available, with identification documents, at the offices of an account operator (which can be a bank or an investment firm authorised in accordance with the Norwegian anti-money laundering legislation). Identification might not be necessary if the VPS account is opened with a bank which the investor already has a customer relationship with. If information of a VPS account is not included in the order, such an account will automatically be opened in the investor's name. A VPS account may also be opened at the Online Order system. The investor will be deemed to have granted ABG Sundal Collier, Danske Bank, Handelsbanken Capital Markets or Swedbank the necessary authorisations to open a VPS account in the name of the investor when signing the order form or by completing the opening online. Please note that in such instances the new VPS account opened will be blocked and the investor will not be able to trade in the delivered Offer Shares before the investor has identified himself/herself in person at the aforementioned bank that opened the account. If the investor is under 18 years old or under legal guardianship, the VPS account must be established before the order form is sent or submitted to the aforementioned bank that opened the account. The legal guardian(s) must contact his or her bank or investment firm in Norway to open a VPS account. If the investor is a legal entity, a person authorised to sign on behalf of the entity or another representative with power of attorney from a person authorised to act on behalf of the entity, must in accordance with the Norwegian anti-money laundering legislation identify himself/herself in person at the aforementioned bank that opened the account and present the entity's certificate of registration (not older than three months).

18.6 The Employee Offering

18.6.1 Eligible Employees

Full-time or part-time employees of the Group who were employed as of 1 October 2014 are eligible to participate in the Employee Offering (the "**Eligible Employees**").

18.6.2 Offer Price

The price for the Offer Shares offered in the Employee Offering will be the same as in the Institutional Offering, see Section 18.4.1 "Determination of the number of Offer Shares and the Offer Price". However, each investor in the Employee Offering will have a right to receive, without further consideration payable, in total one Bonus Share for every 15 Shares allocated and delivered to such investor in the Employee Offering. The number of Bonus Shares to which each investor in the Employee Offering is entitled will be set forth in the allocation note to such applicant to be issued on or about 17 October 2014. The right of any investor in the Employee Offering to receive Bonus Shares in respect of any Offer Shares allocated and delivered to such investor is subject to a maximum limit of NOK 150,000 in Offer Shares (i.e. the Offer Price multiplied by the number of Offer Shares allocated and delivered). As a result, no investor will have a right to receive any Bonus Shares in respect of any Offer Shares allocated and delivered to such investor in excess of an aggregate purchase price of NOK 150,000. Furthermore, the right of any investor to receive any Bonus Shares in connection with the Employee Offering is subject to such investor not selling or otherwise transferring any of the Offer Shares allocated to such investor between the first day of Listing and 16 October 2015. The Bonus Shares are being granted by the Selling Shareholder and will be delivered on 20 October 2015. The number of Bonus Shares delivered to any investor will be rounded down to the nearest whole number of Bonus Shares. Multiple applications by one applicant in the Employee Offering are not allowed.

Each applicant in the Employee Offering will be permitted, but not required, to indicate on the application form to be used to apply for Offer Shares in the Employee Offering, attached to this Prospectus as Appendix F and Appendix G (the "**Employee Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation on the Employee Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range.

In connection with the Employee Offering, Entra Eiendom will grant Eligible Employees a loan of up to the lower of (i) NOK 50,000 and (ii) 20% of such Eligible Employee's net annual salary after deduction of withholding tax, for the financing, in whole or in part, of such Eligible Employee's payment for the Offer Shares allocated to such Eligible Employee in the Employee Offering. The loan will have a term of 12 months and will not carry interest. Each Eligible Employee will grant Entra Eiendom the rights to deduct repayments of the loan from the respective employee's monthly salary in equal amounts over 12 months and to deduct any remaining amounts from the last salary in the event such Eligible Employee's employment is terminated before the loan amount is repaid in its entirety.

18.6.3 Application Period

The Application Period during which applications for Offer Shares in the Employee Offering will be accepted will last from 6 October 2014 at 09:00 hours (CET) to 15 October 2014 at 12:00 hours (CET), unless shortened or extended. The Company and the Selling Shareholder, in consultation with the Joint Bookrunners, may shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event be shortened to expire prior to 12:00 hours (CET) on 14 October 2014 or extended beyond 15:00 hours (CET) on 21 October 2014. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

18.6.4 Minimum and maximum application

The Employee Offering is subject to a minimum application amount of NOK 1,500 or 15 Offer Shares (in the event a number of Offer Shares is applied for) and a maximum application amount of NOK 4,999,999 or 150 Offer Shares (in the event a number of Offer Shares is applied for) for each applicant.

Multiple applications are not allowed. An application from the same applicant in the Employee Offering with an application amount in excess of NOK 4,999,999 or in excess of 150 Offer Shares (in the event a number of Offer Shares is applied for) will be treated as an application for an amount of NOK 4,999,999 or 150 Offer Shares, respectively. Investors who intend to place an order in excess of NOK 4,999,999 must do so in the Institutional Offering. Eligible Employees may not order Shares in both the Employee Offering and the Retail Offering.

18.6.5 Application procedures and application office

Applicants in the Employee Offering must apply for Offer Shares by using the Employee Application Form attached to this Prospectus as Appendix F "Application Form for the Employee Offering" in English or as Appendix G "Application form for the Employee Offering in Norwegian" in Norwegian. Employee Application Forms, together with this

Prospectus, can be obtained from the Company, the Company's website www.entra.no, www.swedbank.no or the application office set out below.

The application office for applications in the Employee Offering is:

Swedbank
Filipstad Brygge 1
P.O. Box 1441 Vika
N-0115 Oslo
Norway
Tel: +47 23 23 80 03
Fax: +47 23 23 80 11

Employee Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Employee Application Forms must be received by the application office listed above by 12:00 hours (CET) on 15 October 2014, unless the Application Period is being shortened or extended. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 18.6.2 "Offer Price" above, all applications made in the Employee Offering will be irrevocable and binding upon receipt of a duly completed Employee Application Form, irrespective of any extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office.

18.6.6 Allocation, payment and delivery of Offer Shares

Swedbank, acting as settlement agent for the Employee Offering, expects to issue notifications of allocation of Offer Shares in the Employee Offering on or about 17 October 2014, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above on or about 17 October 2014 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or about 17 October 2014.

In completing an Employee Application Form, each applicant in the Employee Offering will authorise Swedbank (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the Employee Application Form. Accounts will be debited on or about the Payment Date (20 October 2014), and there must be sufficient funds in the stated bank account from and including 17 October 2014. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (20 October 2014).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 October 2014, or can be obtained by contacting Swedbank at +47 23 23 80 03.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 9.50% per annum. Swedbank (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 24 October 2014 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Employee Offering is expected to take place on or about 20 October 2014.

18.6.7 Opening a VPS account

To order Offer Shares in the Employee Offering, the investor must have a VPS account or establish such an account in relation to the order. If the investor already has a VPS account, it is easiest to order Offer Shares to be delivered to such existing account. The establishment of a VPS account must under the Norwegian anti-money laundering legislation be made in person unless an exemption is available, with identification documents, at the offices of an account operator (which can be a bank or an investment firm authorised in accordance with the Norwegian anti-money laundering legislation). Identification might not be necessary if the VPS account is opened with a bank which the investor already has a customer relationship with. If information of a VPS account is not included in the order, such an account will automatically be opened in the investor's name. The investor will be deemed to have granted Swedbank the necessary authorisations to open a VPS account in the name of the investor when signing the order form. Please note that in such instances the new VPS account opened will be blocked and the investor will not be able to trade in the delivered Offer Shares before the investor has identified himself/herself in person at Swedbank. If the investor is under 18 years old or under legal guardianship, the VPS account must be established before the order form is sent or submitted to Swedbank. The legal guardian(s) must contact his or her bank or investment firm in Norway to open a VPS account. If the investor is a legal entity, a person authorised to sign on behalf of the entity or another representative with power of attorney from a person authorised to act on behalf of the entity, must in accordance with the Norwegian anti-money laundering legislation identify himself/herself in person at Swedbank and present the entity's certificate of registration (not older than three months).

18.7 Mechanism of allocation

It has been provisionally assumed that approximately 90% of the Offering will be allocated in the Institutional Offering and that approximately 10% of the Offering will be allocated in the Retail Offering and the Employee Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering, the Retail Offering and the Employee Offering will only be decided, however, by the Company and the Selling Shareholder in consultation with the Joint Bookrunners following the completion of the bookbuilding process for the Institutional Offering, based on the level of orders or applications received from each of the categories of investors relative to the level of applications or orders received in the Retail Offering and the Employee Offering. The Company, the Selling Shareholder and the Joint Bookrunners reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company and the Selling Shareholder, together with the Joint Bookrunners, will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company, the Selling Shareholder and the Joint Bookrunners further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company, the Selling Shareholder and the Joint Bookrunners may also set a maximum allocation, or decide to make no allocation to any applicant. No investor in the Institutional Offering will be allocated Offer Shares for a NOK amount less than the equivalent of EUR 100,000. To the extent any investor in the Institutional Offering are allocated Offer Shares with an aggregate purchase price of less than NOK 2,000,000, such investor will still be deemed to be part of the Institutional Offering.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant, however, all allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. In the Retail Offering, allocation will be made solely on a pro rata basis using the VPS' automated simulation procedures. The Company, the Selling and the Joint Bookrunners reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company, the Selling Shareholder and the Joint Bookrunners deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing regarding the number of shareholders will not be satisfied. If the Company, the Selling Shareholder and the Joint Bookrunners should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS automated simulation procedures and/or other random allocation mechanism.

In the Employee Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 1,500 or 15 Offer Shares (in the event a number of Offer Shares is applied for) per applicant, however, all allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. An order from an applicant in the Employee Offering with a total application amount in excess of NOK 4,999,999 or 150 Offer Shares (in the event a number of Offer Shares is applied for) will be treated as an application for an amount of NOK 4,999,999 or 150 Offer Shares, respectively. All Eligible Employees will receive full allocation in the Employee Offering.

18.8 VPS account

To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering or on the Employee Application Form in the Employee Offering. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 18.9 "Mandatory anti-money laundering procedures").

18.9 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager in which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form or the Employee Application Form are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

18.10 Over-allotment and stabilisation activities

18.10.1 Over-allotment of Additional Shares

In connection with the Offering, the Joint Bookrunners may elect to over-allot up to 16,340,432 Additional Shares, equalling up to approximately 15% of the aggregate number of New Shares and Sale Shares (assuming that all the Sale Shares and New Shares are sold in the Offering) (representing up to 8.8% of the Shares in issue in the Company following the Offering) and, in order to permit the delivery in respect of over-allotments made, the Stabilisation Manager may, pursuant to the Lending Option, require the Selling Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. Further, pursuant to the Over-Allotment Option, the Selling Shareholder has granted the Stabilisation Manager, on behalf of the Managers, an option to purchase up to 16,340,432 Additional Shares, exercisable within a period commencing on the date of the Purchase Agreement and expiring 30 days after the commencement of conditional trading in the Offer Shares, equalling up to approximately 15% of the aggregate number of New Shares and Sale Shares (assuming that all the Sale Shares and New Shares are sold in the Offering) (representing up to 8.8% of the Shares in issue in the Company following the Offering) at a price equal to the final Offer Price in the Offering, as may be necessary to cover over-allotments and short positions, if any, made in connection with the Offering. To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares. The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-Allotment Option.

A stock exchange notice will be made on 17 October 2014 announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Over-Allotment Option will be promptly announced by the Stabilisation Manager through the Oslo Stock Exchange's information system.

18.10.2 Price stabilisation

The Stabilisation Manager (Goldman Sachs International), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, from the first day of the Listing effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments.

Any profit resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Managers, shall be to the benefit of the Selling Shareholder. Any losses resulting from stabilisation activities conducted by the Stabilisation Manager will be borne by the Managers.

Within one week after the expiry of the 30 calendar day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the stabilisation period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the stabilisation period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

18.11 Publication of information in respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange's information system to publish information relating to the Offering, such as amendments to the Bookbuilding Period and Application Period (if any), the final Offer Price, the number of Offer Shares and the total amount of the Offering, allotment percentages, and first day of trading.

The final determination of the Offer Price, the number of Offer Shares and the total amount of the Offering is expected to be published on or about 17 October 2014.

18.12 The rights conferred by the Offer Shares

The Offer Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends. For a description of rights attached to the Shares, see Section 15 "Corporate information and description of the share capital".

18.13 VPS registration

The Sale Shares and any Additional Shares have been, and the New Shares will be, created under the Norwegian Public Limited Companies Act. The Sale Shares and any Additional Shares are, and the New Shares will be, registered in book-entry form with the VPS and have ISIN NO0010716418. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA, Registrar Department, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway.

18.14 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company will on or about 6 October 2014 apply for Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the Listing application of the Company on 9 October 2014, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000 and there being a minimum free float of the Shares of 25%. The Company expects that these conditions will be fulfilled through the Offering.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of the Oslo Stock Exchange approving the application for Listing of the Shares in its meeting to be held on or about 9 October 2014, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Company and the Selling Shareholder, in consultation with the Joint Bookrunners, having approved the Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process, (ii) the Company, the Selling Shareholder and the Joint Bookrunners (as representatives of the Managers) having entered into the Purchase Agreement and satisfaction of the conditions for the closing of the Purchase Agreement, and (iii) the Purchase Agreement not having been terminated (see Section 18.1 "Overview of the Offering"). There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading on an "if sold/if issued" basis of the Shares, including the Offer Shares, on the Oslo Stock Exchange is expected to be on or about 17 October 2014. The Shares are expected to trade under the ticker code "ENTRA".

Applicants in the Retail Offering and Employee Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded on 17 October 2014. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to Institutional Closing Date. Accordingly, an applicant who wishes to sell his/her Offer Shares, following confirmed allocation of Offer Shares, but before delivery must ensure that payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or authorised market place, and no application has been filed for listing on any other stock exchanges or regulated market places other than the Oslo Stock Exchange.

18.15 Dilution

Following completion of the Offering, the immediate dilution from issuance of the New Shares for the Selling Shareholder is expected to be between approximately 20.9% and 23.7% assuming issuance of all the New Shares.

18.16 Expenses of the Offering and the Listing

The Company will pay to the Managers a combined subscription and management fee of 0.95% of the Offer Price, multiplied by the aggregate number of New Shares less those New Shares sold in the Employee Offering. The Selling Shareholder will pay to the Managers a combined subscription and management fee of 0.95% of the Offer Price, multiplied by the aggregate number of Sale Shares and any Shares allocated in the Offering to investors or to the Managers for the purpose of covering over-allotment positions on the date of the Purchase Agreement regardless of exercise of the Over-Allotment Option. In addition, the Company and the Selling Shareholder may, at their respective sole discretion (both in relation to amount and allocation between the Managers), pay to the Managers an aggregate incentive fee of up to 0.35% of the total gross proceeds of the Offering.

The total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to approximately NOK 130 million (including VAT) if all the New Shares, the mid-point of the range of Sale Shares and all the Additional Shares are sold by the Selling Shareholder and the Company, and the Company and the Selling Shareholder decide to pay the incentive fee in full (based on a price of NOK 66.50 per Share – which is the mid-point of the Indicative Price Range).

Based on a separate agreement entered into between the Company and the Selling Shareholder, the parties have further agreed that:

- Fees payable to advisors appointed by the Managers in connection with legal and financial due diligence shall be split equally between Entra and the Selling Shareholder. Fees and expenses payable to legal, financial and/or other advisors (not including the Managers), and who have been separately engaged by the Selling Shareholder or Entra, shall be borne exclusively by the engaging party.

- Fees payable to the Oslo Stock Exchange, the VPS, the Norwegian Register of Business Enterprises and the Norwegian FSA in connection with the Offering and the Listing, and commission to Swedbank for prepayment of the Subscription Amount, shall be born exclusively by Entra.

- Any other fees incurred in connection with the Offering shall be paid 50% by the Company and 50% by the Selling Shareholder.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

18.17 Lock-up

18.17.1 The Company

Pursuant to the Purchase Agreement, the Company will undertake that it or any of its subsidiaries or their respective affiliates (other than the Selling Shareholder in respect of whom no such undertaking is given) will not (i) issue, sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any transaction specified in clause (i) or (ii), for a period of 180 calendar days after the date of the Purchase Agreement, without the prior written consent of the Joint Global Coordinators, provided, however, that the foregoing shall not apply to (A) the sales of Shares to the Managers pursuant to the Purchase Agreement, (B) any corporate action in connection with (i) a takeover offer, legal merger or acquisition of shares or assets or (ii) a capital reorganisation, split-up or any similar transaction or process, in each case in relation to a merger or acquisition of the Company or acquisition by the Company of shares or assets, and (C) any grants of Shares and employee share options for Shares and issuances of Shares upon such grants of Shares or upon exercise of such options pursuant to any Company employee incentive program.

18.17.2 The Selling Shareholder

Pursuant to the Purchase Agreement, the Selling Shareholder will undertake that it will not (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) seek to, in good faith, publicly announce an intention to effect any transaction specified in clause (i) or (ii) (which for the sake of clarity shall not comprise any statements, proxies or similar included in or issued in relation to the Norwegian National Budget or in any documents prepared by the Selling Shareholder to the Norwegian Parliament), for a period of 180 calendar days after the date of the Purchase Agreement, without the prior written consent of the Joint Global Coordinators, provided, however, that the foregoing shall not apply to (A) the sales of Shares to the Managers pursuant to the Purchase Agreement and (B) any corporate action in connection with a takeover offer or legal merger.

18.17.3 Certain members of Management

Klaus-Anders Nysteen, Arve Regland, Sonja Horn, Mona Aarebrot, Jorunn Nerheim, Karl Fredrik Torp, Anders Solaas and Kristin Haug Lund will undertake that for a period of twelve (12) months after the date of the Purchase Agreement they will not, without the prior written consent of the Joint Global Coordinators, (i) sell, offer to sell, contract or agree to sell, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise (any transaction specified in clause (i) or (ii), a "**Restricted Transaction**"), or (iii) publicly announce an intention to effect a Restricted Transaction.

Notwithstanding the foregoing, the undertaking party may effect or publicly announce an intention to effect a Restricted Transaction (i) to an immediate family member or a trust formed for the benefit of an immediate family member or (ii) by gift, will or intestacy, provided that any such transferee under clause (i) above executes and delivers to the Joint Global Coordinators a letter substantially identical to the lock-up undertaking. For the purpose of the lock-up undertaking, "immediate family" of the undertaking party shall mean any person having a relationship to the undertaking party by blood, marriage, domestic partnership or adoption, not more remote than a first cousin.

If (i) the Company notifies the undertaking party in writing that it does not intend to proceed with the Offering or (ii) for any reason the Purchase Agreement shall be terminated, the lock-up undertaking shall automatically terminate and the undertaking parties shall be released from their obligations thereunder.

The lock-up undertaking applies to any Shares that the undertaking party may subsequently acquire or own (directly or indirectly) after the date of the Purchase Agreement and (ii) the definition of Restricted Transaction shall not include any pledge or other security interest, including pledge or other security interest in favour of the Company or its subsidiaries, over Shares acquired by the undertaking party which secure any borrowings of the undertaking party.

18.18 Interest of natural and legal persons involved in the Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services, as well as providing financing, to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Company and the Selling Shareholder may, at its sole and absolute discretion pay to the Managers an incentive fee in connection with the Offering. See Section 18.16 "Expenses of the Offering and the Listing" for information on fees to the Managers in connection with the Offering.

DNB Bank ASA (an affiliate of the financial advisor of the Selling Shareholder), Danske Bank AS, Handelsbanken and Swedbank Norge are lenders under certain of the Group's credit facilities. As of 30 June 2014, DNB Bank ASA had outstanding bank loans to the Group in the amount of NOK 2,735 million, Danske Bank AS had no outstanding bank loans to the Group, Handelsbanken had outstanding bank loans to the Group in the amount of NOK 490 million and Swedbank Norge had outstanding bank loans to the Group in the amount of NOK 480 million.

The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and any Additional Shares. Subject to completion of the Listing, the Selling Shareholder will also receive a dividend of NOK 650 million.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

18.19 Participation of the Selling Shareholder and members of the Management, Board of Directors or nomination committee in the Offering

The Selling Shareholder has informed the Company that it does not intend to apply for Offer Shares in the Offering. As of the date of this Prospectus, the Company is not aware of whether any members of the Management, the Board of Directors or the nomination committee intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares. Members of the Management are eligible to participate in the Employee Offering.

18.20 Governing law and jurisdiction

This Prospectus, the Retail Application Form, the Employee Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form, the Employee Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

19 SELLING AND TRANSFER RESTRICTIONS

19.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

19.2 Selling restrictions

19.2.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) in the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time except: (i) in the United States in transactions meeting the requirements of Rule 144A and only to those it reasonably believes to be QIBs or (ii) outside of the United States in reliance on Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 19.3.1 "United States".

Any offer or sale in the United States will be made by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements under the U.S. Securities Act.

19.2.2 United Kingdom

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

19.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus

Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;

b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or

c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company, the Selling Shareholder or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

19.2.4 Additional jurisdictions

19.2.4.1 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only to Canadian Accredited Investors in the provinces of Ontario and Québec (and not in any other province or territory of Canada or to any resident thereof) pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the province of Ontario or Québec, as the case may be.

19.2.4.2 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

19.2.4.3 Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Offering, the Company or our Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirors of interests in collective investment schemes under the CISA does not extend to acquirors of shares.

19.2.4.4 Other jurisdictions

The Offer Shares in the Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia, South Africa, or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

19.3 Transfer restrictions

19.3.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) in the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares outside the United States will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision to purchase Shares and that:

1 The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

2 The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.

3 The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

4 The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

5 The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

6 The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

7 The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

8 The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Selling Shareholder, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. The purchaser irrevocably authorises the Company, the Selling Shareholder and the Managers to produce this Prospectus to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered herein.

9 The purchaser undertakes promptly to notify the Company, the Selling Shareholder and the Managers if, at any time prior to the purchase of Shares, any of the foregoing ceases to be true.

Each purchaser of the Offer Shares within the United States will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision to purchase Shares and that:

1 The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

2 The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.

3 The purchaser is, and at the time of its purchase of any Shares, will be a QIB.

4 The purchaser understands and acknowledges that sellers of the Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A, and that the Shares may not be offered in sold, directly or indirectly, in the United States, other than in accordance with paragraph (6) below.

5 The purchaser is purchasing the Shares (i) for its own account, or (ii) for the account of one or more other QIBs for which it is acting as duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgments, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution of any such Shares.

6 The purchaser understands and agrees that all offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act, and that if, in the future, the purchaser or any such other QIBs for which it is acting, as described in paragraph (4) above, or any other fiduciary or agent representing such purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and / or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

7 The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

8 The purchaser understands that the Offer Shares may be "restricted securities" within the meaning of Rule 144(a)(3) and that no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any Offer Shares, as the case may be.

9 The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

10 The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Selling Shareholder, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. The purchaser irrevocably authorises the Company, the Selling Shareholder and the Managers to produce this Prospectus to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered herein.

11 The purchaser undertakes promptly to notify the Company, the Selling Shareholder and the Managers if, at any time prior to the purchase of Shares, any of the foregoing ceases to be true.

19.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each of the Managers and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

20 ADDITIONAL INFORMATION

20.1 Auditor and advisors

The Company's independent auditor is Deloitte AS with registration number 980 211 282, and business address at Dronning Eufemias gate 14, N-0191 Oslo, Norway. Deloitte AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

ABG Sundal Collier (Munkedamsveien 45 E, Vika Atrium, P.O. Box 1444 Vika, N-0115 Oslo, Norway), Goldman Sachs International (Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom) and Swedbank (Filipstad Brygge 1, P.O. Box 1441 Vika, N-0115 Oslo, Norway) are acting as Joint Global Coordinators and Joint Bookrunners for the Offering. Danske Bank (Bryggetorget 4, P.O. Box 1170 Sentrum, N-0250 Oslo, Norway), Handelsbanken Capital Markets (Tjuvholmen Alle 11, P.O. Box 1249 Vika, N-0110 Oslo, Norway) and Kempen & Co (Beethovenstraat 300, 1077 WZ Amsterdam, The Netherlands) are acting as Co-Lead Managers for the Offering.

Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, N-0116 Oslo, Norway) is acting as Norwegian legal counsel to the Company, and Sullivan & Cromwell LLP (1 New Fetter Lane, London EC4A 1AN, United Kingdom) is acting as international legal counsel to the Company.

Advokatfirmaet Schjødt AS (Ruseløkkveien 14-16, N-0251 Oslo, Norway) is acting as Norwegian legal counsel to the Joint Bookrunners, and Cleary Gottlieb Steen & Hamilton LLP (City Place House, 55 Basinghall Street, London EC2V 5 EH, United Kingdom), is acting as international legal counsel to the Joint Bookrunners.

Wikborg, Rein & Co Advokatfirma DA (Kronprinsesse Märthas Plass, N-0160 Oslo, Norway) is acting as Norwegian legal counsel to the Selling Shareholder. DNB Markets, part of DNB Bank ASA (Dronning Eufemias gate 30, N-0191 Oslo, Norway) is acting as financial advisor to the Selling Shareholder.

20.2 Statement regarding expert opinions

Valuation on the Group's properties as of 30 June 2014 included herein has been derived based on expert opinions from Akershus Eiendom AS (Haakon VIIs gate 5, P.O. Box 1793 Vika, N-0121 Oslo, Norway) and DTZ Realkapital Verdivurdering AS (Munkedamsveien 35, P.O. Box 1921 Vika, N-0125 Oslo, Norway), as reflected in the independent third party valuation reports dated 30 June 2014, and enclosed as Appendix H (the Property Appraisal Reports). The Property Appraisal Reports have been produced on request from the Company in connection with the Listing. Both Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS regularly assist companies, banks and financial institutions with valuation of commercial properties, see www.akershuseiendom.no and www.dtz.no for more information with regard to experience and qualifications. Both Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS have consented to their reports being included in this Prospectus. Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS have no material interest in the Company, but are also engaged by the Group to determine the fair value of the property portfolio on a quarterly basis.

20.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Biskop Gunnerus' gate 14, 26th floor, N-0185 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of 12 months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

21 NORWEGIAN SUMMARY (NORSK SAMMENDRAG)

Sammendrag består av informasjon som skal gis i form av "Elementer". Elementene er nummerert i punktene A – E (A.1 – E.7) nedenfor. Dette sammendraget inneholder alle Elementer som skal være inkludert i et sammendrag for denne type verdipapir og utsteder. Som følge av at enkelte Elementer ikke må beskrives, kan det være huller i nummereringen av Elementene. Selv om man kan være pålagt å innta et Element i sammendraget på grunn av typen verdipapir og utsteder, er det mulig at det ikke kan gis relevant informasjon knyttet til Elementet. I så fall er det inntatt en kort beskrivelse av Elementet i sammendraget sammen med benevnelsen "ikke aktuelt".

I dette norske sammendraget skal definerte ord og uttrykk (angitt med stor forbokstav) som er oversatt til norsk forstås i samsvar med tilsvarende engelskspråklige ord eller uttrykk slik disse er definert i det engelskspråklige Prospektet. Noen eksempler på slike engelskspråklige motstykker til definerte ord og uttrykk som er oversatt til norsk er som følger: Med "Prospektet" forstås "Prospectus", med "Konsernet" forstås "Group", med "Selskapet" forstås "Company", med "Noteringen" forstås "Listing", med "Tilbudet" forstås "Offering", med "Aksjene" forstås "Shares", med "Salgsaksjene" forstås "Sale Shares", med "Nye Aksjer" forstås "New Shares", med "Tilleggsaksjene" forstås "Additional Shares", med "Tilbudsaksjene" forstås "Offer Shares", med "Selgende Aksjonær" forstås "Selling Shareholder", med "Insitusjonelle Tilbudet" forstås "Institutional Offering", med "Offentlige Tilbudet" forstås "Retail Offering", med "Ansattetilbudet" forstås "Employee Offering", med "Kvalifiserte Ansatte" forstås "Eligible Employees", med "Tilretteleggerne" forstås "Managers", med "Overtidelingsopsjonen" forstås "Over-Allotment Option", med "Bonusaksjer" forstås "Bonus Shares" og med "Kjøpsavtalen" forstås "Purchase Agreement".

Avsnitt A – Introduksjon og Advarsel

A.1	**Advarsel**	Dette sammendraget bør leses som en innledning til Prospektet; enhver beslutning om å investere i verdipapirene bør baseres på investorens vurdering av Prospektet i sin helhet; dersom et krav knyttet til informasjonen i Prospektet fremsettes for en domstol, kan saksøkende investor, i henhold til nasjonal lovgivning i sitt Medlemsland, bli pålagt å dekke kostnadene med å oversette Prospektet før rettsforhandlingene igangsettes; og sivilrettslig ansvar kan kun pådras for de personer som har satt opp sammendraget, herunder oversatt dette, men kun dersom sammendraget er misvisende, ikke korrekt eller usammenhengende når det leses i sammenheng med andre deler av Prospektet eller dersom sammendraget, når det leses sammen med andre deler av Prospektet, ikke gir nøkkelinformasjon som investorene behøver når de vurderer om de skal investere i slike verdipapirer.

Avsnitt B – Utsteder

B.1	**Foretaksnavn**	Entra ASA.
B.2	**Hjemstat og rettslig organisering, lovgivning og stiftelsesland**	Selskapet er et allmennaksjeselskap, og er regulert av norsk rett, særlig allmennaksjeloven. Selskapet ble stiftet i Norge den 20. desember 2012, og Selskapets organisasjonsnummer i Foretaksregisteret er 999 296 432.
B.3	**Eksisterende virksomhet, hovedaktiviteter og markeder**	Entra er en ledende eier, forvalter og utvikler av kontoreiendommer i Norge, med fokus på sentrale og attraktive eiendommer i Oslo, Bergen, Stavanger og Trondheim. Per 30. juni 2014 hadde Entra en eiendomsportefølje bestående av 107 eiendommer på totalt omtrent 1,3 millioner kvadratmeter. Markedsverdien av Konsernets eiendomsportefølje per 30. juni 2014 var omtrent NOK 26,8 milliarder. Konsernet har en særlig kompetanse på offentlig sektor, som utgjør ca 72 % av Konsernets kontraktsleie per 30. juni 2014. Andelen leietakere fra privat sektor har økt fra 12 % i 2004, med en årlig vekstrate på 9 %, mens den totale leien fra leietakere i offentlig sektor har økt med en årlig vekstprosent på 6 % siden 2004. Entra er i dag heleid av Selgende Aksjonær, som i januar 2014 offentliggjorde en intensjon om å privatisere Entra. Entra har vært drevet etter prinsipper om armlengdes avstand siden 2000. En viktig verdidriver for Entra er dets evne til å tilegne seg og beholde leietakere i sine forvaltningseiendommer. Per 30. juni 2014 hadde

	Konsernet en portefølje på 96 forvaltningseiendommer på samlet over 1,0 million kvadratmeter. Disse forvaltningseiendommene tilbyr stabil avkastning fra solide leietakere på lange leieavtaler, med vektet gjenværende leietid på 7,8 år og en utleiegrad på 95,2 % per 30. juni 2014. Vektet gjenværende leietid for hele eiendomsporteføljen per 30. juni 2014 var 8,1 år. Konsernet drifter alle sine forvaltningseiendommer med egne medarbeidere. Konsernet har også en solid og lang erfaring innenfor eiendomsutvikling, og har fullført flere store renoverings- og nybyggprosjekter, herunder oppføringen av det nye kontorbygget på Brattørkaia 15 i Trondheim som ble fullført i første kvartal 2013, totalrenoveringen av kontorbygget i Fredrik Selmers vei 4 i Oslo som ble fullført i fjerde kvartal 2013 og totalrenoveringen av kontorbygget på Kjørbo i Sandvika (Bærum) som ble fullført i første kvartal 2014. I tillegg til disse fullførte prosjektene har Konsernet en betydelig portefølje av pågående eiendomsprosjekter og en omfattende portefølje med potensielle prosjekter. Konsernet tilegner seg også tilgang til utviklingsprosjekter på en selektiv basis, og håndterer den tilknyttede risikoen, gjennom eierskap i datterselskaper med vesentlige minoritetsinteresser og felleskontrollerte foretak. Konsernets eierskap inkluderer i dag Oslo S Utvikling AS (hvor eierandelen til Konsernet er 33,3 %), Entra OPF Utvikling AS (hvor eierandelen til Konsernet er 50 %), Hinna Park Eiendom AS (hvor eierandelen til Konsernet er 50 %), Papirbredden Eiendom AS (hvor eierandelen til Konsernet er 60 %) og Sundtkvartalet AS (hvor eierandelen til Konsernet er 50 %). Per 30. juni 2014 utgjorde forvaltningseiendommene omkring henholdsvis 91,4 % av markedsverdien og 81,5 % av arealet av eiendomsporteføljen, mens prosjekteiendommer og tomt- og utviklingseiendommer utgjorde henholdsvis omlag 6,8 % og 1,8 % av markedsverdien og 7,4 % og 11,1 % av arealet av eiendomsporteføljen. Total utleibart areal av forvaltningseiendommene var over 1,0 million kvadratmeter per 30. juni 2014, med en utleiegrad på 95,2 %. Porteføljen med forvaltningseiendommer er diversifisert mellom leietakere fra offentlig sektor og leietakere fra privat sektor. Basert på Konsernets erfaring fra forhandlinger av leieavtaler med leietakere fra offentlig sektor foretar leietakere fra offentlig sektor uavhengige leiebeslutninger, og ingen enkelt leietaker utgjør mer enn 6 % av Konsernets totale kontraktsleie. Konsernet er organisert i fire geografiske segmenter: (i) Oslo Sentrum, (ii) Stor-Oslo, (iii) Sør/Vest Norge og (iv) Midt/Nord Norge. Oslo Sentrum består av alle Konsernets eiendommer lokalisert i Oslo, med unntak av Helsfyr-Bryn og Stovner. Stor-Oslo dekker Konsernets eiendommer på Helsfyr-Bryn og Stovner, i tillegg til Konsernets eiendommer i Drammen, Bærum, Skedsmo og Østfold. Sør/Vest Norge dekker Konsernets eiendommer i Bergen, Stavanger, Kristiansand, Arendal og Skien, mens Midt/Nord Norge dekker Konsernets eiendommer i Trondheim, Bodø og Tromsø.
B.4a Vesentlige aktuelle trender	Når det gjelder den norske økonomien siden 30. juni 2014, estimerer DNB Markets en årlig vekst i bruttonasjonalprodukt for Fastlands-Norge på 2,1 % for hele 2014 (DNB, "Economic Outlook", august 2014). DNB estimerer en gradvis stigning i arbeidsledigheten fra 3,5 % per 30. juni 2014 (som målt i Arbeidskraftundersøkelsen (AKU) av Statistisk Sentralbyrå 2014, 30. juli 2014) til 4,0 % i 2016 (DNB, "Economic Outlook", august 2014). DNB Markets estimerer at inflasjonen vil fortsette å være 2,1 % i 2014 før den vil stige til 2,4 % i 2015, for deretter å falle til 2.1 % i 2016 og 2.0 % i 2017. DNB Markets estimerer at kjerneinflasjonen vil nå en topp på 2,5 % i 2014, før den vil falle til 2,3 % i 2015, og 2,1 % i 2016 og 2017. Når det gjelder det norske kommersielle eiendomsmarkedet siden 30. juni 2014, forventer DNB at transaksjonsvolumet i andre halvdel av 2014 vil

		øke til NOK 29 milliarder, sammenlignet med NOK 21 milliarder i andre halvdel av 2013, som et resultat av den stabile norske økonomien, bankenes villighet til å tilby lån til en attraktiv rente, tilgjengelig kapital fra både norske og utenlandske investorer og et sunt utleiemarked. Investoretterspørselen etter både sentrumsnære eiendommer og utviklingseiendommer i Oslo har vært stor, og har ført til et økende press på avkastningen. DNB forventer at ledighetsgraden i Bergen vil være høyere i 2015 og 2016, sammenlignet med perioden 2009 – 2014, som et resultat av det høye nivået på nybygg. DNB forventer at nedgangen i investeringene i petroleumsindustrien frem til 2017 vil føre til at kontorledigheten i Stavanger vil øke. DNB forventer at ledighetsgraden vil fortsette å være relativ stabil i Oslo og Trondheim i 2014. DNB forventer også at fortsatt urbanisering vil ytterligere øke den eksisterende avstanden mellom eiendomsprisene i Norges største byer og i de mindre byene og tettstedene. Konsernet forventer at disse økonomiske markedsvilkårene vil underbygge den fortsatt positive utviklingsveksten for Konsernets eiendomsportefølje. Det er Konsernets vurdering at kundene i økende grad vil foretrekke miljømessig bærekraftige kontorlokaler. Konsernet fortsetter å arbeide målbevisst for å realisere miljøeffektive og økonomiske løsninger. Konsernets vurdering er at effektiv drift, god prosjektgjennomføring og aktiv porteføljestyring er de viktigste parameterne for å nå Konsernets mål om lønnsom vekst. Konsernet sikter mot å oppnå den høyeste kundetilfredsheten i bransjen gjennom god drift og kundeoppfølgning.
B.5	**Beskrivelsen av Konsernet**	Selskapet, morselskapet i Konsernet, er et holdingselskap og virksomheten i Konsernet utøves av de operasjonelle datterselskapene til Selskapet.
B.6	**Interesser i utsteder og stemmeretter**	Aksjonærer som eier 5 % eller mer av Aksjene vil etter børsnoteringen ha et eierskap i Selskapets aksjekapital som er meldepliktig etter verdipapirhandelloven. Per datoen for dette Prospektet har Selskapet én aksjonær, den Selgende Aksjonæren, som eier alle de utstedte og utestående Aksjene i Selskapet. Det er ingen forskjeller på stemmerettigheter mellom Aksjene. Selskapet kjenner ikke til noen arrangementer som på et senere tidspunkt kan medføre kontrollskifte i Selskapet.
B.7	**Utvalgt historisk finansiell nøkkelinformasjon**	Følgende utvalgt finansiell informasjon er hentet fra Konsernets ureviderte konsoliderte delårsregnskap per og for tre- og seksmånedersperiodene avsluttet 30. juni 2014 og 2013 (Delårsregnskapet) og Konsernets reviderte konsoliderte regnskap per og for årene avsluttet 31. desember 2013, 2012 og 2011 (Regnskapene). Selskapet ble stiftet 20. desember 2012 som et resultat av Selgende Aksjonærs innskudd av 100 % av aksjene i Entra Eiendom til Selskapet mot utstedelse av aksjene i Selskapet. Før transaksjonen var Entra Eiendom morselskapet i Konsernet. Konsernets reviderte konsoliderte regnskap per og for årene avsluttet 31. desember 2013 og 2012 og Konsernets ureviderte konsoliderte regnskap per og for tre- og seksmånedersperiodene avsluttet 30. juni 2014 og 2013 er derfor blitt utarbeidet med Selskapet som morselskapet i Konsernet, mens Konsernets reviderte konsoliderte regnskap per og for året avsluttet 31. desember 2011 har blitt utarbeidet med Entra Eiendom som morselskapet i Konsernet. Når det gjelder den finansielle informasjonen refererer derfor definisjonen "Konsernet" seg til Selskapet og dets datterselskaper for seksmånedersperiodene avsluttet 30. juni 2014 og 2013 og for årene avsluttet 31. desember 2013 og 2012, og for Entra Eiendom og dets datterselskaper for året som ble avsluttet 31. desember 2011. Regnskapene, inntatt i Vedlegg B til dette Prospektet, har blitt utarbeidet i henhold til IFRS. Delårsregnskapene, inntatt i Vedlegg C til dette

	Prospektet, har blitt utarbeidet i henhold til IAS 34. Den utvalgte konsoliderte finansielle informasjonen som presenteres her bør leses i sammenheng med, og er i sin helhet kvalifisert med henvisning til Regnskapene og Delårsregnskapene inntatt i henholdsvis Vedlegg B og Vedlegg C til Prospektet, og bør dessuten leses i sammenheng med kapittel 11 "Operating and financial review".

I NOK millioner	**Tremånedersperioden avsluttet 30. juni**		**Seksmånedersperioden avsluttet 30. juni**		**Året avsluttet 31. desember**		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011[1]**
Nøkkeltall fra totalresultat							
Sum driftsinntekter	481,2	417,2	905,0	795,2	1 575,4	1 532,7	1 467,8
Sum driftskostnader	140,4	132,9	243,4	228,0	468,7	464,9	463,7
Resultat fra eiendomsdrift	340,8	284,2	661,6	567,2	1 106,8	1 067,8	1 004,1
Driftsresultat	622,7	92,2	954,4	300,2	847,2	1 705,5	1 604,8
Netto realiserte finansposter..............	-135,3	-141,1	-268,2	292,2	-564,9	-591,9	-591,3
Netto finansposter............................	-292,4	-4,1	-539,0	-169,1	-381,3	-864,0	-799,3
Resultat før skattekostnad	330,3	88,2	415,4	131,1	466,0	841,5	805,6
Periodens resultat	249,7	67,5	315,6	96,7	469,9	737,8	579,0
Periodens totalresultat......................	249,7	71,1	315,6	100,4	467,0	772,6	579,0

1 Konsernets konsoliderte regnskap per og for året avsluttet 31. desember 2011 har blitt utarbeidet med Entra Eiendom som morselskapet i Konsernet.

I NOK millioner	**Per 30. juni**	**Per 31. desember**		
	2014	**2013**	**2012**	**2011[1]**
Nøkkeltall fra balanse				
Sum immaterielle eiendeler	177,2	30,9	36,3	16,5
Sum varige driftsmidler	25 109,6	23 182,0	22 234,5	21 875,3
Sum finansielle anleggsmidler...	2 059,5	2 074,6	2 450,8	1 623,6
Sum anleggsmidler	27 346,4	25 287,5	24 721,5	23 515,4
Sum kortsiktige fordringer	1 118,5	793,0	190,2	140,1
Sum omløpsmidler	1 328,3	970,4	255,0	188,4
Sum eiendeler	28 949,8	26 646,1	25 710,8	23 740,3
Sum egenkapital	8 316,6	7 993,0	7 942,6	7 391,4
Sum langsiktig gjeld	16 778,0	15 290,9	13 398,9	12 356,9
Sum kortsiktig gjeld	3 855,2	3 362,2	4 369,2	3 992,0
Sum gjeld	20 633,3	18 653,1	17 768,2	16 348,9
Sum egenkapital og gjeld...	28 949,8	26 646,1	25 710,8	23 740,3

1 Konsernets konsoliderte regnskap per og for året avsluttet 31. desember 2011 har blitt utarbeidet med Entra Eiendom som morselskapet i Konsernet.

I NOK millioner	**Tremånedersperioden avsluttet 30. juni**		**Seksmånedersperioden avsluttet 30. juni**		**Året avsluttet 31. desember**		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011[1]**
Nøkkeltall fra kontantstrømoppstilling							
Netto kontantstrøm fra driftsaktiviteter	179,0	122,2	353,6	214,2	508,4	656,0	517,2
Netto kontantstrøm fra investeringsaktiviteter	-205,4	-248,2	-515,2	-60,0	-999,7	-1 238,2	-1 052,5
Netto kontantstrøm fra finansieringsaktiviteter	17,0	-131,0	194,0	-73,5	603,9	598,8	434,6
Beholdning av kontanter og kontantekvivalenter ved periodens slutt	209,9	145,5	209,9	145,5	177,4	64,8	48,3

1 Konsernets konsoliderte regnskap per og for året avsluttet 31. desember 2011 har blitt utarbeidet med Entra Eiendom som morselskapet i

		Konsernet.
B.8	**Utvalgt pro forma finansiell nøkkelinformasjon**	Ikke aktuelt. Det er ikke utarbeidet pro forma finansiell informasjon.
B.9	**Resultatprognose eller estimat**	Ikke aktuelt. Det er ikke utarbeidet noen resultatprognose eller estimat.
B.10	**Forbehold i revisjonsrapport**	Ikke aktuelt. Det er ingen forbehold i revisjonsrapportene.
B.11	**Utilstrekkelig arbeidskapital**	Ikke aktuelt. Selskapet er av den oppfatning at arbeidskapitalen som er tilgjengelig for Konsernet er tilstrekkelig for Konsernets nåværende behov, for en periode som dekker minst 12 måneder fra datoen for Prospektet.

Punkt C – Verdipapirene

C.1	**Type og klasse verdipapir tatt opp til notering og identifikasjonsnummer**	Selskapet har én aksjeklasse utstedt, og samtlige Aksjer i denne klassen har like rettigheter i Selskapet. Hver Aksje har én stemme. Aksjene har blitt utstedt i henhold til allmennaksjeloven og er registrert i VPS under ISIN NO0010716418.
C.2	**Valuta på utstedelse**	Aksjene er utstedt i NOK.
C.3	**Antall aksjer utstedt og pålydende verdi**	Per datoen for Prospektet er Selskapets aksjekapital NOK 142 194 000 fordelt på 142 194 000 Aksjer, hver pålydende NOK 1,00.
C.4	**Rettigheter knyttet til verdipapirene**	Selskapet har én aksjeklasse, og i henhold til allmennaksjeloven har samtlige Aksjer like rettigheter i Selskapet. Hver Aksje har én stemme. Rettighetene knyttet til Aksjene er beskrevet i kapittel 15.10 "The Articles of Association and certain aspects of Norwegian law".
C.5	**Begrensninger i verdipapirenes omsettelighet**	Vedtektene etablerer ingen restriksjoner på omsetteligheten av Aksjene, eller forkjøpsrett for Selskapet. Aksjenes omsettelighet er ikke betinget av styrets samtykke. Se også kapittel 19 "Selling and transfer restrictions".
C.6	**Opptak til notering**	Selskapet vil ca 6. oktober 2014 søke om notering av Aksjene på Oslo Børs. Det er forventet at styret i Oslo Børs vil godkjenne noteringssøknaden til Selskapet ca 9. oktober 2014, betinget av at enkelte vilkår oppfylles. Se kapittel 18.13 "Conditions for completion of the Offering-Listing and trading of the Offer Shares". Selskapet forventer at betinget handel i Aksjene på Oslo Børs på "hvis solgt/hvis utstedt" basis vil starte ca 17. oktober 2014, og på ubetinget basis ca 21. oktober 2014. Selskapet har ikke søkt om notering av Aksjene på noen annen børs eller annet regulert marked.
C.7	**Utbyttepolitikk**	Entra vil ta sikte på en utbyttegrad på ca 60 % av kontantinntjening (definert som resultat fra eiendomsdrift fratrukket netto realiserte finansposter og betalt skatt). Fremtidige forslag om å utbetale utbytte er, i tillegg til de lovmessige restriksjonene som er beskrevet i kapittel 6.2 "Legal constraints on the distribution of dividends", underlagt de begrensninger som følger av Konsernets låneavtaler eller andre inngåtte avtaler på tidspunktet. Se kapittel 11.5.4 "Borrowing and funding sources".

Punkt D – Risiko

D.1	**Vesentlige risiki knyttet til Selskapet eller dets bransje**	*Risiko knyttet til rådende økonomiske forhold* • Verdien av Konsernets eiendeler er utsatt for makroøkonomiske svingninger • Alle Konsernets eiendommer er lokalisert i Norge, særlig i Oslo Sentrum og Stor-Oslo, og nedgang i den økonomiske aktiviteten i disse geografiske områdene kan ha en vesentlig negativ innvirkning

	på eiendomsnæringen som Konsernet opererer i • En lavere inflasjonsrate eller nedgang i konsumprisindeksen kan føre til lavere leiepriser på Konsernets eiendommer enn forventet *Risiko knyttet til Konsernets virksomhet og bransjen som Konsernet opererer i* • Konsernet vil kanskje ikke lykkes med implementeringen av sin strategi • Konsernet kan være ute av stand til å leie ut en eiendom eller leie ut en eiendom på ny etter at leieforholdet har utløpt til økonomisk attraktive priser eller i det hele tatt • Mislighold av forpliktelser fra Konsernets leietakere, eller oppsigelse av leieavtaler fra leietakere, kan resultere i betydelig tap av leieinntekter, økning i tap på fordringer og verdireduksjon av Konsernets eiendommer • Flesteparten av Konsernets leietakere er offentlige enheter, og det er ingen sikkerhet for at disse enhetene vil fornye sine eksisterende leieforhold eller inngå nye leieforhold med Konsernet etter privatiseringen • Konkurranse i markedene som Konsernet driver i kan ha en vesentlig negativ innvirkning på Konsernets virksomhet, finansielle stilling, driftsresultat og kontantstrøm • På grunn av den mulige lave likviditeten i de eiendommene Konsernet har investert i kan Konsernet være ute av stand til å selge deler av sin totale portefølje på gunstige vilkår eller i det hele tatt • Konsernets forsikringsdekning kan være utilstrekkelig for potensielt ansvar eller andre tap • Konsernet eier og driver en del av sin eiendomsportefølje gjennom datterselskaper med vesentlige minoritetsinteresser eller felleskontrollerte selskaper, noe som utsetter Konsernet for risiko og usikkerhet, hvorav flere av disse er utenfor Konsernets kontroll • Konsernets kostnader ved å vedlikeholde, erstatte og forbedre sine eksisterende eiendommer kan bli høyere enn forventet • Konsernet er utsatt for utviklingsrisiko i sin virksomhet knyttet til utvikling av kommersielle eiendommer • Konsernet er avhengig av tjenester fra eksterne entreprenører og andre tjenesteleverandører i forbindelse med utviklingen og oppføringen av sine nye prosjekter • Miljøforhold knyttet til Konsernets tomter og bygninger kan medføre tilleggskostnader og/eller ansvar for Konsernet som kan ha en vesentlig negativ innvirkning på Konsernets virksomhet, finansielle stilling, driftsresultat og kontantstrøm • Kjøpsopsjoner og forkjøpsretter tilknyttet Konsernets eiendommer kan begrense Konsernets fleksibilitet og/eller redusere verdien på Konsernets eiendommer • Konsernets drifts- og vedlikeholdskostnader vil ikke nødvendigvis svinge forholdsmessig med endringene i driftsinntekter • Konsernet kan være ute av stand til å gjennomføre foreslåtte oppkjøp på akseptable vilkår eller i det hele tatt, eller integrere ervervede eiendeler eller virksomheter på en vellykket måte • Ervervede eiendommer kan utsette Konsernet for ukjent ansvar, som kan ha en negativ innvirkning på dets virksomhet, finansielle stilling, driftsresultatet eller kontantstrøm • Konsernet kan bli utsatt for ansvarskrav flere år etter at

	eiendommer er solgt • Svikt i rekruttering av høyt kvalifisert personale kan ha en vesentlig negativ innvirkning på Konsernets virksomhet og drift • Konsernet er avhengig av it-systemer for å drifte virksomheten, herunder for å følge opp leietakere, og avbrudd, feil eller sikkerhetsbrudd i disse systemene kan påvirke dets virksomhet og driftsresultat negativt • Konsernets samfunnsansvar og miljøretningslinjer kan medføre tilleggskostnader og kan ha en negativ innvirkning på dets virksomhet og driftsresultat • Skade på Konsernets renommé og forretningsforbindelser kan ha en negativ innvirkning på dets virksomhet og driftsresultat • Konsernet er utsatt for risiko knyttet til gjenstander som faller fra fasadene og tak på Konsernets bygg, noe som kan skade Konsernets renommé og ha en negativ innvirkning på dets virksomhet og driftsresultat • Konsernet kan være utsatt for risiki knyttet til finansiell rapportering *Risiko knyttet til verdsettelsen av Konsernets eiendomsportefølje* • Justering av verdien av Konsernets eiendomsportefølje basert på endringer i markedsverdien eller unøyaktigheter i utregningen av markedsverdien, kan negativt påvirke Konsernets finansielle stilling og driftsresultat • Verdsettelsesrapportene og den Finansielle Informasjonen inntatt i Prospektet kan feilvurdere verdien av Konsernets eiendommer *Risiko knyttet til Konsernets finansielle profil* • Konsernets gjeldsgrad og muligheten til å pådra seg ytterligere gjeld kan ha en vesentlig negativ innvirkning på Konsernets mulighet til å hente ytterligere finansiering eller gjøre det mer utsatt ved en nedgang i markedet eller i økonomien generelt • Rentesvinginger kan ha en vesentlig negativ innvirkning på Konsernets virksomhet, finansielle stilling, driftsresultat og kontantstrøm • For å være i stand til å implementere sin strategi kan Konsernet måtte trenge å hente ny kapital i fremtiden som kanskje ikke er tilgjengelig på gunstige vilkår eller i det hele tatt • Konsernets eksisterende eller fremtidige gjeldsstruktur kan begrense Konsernets likviditet og fleksibilitet til å oppnå tilleggsfinansiering, til å forfølge forretningsmuligheter eller til selskapsaktiviteter eller Selskapets mulighet til å dele ut utbytte til sine aksjonærer • Selskapet er et holdingselskap og er avhengig av kontantstrøm fra datterselskapene for å kunne møte sine forpliktelser og for å være i stand til å betale utbytte til sine aksjonærer *Risiko knyttet til lover og regler som Konsernet må følge* • Lover og regler kan hindre eller forsinke Konsernets drift, øke Konsernets driftskostnader, redusere etterspørselen etter dets tjenester og begrense dets driftsmuligheter eller lignende • Endringer i lover og regler knyttet til skatt og andre avgifter kan resultere i høyere skatteutgifter og avgifter for Konsernet • Konsernet kan bli utsatt for søksmål og tvister som kan ha en vesentlig negativ innvirkning på Konsernets virksomhet, finansielle stilling, driftsresultat og kontantstrøm • Noen av Konsernets eiendommer er beskyttet som kulturarv eller

	regulert for bevaring, noe som kan begrense Konsernets muligheter til å utnytte disse eiendommene • Endringer i, eller gjennomføring av, planreguleringer og eksisterende dispensasjonspraksis fra myndighetene kan i betydelig grad påvirke Konsernets drift, og forandringer i infrastruktur kan i vesentlig grad påvirke Konsernets eiendommer • Konsernet er utsatt for riski med hensyn til hjemmel og eierskap i sine eiendommer • Endringer i regnskapsregler, antagelser og/eller vurderinger kan ha en vesentlig negativ innvirkning på Konsernet *Risiko knyttet til den norske stats delvise eierskap i Selskapet* • Selskapet kan bli påvirket av den norske stat som ikke nødvendigvis alltid har sammenfallende interesser med interessene til Selskapets andre aksjonærer • Politiske, økonomiske eller andre retningslinjer for den norske stat kan påvirke virksomheten og driften av Selskapet • Det er ingen garanti, forpliktelse eller sikkerhet for at den norske stat i fremtiden vil støtte Selskapet eller andre medlemmer i Konsernet på noen måte
D.3 **Vesentlige risiki knyttet til verdipapirene**	*Risiko knyttet til Noteringen og Aksjene* • Flere av Konsernets finansieringsavtaler inneholder kontrollskiftebestemmelser som kan forsinkelse, utsette eller forhindre en fusjon, egenkapitaltransaksjon, oppkjøp eller andre virksomhetssammenslutninger som involverer Konsernet • Konsernet vil bli påført økte kostnader som følge av at det blir et børsnotert selskap • Prisen på Aksjene kan svinge betydelig • Det er ikke et eksisterende marked for Aksjene, og det er ikke sikkert at det utvikler seg et aktivt marked for handel i aksjene • Fremtidige salg, eller muligheten for fremtidige salg, av et betydelig antall Aksjer kan påvirke Aksjenes markedspris • Fremtidig utstedelse av Aksjer eller andre verdipapirer kan utvanne eierandelene til aksjonærer og kan ha vesentlig innvirkning på prisen på Aksjene • Fortrinnsrett til å tegne og betale for Aksjer i senere aksjeutstedelser kan være utilgjengelig for amerikanske eller andre aksjonærer • Investorer kan være ute av stand til å utøve sine stemmerettigheter for Aksjer registrert på en forvalterkonto • Overdragelse av Aksjer er gjenstand for restriksjoner i henhold til verdipapirregler i USA og i andre jurisdiksjoner • Selskapets mulighet til å utdele utbytte er avhengig av Selskapets utbyttegrunnlag, og Selskapet kan være i en posisjon hvor det ikke er i stand til eller uvillig til å utdele utbytte i fremtiden • Investorer kan være ute av stand til å få dekket sitt tap i sivile søksmål i andre jurisdiksjoner enn i Norge • Norsk lov kan begrense aksjonærers mulighet til å føre saker mot Selskapet • Svingninger i valutakurser kan ha en negativ innvirkning på verdien av Aksjene og utdelt utbytte på Aksjene for en investor som ikke har NOK som sin hovedvaluta • Markedsrenter kan påvirke prisen på Aksjene • Konsernet kan bli klassifisert som et passivt utenlandsk

	investeringsselskap i henhold til føderale skatteregler i USA, noe som kan utsette amerikanske investorer i Aksjene for betydelige ugunstige skattekonsekvenser • Aksjene er notert på betinget basis ("hvis solgt/hvis utstedt" basis) frem til leveringen av Aksjene, noe som innebærer at all betinget handel kan bli reversert • Den begrensede frie flyten av Aksjer kan ha en negativ påvirkning på likviditeten og markedsprisen på Aksjene

Punkt E – Tilbudet

E.1	**Nettoproveny og estimerte kostnader**	Selgende Aksjonær vil motta provenyet for salget av Salgsaksjene og Tilleggsaksjene, hvis noe, og Selskapet vil motta provenyet fra salget av de Nye Aksjene i Tilbudet. De totale kostnadene og utgiftene til Noteringen og Tilbudet er anslått til ca NOK 130 millioner (inkludert mva) dersom alle de Nye Aksjene, midtverdien av intervallet for Salgsaksjer og alle Tilleggsaksjene blir solgt av Selgende Aksjonær og av Selskapet, og Selgende Aksjonær og Selskapet bestemmer seg for å betale insentivhonoraret fullt ut (basert på en pris per Aksje på NOK 66,50 – som utgjør midtverdien i det Indikative Prisintervallet).
E.2a	**Bakgrunnen for Tilbudet og bruk av provenyet**	Selskapet vil søke om Notering av alle sine Aksjer på Oslo Børs. Selskapet er av den oppfatning at fordelene med Tilbudet og Noteringen inkluderer følgende: (i) **Legge til rette for en bærekraftig eierstruktur som støtter Selskapets langsiktige strategi**. Selgende Aksjonær og styret har besluttet å søke om Noteringen av alle Aksjene på Oslo Børs for å tilby Selgende Aksjonær en mulighet til å selge en del av sine Aksjer. Forutsatt at alle Salgsaksjene og de Nye Aksjene blir solgt i Tilbudet, og at ingen Tilleggsaksjer blir solgt, vil Selgende Aksjonær beholde et eierskap i Selskapet på ikke mindre enn 42 % (basert på en pris per Aksje på NOK 66,50 – som utgjør midtverdien i det Indikative Prisintervallet). Hvis Overtildelingsopsjonen blir benyttet fullt ut av Tilretteleggerne og det maksimale antallet Tilleggsaksjer som kan bli solgt i henhold til Overtildelingsopsjonen blir solgt, vil eierskapet til Selgende Aksjonær i Selskapet etterfulgt et slikt salg utgjøre ikke mindre enn 34 % (basert på en pris per Aksje på NOK 66,50 – som utgjør midtverdien i det Indikative Prisintervallet). (ii) **Styrke strategisk fleksibilitet og øke finansieringskilder for fremtidige vekstmuligheter**. Til tross for at Selskapet forventer å finansiere de løpende utviklingsprosjektene gjennom kontantstrøm fra driften vil Selskapet fortsette å vurdere nye investeringer og oppkjøp, og kan, blant annet, beslutte å hente ytterligere egenkapitalfinansiering for å finansiere attraktive muligheter i fremtiden. (iii) **Styrke Selskapets evne til å tiltrekke seg talenter**. Selskapet mener at det å bli et notert selskap vil gjøre det mer attraktivt som arbeidsgiver ettersom Noteringen er forventet å heve profilen til Konsernet og dermed forbedre oppfatningen av Konsernets virksomhet og varemerke blant nåværende og potensielle arbeidstakere. Evnen til å tiltrekke seg kvalifiserte arbeidstakere er viktig for at Konsernets virksomhet skal ivaretas og vokse videre. Selskapet har til hensikt å bruke nettoprovenyet fra utstedelsen av de Nye Aksjene i Tilbudet til å tilbakebetale samtlige av kredittfasilitetene i Brattørkaia AS som beskrevet i kapittel 11.5.4.3 "Credit facilities", med et totalt utestående beløp på NOK 905 millioner per 30. juni 2014. Gjenværende beløp vil bli brukt til å redusere utestående lån under

	kredittfasiliteter i Entra Eiendom, herunder kredittfasiliteter trukket opp for å betale et ekstraordinært utbytte på NOK 650 millioner til Selgende Aksjonær. Generalforsamlingen besluttet den 26. september 2014 å utdele et ekstraordinært utbytte på NOK 650 millioner til Selgende Aksjonær, betinget av gjennomføring av Noteringen. Selgende Aksjonærs rett til utbytte oppstår på datoen for ubetinget handel i Aksjene på Oslo Børs. Det ekstraordinære utbyttet vil bli betalt ved å trekke på Konsernets eksisterende kredittfasiliteter. Se kapittel 11.5.4.3 "Credit facilities" for ytterligere informasjon om betingelsene knyttet til kredittfasilitietene for Brattørkaia AS og Entra Eiendom. Selskapet vil ikke motta noe av provenyet fra salget av Salgsaksjene eller Tilleggsaksjene fra Selgende Aksjonær.
E.3 Vilkår for Tilbudet	Tilbudet består av (i) et tilbud på Nye Aksjer for å reise et beløp på NOK 2 700 millioner ved utstedelse av inntil 44 262 296 Nye Aksjer, hver med en pålydende verdi på NOK 1,00, og (ii) et tilbud på mellom 29 009 265 og 64 673 913 Salgsaksjer, som alle er eksisterende, gyldig utstedte og fullt innbetalte registrerte Aksjer med en pålydende verdi på NOK 1,00, som tilbys av Selgende Aksjonær. Joint Bookrunners kan velge å overtildele inntil 16 340 432 Tilleggsaksjer, som tilsvarer opp til ca 15 % av de Nye Aksjene og Salgsaksjene (forutsatt at alle Salgsaksjene og de Nye Aksjene blir solgt i Tilbudet). Selgende Aksjonær har tildelt Goldman Sachs International, på vegne av Tilretteleggerne, en Overtildelingsopsjon til å kjøpe et tilsvarende antall Tilleggsaksjer for å dekke slike eventuelle overtildelinger. Forutsatt at Overtildelingsopsjonen blir utnyttet i sin helhet og at alle Salgsaksjer og Nye Aksjer blir solgt i Tilbudet, vil Tilbudet omfatte inntil 125 276 641 Tilbudsaksjer. Summen av tildelte Salgsaksjer og Tilleggsaksjer vil under enhver omstendighet ikke utgjøre mindre enn 40 000 000 Aksjer eller mer enn 80 000 000 Aksjer. Tilbudet består av: • Et Institusjonelt Tilbud, hvor Tilbudsaksjer tilbys til (a) institusjonelle og profesjonelle investorer i Norge, (b) investorer utenfor Norge og USA, i henhold til gjeldende unntak fra prospektkrav og (c) investorer i USA som er QIBs. Det Institusjonelle Tilbudet er underlagt en nedre grense per bestilling på NOK 2 000 000. • Et Offentlig Tilbud, hvor Tilbudsaksjer tilbys til allmennheten i Norge med en nedre grense per bestilling på NOK 10 500 og en øvre grense per bestilling på NOK 1 999 999 for hver investor, med rett til å motta Bonusaksjer (på de betingelser som fremgår av kapittel 18.5.1 "Offer Price"). Investorer som har til hensikt å legge inn bestilling som overstiger NOK 1 999 999 må gjøre det i det Institusjonelle Tilbudet. Flere bestillinger fra én bestiller i det Offentlige Tilbudet vil bli behandlet som én bestilling hva gjelder maksimal bestillingsgrense. • Et Ansattetilbud, hvor Tilbudsaksjer tilbys Kvalifiserte Ansatte med en nedre grense per bestilling på NOK 1 500 eller 15 Tilbudsaksjer (hvis et antall Tilbudsaksjer er bestilt) og en øvre grense per bestilling på NOK 4 999 999 eller 150 Tilbudsaksjer (hvis et antall Tilbudsaksjer er bestilt) for hver Kvalifiserte Ansatt, med rett til å motta Bonusaksjer (på de betingelser som fremgår av kapittel 18.6.2 "Offer Price"). Kvalifiserte Ansatte som har til hensikt å legge inn bestilling som overstiger NOK 4 999 999 må gjøre det i det Institusjonelle Tilbudet. Flere bestillinger fra én bestiller i Ansattetilbudet er ikke tillatt. Samtlige Kvalifiserte Ansatte vil få full tildeling i Ansattetilbudet. Kvalifiserte Ansatte kan ikke bestille Tilbudsaksjer i både Ansattetilbudet og det Offentlige Tilbudet. Entra Eiendom vil tilby Kvalifiserte Ansatte et lån på opp til det laveste av (i) NOK 50 000 og (ii) 20 % av den enkelte Kvalifiserte

		Ansattes netto årslønn etter forskuddskatt, for å finansiere hele eller deler av den enkelte Kvalifiserte Ansattes betaling for Tilbudsaksjer tildelt den enkelte Kvalifiserte Ansatte i Ansattetilbudet. Ethvert tilbud eller salg i USA vil bare bli gjort til QIBs i overensstemmelse med Rule 144A eller i henhold til et annet unntak fra, eller i transaksjoner som ikke er underlagt registreringsvilkårene i U.S. Securities Act. Ethvert tilbud eller salg utenfor USA vil bli gjort i overensstemmelse med Regulation S. Bookbuildingperioden for det Institusjonelle Tilbudet er forventet å vare fra kl. 09:00 norsk tid den 6. oktober 2014 til kl. 15:00 norsk tid den 16. oktober 2014. Bestillingsperioden for det Offentlige Tilbudet er forventet å vare fra kl. 09:00 norsk tid den 6. oktober 2014 til kl. 12:00 norsk tid den 15. oktober 2014 for fysiske ordrer og til kl. 12:00 norsk tid den 16. oktober 2014 for Nettbestillinger. Bestillingsperioden for Ansattetilbudet er forventet å vare fra kl. 09:00 norsk tid den 6. oktober 2014 til kl. 12:00 norsk tid den 15. oktober 2014. Selskapet og Selgende Aksjonær, i samråd med Joint Bookrunners, forbeholder seg retten til når som helst å forkorte eller forlenge Bookbuildingperioden og Bestillingsperioden. Tilretteleggerne forventer å gi beskjed om tildeling av Tilbudsaksjer i det Institusjonelle Tilbudet ca den 17. oktober 2014, gjennom utstedelse av sluttsedler til bestillerne via post eller på annen måte. Betaling fra bestillerne i det Institusjonelle Tilbudet vil finne sted mot levering av Tilbudsaksjer. Levering og betaling av Tilbudsaksjene er forventet å finne sted ca 21. oktober 2014. Swedbank, oppgjørsagent i det Offentlig Tilbudet og Ansattetilbudet, forventer å gi beskjed om tildeling av Tilbudsaksjer i det Offentlige Tilbudet og Ansattetilbudet ca 17. oktober 2014, gjennom utstedelse av tildelingsbrev til bestillere per post eller på annen måte. Fristen for betaling i det Offentlige Tilbudet og Ansattetilbudet er ca 20. oktober 2014. Forutsatt rettidig betaling av bestilleren, er levering av Tilbudsaksjene tildelt i det Offentlige Tilbudet og Ansattetilbudet forventet å finne sted ca 20. oktober 2014.
E.4	**Vesentlige og motstridende interesser**	Tilretteleggerne eller deres nærstående har fra tid til annen ytet, og kan i fremtiden yte, investeringstjenester og kommersielle banktjenester, herunder finansiering, til Selskapet og dets nærstående som ledd i sin ordinære virksomhet. For slike tjenester kan de ha mottatt, og vil kunne fortsette å motta, vanlige honorarer og provisjoner. Tilretteleggerne har ikke til hensikt å fremlegge omfanget av slike investeringer eller transaksjoner med mindre de er juridisk eller regulatorisk forpliktet til dette. Tilretteleggerne vil motta et tilretteleggerhonorar i forbindelse med Tilbudet, og de vil, på grunn av det ha en interesse i Tilbudet. Selgende Aksjonær vil motta provenyet fra salget av Salgsaksjene og for eventuelle Tilleggsaksjer, og Selskapet vil motta provenyet fra salget av de Nye Aksjene i Tilbudet. Selgende Aksjonær vil også motta et utbytte på NOK 650 millioner forutsatt at Noteringen gjennomføres. Utover det ovennevnte er Selskapet ikke kjent med noen interesser, herunder interessekonflikter, som fysiske eller juridiske personer involvert i Tilbudet har.
E.5	**Selgende aksjonær og bindingsavtaler**	Selgende Aksjonær er den norske stat, representert ved Nærings- og fiskeridepartementet. Per dato for dette Prospektet eier Selgende Aksjonær 142 194 000 Aksjer, tilsvarende 100 % av de utstedte og utestående Aksjene. Forutsatt at alle Salgsaksjene og de Nye Aksjene blir solgt i Tilbudet, og at ingen Tilleggsaksjer blir solgt, vil Selgende Aksjonær beholde et eierskap i Selskapet på ikke mindre enn 42 % (basert på en pris per Aksje på NOK

		66,50 – som utgjør midtverdien i det Indikative Prisintervallet). Hvis Overtildelingsopsjonen blir brukt fullt ut av Tilretteleggerne og maksimalt antall Tilleggsaksjer som kan bli solgt i henhold til Overtildelingsopsjonen blir solgt, vil eierskapet til Selgende Aksjonær i Selskapet etter salget være ikke mindre enn 34 % (basert på en pris per Aksje på NOK 66,50 – som utgjør midtverdien i det Indikative Prisintervallet). I forbindelse med Kjøpsavtalen vil hver av Selskapet og Selgende Aksjonær påta seg en forpliktelse som vil begrense deres mulighet til å utstede, selge eller overføre, som relevant, Aksjer for en periode på 180 kalenderdager etter dato for Kjøpsavtalen. I tillegg vil Klaus-Anders Nysteen, Arve Regland, Sonja Horn, Mona Aarebrot, Jorunn Nerheim, Karl Fredrik Torp, Anders Solaas og Kristin Haug Lund påta seg forpliktelser som vil begrense deres mulighet til å selge eller overføre Aksjer i en periode på 12 måneder etter datoen for Kjøpsavtalen. For ytterligere informasjon om disse restriksjonene, se kapittel 18.17 "Lock-up".
E.6	**Utvanning som følge av Tilbudet**	Etter gjennomføringen av Tilbudet, vil den umiddelbare utvanningen som følge av ustedelse av de Nye Aksjene for Selgende Aksjonær være forventet å bli mellom ca 20,9 % og 23,7 % forutsatt utstedelse av alle de Nye Aksjene.
E.7	**Estimerte kostnader som vil kreves fra investorene**	Ikke aktuelt. Kostnadene knyttet til Tilbudet vil bli dekket av Selskapet og Selgende Aksjonær.

22 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
Additional Shares	Up to 16,340,432 additional Shares sold pursuant to the over-allotment by the Stabilisation Manager, equalling up to approximately 15% of the aggregate number of New Shares and Sale Shares to be sold in the Offering.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302, collectively.
Application Period	The application period for the Retail Offering will take place from 09:00 hours (CET) on 6 October 2014 to 12:00 hours (CET) on 15 October 2014 for physical orders and to 12:00 hours (CET) on 16 October 2014 for Online Orders, while the application period for the Employee Offering will take place from 09:00 hours (CET) on 6 October 2014 to 12:00 hours (CET) on 15 October 2014, unless shortened or extended.
Articles of Association	The Company's articles of association.
Board of Directors	The board of directors of the Company.
Board Members	The members of the Board of Directors.
Bonus Shares	Bonus shares to be received by investors in the Retail Offering and the Employee Offering on the terms set out in Section 18 "The terms of the Offering".
Bookbuilding Period	The bookbuilding period for the Institutional Offering which will take place from 09:00 hours (CET) on 6 October 2014 to 15:00 hours (CET) on 16 October 2014, unless shortened or extended.
BREEAM	Building Research Establishment Environmental Assessment Methodology.
CBD	Central Business District of Oslo.
CBD East	The area around Oslo Central Station in CBD.
CBD West	The areas Vika, Aker Brygge and Tjuvholmen in CBD.
Central Oslo	The operating segment comprising the Group's properties located in Oslo, except for Helsfyr-Bryn and Stovner.
CEO	The Group's chief executive officer.
CET	Central European Time.
CISA	The Swiss Federal Act on Collective Investment Schemes.
Co-Lead Managers	Danske Bank, Handelsbanken Capital Markets and Kempen & Co, collectively.
Company	Entra ASA.
contractual rent	Annualised cash rental income received at a certain date.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 23 October 2012.
CPI	Consumer price index, as calculated by Statistics Norway.
EEA	The European Economic Area.
DNB	DNB Næringsmegling, an affiliate of DNB Bank ASA.
Eligible Employees	Full-time or part-time employees of the Group who were employed as of 1 October 2014.
Employee Application Form	Application form to be used to apply for Offer Shares in the Employee Offering, attached to this Prospectus as Appendix F in English and Appendix G in Norwegian.
Employee Offering	An employee offering, in which Offer Shares are being offered to Eligible Employees subject to a lower limit per application of an amount of NOK 1,500 or 15 Offer Shares (in the event a number of Offer Shares is applied for) and an upper limit per application of NOK 4,999,999 or 150 Offer Shares (in the event a number of Offer Shares is applied for) for each Eligible Employee, with a right to receive Bonus Shares.
Entra	The Company and its consolidated subsidiaries.
Entra Eiendom	Entra Eiendom AS.
EPRA	The European Public Real Estate Association.
EU	The European Union.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.
Financial Information	The Financial Statements and the Interim Financial Statements.
Financial Statements	The Group's audited consolidated financial statements as of, and for the years ended, 31 December 2013 and 2012, with the Company as the ultimate parent company of the

	Group, and the Group's audited consolidated financial statements as of, and for the year ended, 31 December 2011, with Entra Eiendom as the ultimate parent company of the Group.
floor space ratio	The ratio of a project's total floor area to the area of the land on which the building is built.
FSMA	UK Financial Services and Markets Act 2000.
GDP	Gross domestic product.
General Meeting	The Company's general meeting of shareholders.
Greater Oslo	The operating segment comprising the Group's properties located at Helsfyr-Bryn and Stovner, as well as the Group's properties located in Drammen, Bærum, Skedsmo and Østfold.
gross yield	12 months rolling rent divided by the market value of the management properties of the Group.
Ground lease	A lease under which the lessor owns the land/ground and the lessee has the right to use the land and owns the buildings and other installations to be built on the land.
Group	The Company and its consolidated subsidiaries.
Helsfyr/Bryn	The Helsfyr and Bryn areas of Oslo.
HSE	Health, safety and environment.
IAS 19	International Accounting Standard 19 "Employee Benefits".
IAS 34	International Accounting Standard 34 "Interim Financial Reporting".
IAS 39	International Accounting Standard 39 "Financial Instruments: Recognition and Measurement".
IASB	International Accounting Standard Board.
IFRIC	International Financial Reporting Interpretations Committee.
IFRIC 12	IFRIC Interpretation 12 "Service Concession Arrangements" of the IFRS Interpretation Committee.
IFRS	International Financial Reporting Standards, as adopted by the International Accounting Standards Board.
IFRS 8	International Financial Reporting Standard 8 "Operating Segments".
Independent Appraisers	Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS.
Indicative Price Range	The indicative price range in the Offering of NOK 61 to NOK 72 per Offer Share.
Inner City	Other central business areas in CBD.
Institutional Closing Date	Delivery and payment for the Offer Shares by the applicants in the Institutional Offering is expected to take place on or about 21 October 2014.
Institutional Offering	An institutional offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus requirements, and (c) investors in the United States who are QIBs, subject to a lower limit per application of NOK 2,000,000.
Interim Financial Statements	The Group's unaudited condensed consolidated financial statements as of, and for the three and six month periods ended, 30 June 2014, with comparable figures as of, and for the three and six month periods ended, 30 June 2013.
IT	Information technology.
Joint Global Coordinators and Joint Bookrunners	ABG Sundal Collier, Goldman Sachs International and Swedbank, collectively.
land and development properties	Properties/plots of land with planning permission for development.
Land Registry	The Norwegian land registry.
Lending Option	A lending option granted to the Stabilisation Manager by the Selling Shareholder, pursuant to which the Stabilisation Manager may require the Selling Shareholder to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares.
Listing	The listing of the Shares on the Oslo Stock Exchange.
Mainland GDP	GDP from all domestic production activity other than exploration of crude oil and natural gas, services activities incidental to oil and gas, transport via pipelines and ocean transport.
Management	The senior management team of the Group.
management properties	Properties that are leased out and managed by the Group.
Managers	The Joint Global Coordinators and Joint Bookrunners and the Co-Lead Managers, collectively.
market rent	The annualised market rent of the management properties fully let as of a certain date, or any part thereof, expressed as the average of the market rent estimated by the Independent Appraisers.

market value	The property market value of the property portfolio, or any part thereof, expressed as the average of the market value estimated by the Independent Appraisers. Only zoned area is valued by the Independent Appraisers.
Mid/North Norway	The operating segment comprising the Group's properties located in Trondheim, Bodø and Tromsø.
net rent	12 months rolling rent less the average of the Independent Appraisers' estimate of ownership costs of the management properties of the Group (7.7% of market rent of the management properties as of 30 June 2014).
net yield	Net rent divided by the market value of the management properties.
New Shares	Up to 44,262,296 new shares of the Company offered pursuant to the Offering.
NOK	Norwegian Kroner, the lawful currency of Norway.
NOM-account	Nominee account.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes.
Norwegian Accounting Act	The Norwegian Accounting Act of 17 July 1998 no. 56 (*Nw.: regnskapsloven*).
Norwegian Accounting Principles	The Norwegian accounting requirements, practices and regulations as set out in the Norwegian Accounting Act as amended or supplemented from time to time.
Norwegian Act on Overdue Payment	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (*Nw.: forsinkelsesrenteloven*).
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian Culture Heritage Act	The Norwegian Cultural Heritage Act of 9 June 1978 no. 50 (*Nw.: kulturminneloven*).
Norwegian FSA	The Norwegian Financial Supervisory Authority (*Nw.: Finanstilsynet*).
Norwegian Land Registration Act	The Norwegian Land Registration Act of 7 June 1935 no. 2 (*Nw.: tinglysingsloven*).
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (*Nw.: allmennaksjeloven*).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (*Nw.: verdipapirhandelloven*).
occupancy rate	The market rent of occupied space of the management properties, or any parts thereof, divided by the market rent of the total space of the management properties of the Group, or any relevant parts thereof.
Offering	The global offering including the Institutional Offering, the Retail Offering and the Employee Offering taken together.
Offer Price	The final offering price for the Offer Shares in the Offering. The Offer Price may be set within, below or above the Indicative Price Range.
Offer Shares	The New Shares together with the Sale Shares and any Additional Shares – the Shares offered pursuant to the Offering.
Online Orders	Applications for Offer Shares in the Retail Offering through the VPS online application system.
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Region	Oslo, Asker and Bærum.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Outer City	The areas surrounding the CBD and the Inner City and outside the main artery Ring 2 ring-road in Oslo.
Over-Allotment Option	Option granted by the Selling Shareholder to the Stabilisation Manager, on behalf of the Managers, to purchase up to 16,340,432 Additional Shares, equal to up to approximately 15% of the number of New Shares and Sale Shares sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 17 October 2014, to cover any over-allotments made in connection with the Offering.
passive house	A building, for which thermal comfort can be achieved solely by post-heating or post-cooling of the fresh air mass, which is required to achieve sufficient indoor air quality conditions, without the need for additional recirculation of air.
Payment Date	The payment date for the Offer Shares under the Retail Offering and the Employee Offering, expected to be on 20 October 2014.
PFIC	A passive foreign investment company.

Powerhouse Kjørbo	The office building at Kjørbo in Sandvika (Bærum).
private sector tenants	All tenants which are not public sector tenants.
property portfolio	The management properties, the project properties and the land and development properties taken together.
project properties	Properties where it has been decided to start construction of a new building and/or renovation or remodelling.
Property Appraisal Reports	The property appraisal reports as of 30 June 2014 prepared by the Independent Appraisers obtained by the Group for the purpose of the Offering, attached to this Prospectus as Appendix H.
Prospectus	This Prospectus, dated 3 October 2014.
public sector tenants	Tenants which are, or are wholly owned by, governmental, county or municipal bodies.
Purchase Agreement	The purchase agreement expected to be entered into by the Company, the Selling Shareholder and the Joint Bookrunners (as representatives of the Managers) on or about 16 October 2014 with respect to the Offering of the Offer Shares.
QIBs	Qualified institutional buyers as defined in Rule 144A.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Implementation Date	In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State.
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
Relevant Persons	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Restricted Transaction	Has the meaning set forth in Section 18.17.3 "Certain members of Management".
Retail Application Form	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix D in English and Appendix E in Norwegian.
Retail Offering	A retail offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor, with a right to receive Bonus Shares.
Rule 144A	Rule 144A under the U.S. Securities Act.
Sale Shares	Between 29,009,265 and 64,673,913 existing shares of the Company offered pursuant to the Offering.
Selling Shareholder	The Norwegian Government, represented by the Ministry of Trade, Industry and Fisheries.
SFO	The Securities and Futures Ordinance of Hong Kong.
SIX	The Swiss Exchange.
South/West Norway	The operating segment comprising the Group's properties located in Bergen, Stavanger, Kristiansand, Arendal and Skien.
Share(s)	Shares in the share capital of the Company, each with a par value of NOK 1.00, or any one of them.
Stabilisation Manager	Goldman Sachs International.
Subscription Amount	The aggregate subscription price for the New Shares allocated in the Offering.
Treaty	The U.S.-Norway Income Tax Treaty.
12 months rolling rent	The contractual rent of the management properties 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 the Independent Appraisers' CPI estimates and (iii) the Independent Appraisers' estimates of re-letting of current and future vacant areas.
UK	The United Kingdom.
U.S. or United States	The United States of America.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
USD or U.S. dollar	United States Dollars, the lawful currency in the United States.
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).
VPS account	An account with the VPS for the registration of holdings of securities.
WAULT	The weighted average unexpired lease term, measured as the remaining lease amounts of the current lease contracts of the management properties, 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. The WAULT for management properties differs from that of the entire property portfolio in that it excludes signed contracts with start-up dates in the future, short-term parking and

	warehouse contracts as reported occupancy differences. As of 30 June 2014, the WAULT of the entire property portfolio was 8.1 years and the WAULT for management properties was 7.8 years. Following the date of the Interim Financial Statements, an adjustment has been made to the WAULT calculation as this did not previously take into account the exact annual rent when a new contract replaced an expired contract for the same area. In the current WAULT calculation, this is now done by weighting all the rent for the current contracts with contract maturity. As a result of this adjustment, the WAULT previously reported by the Group differs from the WAULT measures given herein.
yield on cost	Calculated as contractual rent and market rent less estimated owners' costs, divided by estimated total project cost.

APPENDIX A:

ARTICLES OF ASSOCIATION OF ENTRA ASA

ARTICLES OF ASSOCIATION FOR ENTRA ASA

(last amended at the general meeting held on 26 September 2014)

§ 1 Company name

The company's name is Entra ASA. The company is a public limited liability company.

§ 2 Registered office

The company's registered office is in the municipality of Oslo, Norway.

§ 3 Objective of the company

The objective of the company is to own, acquire, sell, operate, develop and manage real property and other business related to this. The company may also own shares or interests in, or participate in, other companies with businesses similar to the aforesaid.

§ 4 The company's share capital

The company's share capital is NOK 142,194,000 divided into 142,194,000 shares, each with a par value of NOK 1.

§ 5 The company's board of directors

The company's board of directors shall consist of 7 to 10 members to be elected for a period of up to two years at a time. The chair of the board of directors shall be elected by the general meeting.

§ 6 Nomination committee

The company shall have a nomination committee composed of up to five members. The members of the nomination committee, including the chair of the nomination committee, are elected by the general meeting for a period of up to two years. Members of the nomination committee shall be shareholders or representatives of shareholders and should be composed so that broad shareholder interests are represented. Each gender shall be sought represented in the nomination committee.

The nomination committee shall give its recommendation to the general meeting regarding election of shareholder-elected members to the board of directors and members of the nomination committee, as well as remuneration to members of the board of directors and the nomination committee. The remuneration to members of the nomination committee is determined by the general meeting, and the general meeting may adopt instructions for the nomination committee.

§ 7 Signatory rights

Two members of the board of directors jointly, or one member of the board of directors and the chief executive officer jointly, may sign for and on behalf of the company.

§ 8 General meeting

The annual general meeting shall address and decide upon the following matters:

1. Approval of the annual accounts and the annual report, including distribution of dividend.
2. Any other matters which are referred to the general meeting by law.

Shareholders who wish to attend the general meeting must give notice to the company within a time limit stated in the notice of the general meeting, which cannot expire earlier than five days prior to the general meeting. A shareholder who does not comply with the time limit may be refused to attend the general meeting.

Documents relating to matters to be dealt with by the general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

The board of directors may decide that shareholders may cast their votes in writing in matters to be dealt with at general meetings in the company. Such votes may also be cast through electronic communication. The ability to cast votes in advance is conditional upon a satisfactory method to authenticate the sender is available. The board of directors can establish specific guidelines for written advance voting. The notice of the general meeting shall state whether written advance voting prior to the general meeting is allowed, and any guidelines that are established for such voting.

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APPENDIX B:

FINANCIAL STATEMENTS OF ENTRA ASA AS OF, AND FOR THE YEARS ENDED, 31 DECEMBER 2013 AND 2012 AND FINANCIAL STATEMENTS OF ENTRA EIENDOM AS AS OF, AND FOR THE YEAR ENDED, 31 DECEMBER 2011

BOARD REPORT FOR ENTRA HOLDNG AS

Focus on operations, the environment and preparations for privatisation

Entra Holding Group ("Entra") had operating revenue in 2013 of NOK 1,575.4 (NOK 1,532.7) million. The profit from property management was NOK 1,106.8 (NOK 1,067.8) million. The improvement in the result is due to increased rental income and lower rental costs, partly balanced by higher administrative costs as a result of a reorganisation and preparations for privatisation in 2013. Negative value changes in the portfolio and a reduction in the share of the result from partly owned companies contributed to the Group's operating profit being NOK 847.4 (NOK 1,705.5) million. Lower net realised financial costs combined with a positive unrealised value change on financial instruments gave reduced net financial items of NOK -381.3 (NOK -864.0) million. The profit before tax was NOK 466.1 (NOK 841.5) million.

Entra completed several major development projects in 2013. In February the Environment Directorate moved into a newly built passive building at Brattørkaia 15 with BREEAM-NOR certification Excellent, and in November the Tax Directorate moved into Fredrik Selmers vei 4, the first refurbished commercial building that achieves passive building standard and a BREEAM Very Good classification.

Targeted and innovative environment work has resulted in inventive solutions. At Kjørbo outside Sandvika an office building is being refurbished as a positive building, one that produces more energy than it uses over its lifetime. The office building is the first in Norway to obtain BREEAM-NOR certification Outstanding. The building will be completed during the first quarter of 2014. In addition, among others, construction of a new head office for Statoil Fuel & Retail in Schweigaardsgate 16 and a "Know-how Centre" for Bærum Municipality at Øvre Torg in Sandvika has proceeded steadily.

In 2013 Entra acquired Vahlsgate 1-3 and the project in Schweigaardsgate 16, as well as entering into an agreement to acquire 50 % of the shares in Hinna Park Eiendom AS. As part of its adjustment of the portfolio, Entra sold eight properties during 2013, of which six were transferred to new buyers at the year-end.

THIS IS ENTRA EIENDOM

Entra is one of Norway's leading real estate companies, focusing on high quality, flexible office buildings with good locations. The property portfolio is characterised by solid tenants, long leases and a high occupancy ratio. The company owns and manages approximately 1.2 million square metres divided between more than 100 buildings. Each day more than 30,000 people work in buildings owned by Entra. At the end of year the real estate portfolio had a market value of around NOK 25 billion. The public sector represents approximately 80 % of the customer portfolio.

Entra's **business concept** is to develop, let and manage attractive and environmentally leading buildings. The company's **business strategy** has three pillars: customer satisfaction, profitable growth and environmental leadership. Entra is a value driven Group. The values responsibility, proactivity and engagement are to characterise all activities in the Group.

Entra's strategic areas of concentration are Oslo and the surrounding districts, Bergen, Stavanger and Trondheim. The Group is organised into four regions: Central Oslo, Greater Oslo, Southern and Western Norway and Mid- and Northern Norway. Entra has its head office in Oslo and regional offices in Bergen and Trondheim. More than 75 % of the properties by value are located in the Oslo area.

THE BUSINESS IN 2013

The Board's work

During 2013 the Board reviewed and adopted the Entra's overall strategy, objectives and investment limits. In addition the Board has supervised the management and organisation of the Group's business. In 2013 particular focus was directed to organisational changes in order to strengthen the Entra's position as the leading real estate group in Norway. On 29 January 2013 Klaus-Anders Nysteen was appointed to the position of chief executive of Entra. During the year the Group introduced a regional model with clear result responsibility, after a period with a functional organisation.

In addition focus was directed towards preparations for the forthcoming privatisation of Entra. On 9 June 2011 the Norwegian parliament gave the government authorisation to reduce ownership in Entra down to 33.4 % in connection with a partial sale and/or listing of the company. In the supplemental proposal to the State Budget for 2014 the government was given an extended authorisation to sell its entire holding in Entra. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that preparations were being made to privatise Entra and that the privatisation process could be implemented without the sale of properties from Entra.

The letting market

Rents in Oslo rose by 5 % in 2013 compared with 7 % in 2012. As with the previous year it was high-quality office premises in central Oslo that achieved the greatest increase. Letting activity was slightly lower in 2013 compared with 2012. At the end of the year office vacancy for the Oslo area was approximately 7.5 %, up from 7 % in 2012. Weaker employment growth, an increased supply of office property and greater uncertainty in the Norwegian economy were all factors behind the rise in office vacancy.

Rents in Bergen were relatively stable again in 2013. There was good demand for modern centrally located office premises. Office vacancy increased slightly and was around 7 % at the end of the year.

In Stavanger office vacancy rose from around 5 % in 2012 to around 7 % in the autumn of 2013. There has been a lot of new building In Stavanger at the same time as the prospects for oil related companies have weakened slightly. Rents have nevertheless remained at a high level.

The rental market in Trondheim has been affected by strong competition from newly completed buildings, which contributed to dampening the increase in rents. Rents were slightly higher for central office buildings and vacancy was stable with a level around 6 % at the end of 2013.

The proportion of vacant premises in Entra's portfolio was unchanged from the previous year and the Group had an occupancy level of 95.8 % as at 31.12.2013. The occupancy level was lowest in the Southern and Western region at 93.8 % and highest with 97.8 % in the Mid- and Northern region. The Central Oslo and Greater Oslo regions had occupancy levels of 95.8 % and 95.5 % respectively.

At the end of 2013 the Group managed in excess of 1.2 million square metres divided between 109 properties. The average remaining lease period at this date was 9.2 (9.5) years. In 2013 Entra signed leases with aggregate annual rents of NOK 137.9 million, divided between 64,200 square metres of which the largest contracts were:

• Hordaland County, Kaigaten 9, Bergen, 7,728 square metres
• Amedia, Akersgata 34/36, Oslo, 6,559 square metres
• Steria, Biskop Gunnerus gate 14, Oslo, 4,766 square metres
• Troms County, Strandveien 13, Tromsø, 4,275 square metres

Customer satisfaction
Entra's goal is to be the best in its sector in terms of customer-experienced quality. The Norwegian Tenant Index is used to measure customer satisfaction. Entra achieved an aggregate customer satisfaction score of 72 (71) in 2013 against a national average for the sector of 69 (68). Entra's customers believe that the Group's properties have the sector's best location. On environmental questions in the survey Entra achieved a score of 74 (70), compared with a national average of 62 (62). It is pleasing that customers value Entra's environmental efforts.

In the autumn of 2012 Entra opened a customer centre, which has been very well received by customers. The score for handling fault reports increased to 76 (69). The national average in the sector is 68 (69) points. The customer centre contributes to increasing customer satisfaction and lays the foundation for more efficient management of Entra's properties.

Project development
The new office building at Brattørkaia 15 in Trondheim was completed for the Environment Directorate, which moved in in March 2013. The building has a total of around 20,000 square metres and achieved passive building standard BREEAM-NOR Excellent certification and satisfies Energy class A.

In Fredrik Selmersvei 4 in Oslo building phase 1 consisting of 30,800 square metres was completed in November and the Tax Directorate moved in. Fredrik Selmers vei 4 is the first refurbished commercial building in Norway that has achieved passive building standard. The building satisfies Energy class A and achieved a BREEAM Very Good certification. The project was nominated for the City Prize 2014.

In the first quarter of 2013 Entra signed an agreement on the purchase of Schweigaardsgate 16 AS. Erection of a new office building of 15,000 square metres with Statoil Fuel & Retail as the main tenant has commenced and is scheduled to be completed in June 2015.

At Øvre Torg in Sandvika refurbishment of an existing and construction of a new building totalling 15,500 square metres is in progress, where a "Know-how Centre" will be established for Bærum Municipality and Oslo and Akershus University College. The project is planned to be completed in August 2014.

At Kjørbo in Bærum building work continues on the world's most northerly energy positive refurbished office building for completion on 25 April 2014 (Powerhouse Kjørbo). Over its life the building will produce more energy than it uses. A lease has been signed with Asplan Viak for all the space of around 6,850 square metres. Powerhouse Kjørbo was the first building in Norway to receive the BREEAM-NOR certification Outstanding.

At Ringstabekkveien 105 construction has commenced of 72 senior apartments for sale, as well as some 3,000 square metres of commercial premises for letting to Bærum Municipality. The project is planned to be completed in December 2014.

At Havnelageret in Oslo work has begun on the renovation of the loading balcony. The project involves upgrading the space on two floors on the seaward side for letting as offices and a restaurant, replacement of the glass facade and establishing a new main entrance to Havnelageret. It has also been decided to begin a total refurbishment of around 5,000 square metres on the 9th and 10th floors with an expected construction start in April 2014.

Building has also started an on a new school in Kongsgård allè 20 in Kristiansand. The building covers 2,000 square metres and is 100 % let to Kristiansand Municipality.

At Akersgaten 34-36 in Oslo work will begin on a new building at Akersgaten 34 combined with a total refurbishment of Akersgaten 36. A lease has been signed with Amedia for almost all the space of 6,500 square metres.

In addition during 2013 Entra worked on a number of projects that are at an early phase where an investment decision has not yet been taken. The most important projects are referred to below:

Through the jointly controlled company Entra OPF Utvikling Entra has worked on developing the new concept "MediaCity Bergen" at Lars Hilles gate 30. The concept involves a co-location of the main media companies in Bergen. Development of the property includes refurbishment and extensions totalling approximately 45,000 square metres.

Entra has also worked further on plans to develop the Tullin and Sundt quarters in Oslo. In the Tullin quarter Entra is in dialogue with Oslo University in connection with a new building for the law faculty.

At the end of 2013 Entra's project portfolio extended to some 67,000 square metres.

The transaction market
Sales of commercial property in Norway in 2013 totalled approximately NOK 40 billion, down from around NOK 50 billion in 2012 according to Entra's consensus report. The transaction volume in 2013 in office property amounted to around NOK 20 billion.

The Norwegian interest and credit market gradually improved in 2013 even though there is still considerable differentiation in the market and big differences between the various banks. The bond market was strong and active in 2013. All this had a positive impact on the transaction market and the trend is expected to continue in 2014.

Property investors are still looking for quality properties with good locations and secure cash flows, as well as property with development potential. This means that centrally located properties in the main cities are still very attractive, while in the smaller cities and towns it is more difficult to achieve good values. Several sales were put on ice during 2013 in expectation that the market would improve. Slightly rising market rent levels continue to contribute positively to values in the prime segment. The prime yield has since 2011 been flat at around 5.25 % in central Oslo.

Property transactions in Entra
As part of its portfolio management and in accordance with the Group's strategy, Entra both bought and sold properties and companies in 2013. All the property purchases were within defined growth areas for the Group.

Based on Entra's focus on the area around Oslo S/Bjørvika the Group purchased during the year both a development project in Schweigaards gate 16, Statoil Fuel & Retail's new head office which will be completed in 2015, as well as a property in Vahls gate 1-3 where the Planning and Building Agency is tenant. The properties were acquired for respectively NOK 190 million and NOK 416 million.

Towards the end of 2013 Entra entered into an agreement to acquire 50 % of the shares in the newly established holding company Hinna Park Eiendom AS which again owns 100 % of Hinna Park AS. The takeover was completed on 1 February 2014. The price is based on total gross property values of approximately NOK 1.3 billion. Entra will consolidate Hinna Park with effect from the first quarter of 2014.

During 2013 Entra signed contracts to sell the following eight properties: Wergelandsveien 27 in Oslo, Spelhaugen 12 in Bergen, Entra's 51 % interest in Gimlemoen 19 (Sørlandet Kunnskapspark Eiendom AS) in Kristiansand, Welhavensgate 2 in Moss, Grev Wedels Plass 3/Nedre Storgate 18 in Drammen as well as Torggata 3-5, Nittedalsgata 2B and Storgata 14 in Lillestrøm. At the year-end all the properties had been transferred to new owners with the exception of Wergelandsveien 27 and Storgata 14, which were transferred in respectively January and February 2014.

Partly owned companies

Oslo S Utvikling AS (OSU) (33.33 % ownership)
OSU is a property development company that is undertaking the development of parts of the city district Bjørvika in Oslo. In total around 900,000 square metres are to be developed above ground in Bjørvika. OSU will be responsible for around 350,000 square metres above ground and around 105,000 square metres below ground. Approximately163,000 square metres above ground and approximately 55,000 square metres below ground had been developed by OSU by the end of 2013. There was a high level of activity in 2013 and a total of NOK 881 million was invested during the year, and office and residential properties sold for a total of NOK 1,463 million. The Deloitte building represented the main sale, while the last of the DNB buildings was also delivered towards the end of 2013. Entra's share of the result from OSU in 2013 amounted to NOK 222.8 million.

OSU's strategy of developing properties for sale means that the properties are not recorded in the financial statements at fair value, but at historic cost. In the consolidated financial statements the investment is included using the equity method, and equity after tax is recorded at NOK 617.9 million in the consolidated financial statements as at 31.12.2013.

The market value of the properties and projects in OSU is estimated at approximately NOK 2.9 billion (100 %). Entra's ownership of 33.33 % gives a market value of approximately NOK 1.0 billion. The estimate is based on corresponding principles to those used for Entra's other valuations of investment properties. Entra's share of the net asset value as at 31.12.2013 was NOK 0.9 billion after taking into account estimated latent deferred tax of 10 %.

Entra OPF Utvikling AS (50 % ownership)
Entra and Oslo Pensjonsforsikring (OPF) own the jointly controlled enterprise Entra OPF Utvikling AS (50 % each). The company owns the properties Allehelgens gate 6 and Lars Hilles gate 30 in Bergen.

On 7 February 2013 it was announced that the main media companies in Bergen had jointly decided to enter into final negotiations with Entra OPF Utvikling AS on a lease of Lars Hilles gate 30 in Bergen and development of the concept MediaCity Bergen. Since then extensive discussions have been held with regard to the use requirements and at the year-end the company was in final negotiations with the media companies (TV2, NRK, Bergen University, Bergensavisen, Bergens Tidene and Vizrt) for approximately 65 % of the space. Allehelgens gate 6 is fully let to the police, which recently exercised its option to lease the building for a further 5 years.

Under the agreement between Entra and Oslo Pensjonsforsikring, Entra OPF Utvikling AS is not to be financed with debt, and any capital requirements in addition to the company's ongoing profits are to be financed with equity contributions from the owners. In addition the contract provides that the company as a general rule will distribute the previous year's profit after providing for any capital requirements in the year in which the distribution is made.

Papirbredden Eiendom AS (60 % ownership)
Entra Eiendom AS and Drammen Municipality own Papirbredden Eiendom AS. The company owns the properties Grønland 51, Grønland 56, Grønland 58, Grønland 60 and Kreftingsgate 33 in Drammen. All the properties are 100 % let.

Marketing work is continuing in order to pave the way for the possible commencement of Papirbredden 3 and parallel assignments have been carried out by architects for the property Kreftingsgate 33 in Drammen as a basis for planned zoning work.

UP Entra (50 % ownership)
UP Entra AS develops and manages approximately 70,000 square metres in the Hamar region, Kongsvinger and Lillehammer. During 2013 the company disposed of its interest in Storhamargata 42 AS, which owns a site for residential development. Also in 2013 the company improved the letting situation in the portfolio, which resulted in increased income and reduced costs. Refurbishment of the old Nestlé factory is planned to be completed in the second quarter of 2014. The project extends to around 6,200 square metres of which 4,700 square metres were let at the year-end.

Corporate Social Responsibility
Entra's corporate social responsibility work is in line with the goals and expectations which the state, in its capacity as owner, has expressed in the Government's Ownership Report, (Report no. 13 (2010-2011)), where it declares that "companies with state ownership shall be leading companies in the efforts to promote corporate social responsibility in areas where it is natural for that business".

In Entra corporate social responsibility covers:

Environment – Entra is an environmental leader in its sector
Urban development – Entra contributes to shaping and developing cities for the benefit of those who live and work in them
HSE and working conditions – it is safe to work in an Entra building
Ethics – Entra is honest and responsible in everything we do.

Reference is also made to a separate report on corporate social responsibility.

HSE and organisation
Entra is responsible for ensuring the safety of its customers, suppliers, employees and guests. Entra's goal of being a zero-harm workplace for people, the environment and society underpins all the Group's health, safety and environmental work. The main HSE requirements for the business are specified in the Group's HSE policy.

No serious personal injuries were registered in 2013. Entra's LTI rate (the number of work-related injuries resulting in absence per million work-hours) was 7.1 in 2013, compared with 3.7 in 2012. . Entra is not satisfied that the LTI rate has increased over the last year and, among other things, is carrying out an SHA audit of all ongoing building projects in order to increase awareness as well as making improvements in order to reduce the number of injuries involving absence from work.

At the close of 2013, the Group had 152 employees in total, corresponding to 150 full-time equivalents. Staff turnover in 2013 was 20 %. Adjusted for retirements, turnover was 15 %, compared with 6.8 % in 2012. The increase is due to the fact that an organisation and development project was carried out that led to a reduction in the overall number of employees in Entra.

Sickness absence at Entra Eiendom AS was 3.3 % in 2013, down by 0.5 percentage points compared with 2012. The Group works systematically to prevent sickness absence, as stipulated in the agreement on an Inclusive Workplace, and monitors the progress of staff on sick leave closely. The Group has established its own policy for older workers.

Under its new chief executive Entra has implemented the project "Organisation and Development". The background to the project was that the new management saw a need for a more efficient organisation through, among other things, placing greater result responsibility with line managers. As part of the project thorough assessments were made of the optimal line structure and improvements in the organisation, roles and responsibility of the staff. Based on the project a regional model was introduced in the Group where the regions are given responsibility for financial results and growth targets. The region directors form part of the new Group management. In addition a reorganisation and clarification of responsibilities and duties in the staff functions was carried out, and a decision taken to establish a separate legal department.

As part of Entra's work to prevent corruption and undesirable incidents, the Group has developed ethical guidelines. Irrespective of whether changes are made to the ethical guidelines, it is important to the Group that everyone who works in Entra is familiar with the contents of the guidelines and undertakes to observe them. The ethical guidelines must therefore be signed by all employees annually and on new appointments.

Cooperation with employee organisations was good and constructive during 2013, and made a positive contribution to the operations of Entra.

Equality and diversity
At 31 December 2013, 32 (32) of the Group's employees were women. Entra aims to increase the number of women working in the Group, and this goal has been incorporated into the company's recruitment procedures. In 2013, over 40 % of the Board members were women. In the Group management there are as many women as men.

Employee benefits, such as flexible working hours and full pay during illness and parental leave regardless of the National Insurance scheme's limits are regarded as important measures in the efforts to ensure equal opportunity.

Entra believes in the benefits of diversity, and this goal has been incorporated into Entra's recruitment procedures. The Group's recruitment processes encourage all qualified candidates to apply, regardless of their age, gender, ethnic background or any disabilities.

STATEMENT OF INCOME, BALANCE SHEET AND STATEMENT OF CASH FLOWS

Income
The Group's rental income amounted to NOK 1,543.9 (NOK 1,500.3) million. Other operating revenues amounted to NOK 31.5 (NOK 32.4) million. The Group's total operating revenues amounted to NOK 1,575.4 (NOK 1,532.7) million.

Total operating expenses were virtually unchanged compared to the previous year at NOK 468.7 (NOK 464.9) million. Other property costs fell to NOK 88.2 (NOK 117.1) million as a result of lower rental costs. At the same time, administrative ownership costs increased to NOK 223.1 (NOK 194.7) million in 2013. The change was mainly due to the organisation project carried out.

The profit from property management was NOK 1,106.8 (NOK 1,067.8) million in 2013.

The Group had a negative value change on investment properties of NOK 495.1 (NOK 129.0) million. The net yield on the management portfolio was 6.6 % at the close of the year. Market conditions were largely unchanged throughout the year. Factors linked to individual properties, including uncertainty regarding the extension of leases and higher cost estimates on building projects, contributed to the negative value change for investment properties. The long weighted remaining term of the lease portfolio helps to minimise the impact of changes in the market rent on property values compared with shorter leases.

The Group's share of profit from associates and jointly controlled entities amounted to NOK 235.5 (NOK 508.7) million. The share of the profit mainly relates to Oslo S Utvikling AS ("OSU") which in 2013 recorded income from the sale of the Deloitte building and the third and last bank building to DNB Life. In 2012 OSU recorded income on the sale of the first two bank buildings to DNB Life.

The Group's operating profit was NOK 847.2 (NOK 1,705.5) million.

Net financial items were NOK -381.3 (NOK -864.0) million. Net realised financial items were stable at NOK 564.9 (NOK 591.9) million. The average interest rate on financing was reduced to 4.47 (5.13) % in 2013, but at the same time net interest-bearing debt increased by NOK 849.4 million in 2013.

Net unrealised changes in the value of financial instruments amounted to NOK 183.7 (NOK -272.0) million. The positive development is due to the fact that the value change on the Group's borrowings contributed to a reduced market-valued liability in 2013 compared with 2012. In addition the market-valued liability on the Group's interest hedging fell in 2013 compared to 2012. The background to this development is that market interest rates generally rose during 2013 compared with 2012.

The Group's profit before tax in 2013 was NOK 466.0 (NOK 841.5) million. The tax expense for the year totalled NOK 4.0 (NOK -103.8) million. The profit after tax was NOK 469.9 (NOK 737.8) million.

The Group's profit after tax was NOK 467.0 (NOK 772.6) million.

Balance sheet

The Group's total book equity at the close of the year was NOK 26,646.1 (NOK 25,710.8) million. The balance sheet value of the Group's investment properties and investment properties held for sale rose by NOK 596.2 million in 2013 to NOK 23,532.9 million. Investment properties are valued at fair value, based on the average of two external, independent valuations. Properties valued in accordance with the IFRIC 12 rules amounted to NOK 1,122.0 (NOK 1,122.6) million.

Investment in associates and jointly controlled entities was stable at NOK 1,128.3 (NOK 1,100.3) million.

In 2013 the Group had an increase in net interest-bearing debt of NOK 849.4 million to NOK 14,431.0 (NOK 13,581.6) million, mainly in order to finance property investments.

The Group's equity capital was NOK 7,993.0 (NOK 7,942.9) million as at 31.12.2013. Deferred tax was NOK 2,463.8 (NOK 2,472.7) million. Deferred tax is calculated as the difference between the tax and market value of the Group's investment properties, with a nominal tax rate of 27 % with effect from 31.12.2013. The Group had an equity ratio of 30.0 (30.9) % at the end of the year. The board considers the Group's financial strength to be satisfactory.

Cash flow
The Group's net cash flow from operating activities was reduced to NOK 508.4 (NOK 656.0) million, mainly as a result of a change in working capital and other accruals. The difference between net cash flow from operations and the operating result is largely explained by the value change on investment property and financial instruments and interest and fees paid on loans to financial institutions.

Net cash flow from investment activities was NOK -999.7 (NOK -1238.2) million. Net investments in particular relate to refurbishment projects and new buildings in 2013, as the purchase and sale of property was virtually at the same level. Net cash flow from financing activities for 2013 amounted to NOK 603.9 (NOK 598.8) million. The increased financing requirement relates in particular to ongoing projects. The net change in liquid assets for the year amounted to NOK 112.6 (16.5) million.

Going concern
The financial statements have been prepared on the basis of the going concern assumption, and the Board confirms that this assumption is valid. The company is in a healthy financial position, and has good liquidity. The Board confirms that the company had sufficient equity and liquidity as at 31.12.2013. There have been no events since 31 December 2013 that affect the financial statements.

FINANCIAL CONDITIONS
Financial markets overall developed positively in 2013. The markets' development has been affected by the expansive monetary policies of the leading central banks with low and falling base rates. In addition the US Federal Reserve Bank further stimulated the world economy with substantial injections of liquidity. This situation has contributed to a good development in stock and credit markets, at the same time as interest rate levels have been kept low. The measures appear to have contributed to an improved macroeconomic situation. The main indicators regarding the outlook for the leading economies signalled positive growth prospects at the end of the year.

The Group has adopted a conservative financial strategy with a sound equity ratio that secures financial flexibility throughout an economic cycle.

Entra is exposed to developments in the financial markets and in 2013 experienced falling prices in the credit markets for new loan agreements. The market for commercial paper remained very liquid throughout the year. Entra is well established as an attractive borrower in the bond market and had a high level of activity in this market during 2013. The proportion of the Group's financing from the bond market increased significantly during the year, and amounted to 55 % of outstanding loans as at 31.12.13.

The Group's average interest cost as at 31.12.13 was 4.47 (5.13) %. As at 31.12.2013, 62 (62) % of the Group's total interest-bearing debt was subject to fixed interest rates. At the same time, the effective term to maturity of the Group's interest rate hedging instruments was 3.0 (3.2) years.

Financing structure
Financing is divided between various bank and capital market instruments. The loans have a diversified maturity structure. The Group's liquid assets amounted to NOK 177.4 (NOK 64.8) million as at 31.12.13. In addition the Group had committed, unutilised financing facilities with Norwegian banks totalling NOK 3.4 (NOK 4.1) billion. The Group's aggregate debt as at 31.12.13 was NOK 18,652.7 (NOK 17,767.9) million. Aggregate nominal interest-bearing debt at the same date was NOK 14,528 (NOK 13,527) million, corresponding to 54.5 (52.6) % of total capital.

CORPORATE GOVERNANCE
Corporate governance at Entra is based on the principles set out by the Norwegian Corporate Governance Committee (NUES) in its Norwegian Code of Practice for Corporate Governance.

In 2013, there were 10 Board meetings. The Board consists of the following members: Siri Hatlen (Chair), Martin Mæland (Deputy Chair), Arthur Sletteberg, Ingrid Tjøsvold, Kjell Bjordal, Birthe Smedsrud Skeid (Employee representative) and Tore Benediktsen (Employee representative).

Entra's overall goals and strategy are set by the Board. Ethical guidelines approved by the Board form the foundation for Entra's business and the basis for good company management. Guidelines, procedures and authorisation structures form part of Entra's governing documents. These integrate strategy, objectives and overall principles with routines and requirements as to documentation for staff and business areas.

See the section of this report on corporate governance for a more detailed discussion of the corporate governance principles and reporting pursuant to Section 3-3b of the Norwegian Accounting Act.

SHAREHOLDER INFORMATION
The Norwegian state, through the Ministry of Trade, Industry and Fisheries, owns 100 % of the shares in Entra Holding AS. The shares in the company cannot be sold without special authorisation from the Norwegian parliament.

On 9 June 2011 the Norwegian parliament gave the government authorisation to reduce ownership in Entra down to 33.4 % in connection with a partial sale and/or listing of the company. In the supplemental proposal to the State Budget for 2014 the government was given an extended authorisation to sell the state's entire holding in Entra. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that preparations were being made to privatise Entra and that the privatisation process could be implemented without the sale of properties from Entra.

Dividend policy
The shareholder has set a dividend policy for Entra Holding AS. The annual dividend shall constitute 50 % of the Group's profit after tax and non-controlling interests as calculated under the Norwegian Accounting Act and generally accepted accounting principles, or be equivalent to at least 2 % of book equity after non-controlling interests under IFRS at the start of the financial year. The expected dividend from Entra Holding AS is presented each year in the State budget and for the 2013 financial year a figure of NOK 250 million

has been proposed. In addition an extraordinary dividend of NOK 650 million has been proposed, subject to a privatisation being implemented in 2014.

RISKS ASSOCIATED WITH THE BUSINESS

Entra assesses risk on an ongoing basis and draws up risk maps for the business. The main risks are considered to be commercial risk, operational risk, project risk and business and strategic risk.

Entra's commercial risk includes the risk associated with signing and renegotiating contracts. Economic downturns may lead to changes in market rents. The Group achieves stable and predictable cash flows through long-term leases with a balanced maturity profile. The company aims to reduce rental risks through systematic customer support, by keeping track of when contracts expire and planning how to find new tenants. Some 80 % of the Group's customers are from the public sector and changes in operating parameters and efficiency improvements in the public sector may affect the company's risk exposure. The market value of the Group's property portfolio is affected by cyclical fluctuations in the economy. A decrease in the market value will reduce the Group's equity ratio.

Commercial risk includes the Group's financial risk. The Group is exposed to financial risk through the liabilities on its balance sheet. The management of its financing activities is regulated by the limits set in the Group's finance policy. Changes in interest rate levels will have an impact on the Group's cash flows. The company seeks to manage this risk by actively using various interest rate hedging instruments and by spreading maturities. Liquidity risk and refinancing risk are reduced by entering into long-term loan agreements, as well as by maintaining an adequately diversified maturity structure and using a variety of different credit markets and counterparties. Entra does not expose itself to currency risk. A high proportion of public sector tenants means that credit and counterparty risk is limited. The creditworthiness of other customers is continuously monitored. If a customer does not possess sufficient financial strength, adequate security is required.

The Group is exposed to project risk in conjunction with the construction and renovation of properties. The company takes this type of risk into account in its investment analysis prior to deciding to start work on a project, as well as by continuously monitoring the risk throughout the project period. A risk premium is added to the yield requirement related to, among other things, cost developments during the construction period, delays and contract matters. When making investment decisions, market risk is also taken into account when determining cash flow and the required rate of return.

Operational risk is managed through procedures for day-to-day operations, compliance and HSE work. Business and strategic risks include the possible impact on the Group's operations of political decisions, regulations and significant unforeseen non-recurring events. The Group has identified strategic risk factors, and considers these to be carefully managed through ongoing work and the measures implemented.

PROFIT FOR THE YEAR AND ALLOCATIONS

In 2013, Entra Holding AS made a profit after tax of NOK 249,951,208 (NOK 0), as set out in the financial statements prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

The Board proposes that all of the profit for the year for Entra Holding AS of NOK 249,951,208 is distributed as dividends. In addition, the company distributes NOK 48,792 from other paid-in capital. Total dividends amounts to NOK 250,000,000.

The board confirms that the company has sufficient equity and liquidity following payment of the proposed dividend.

FUTURE DEVELOPMENTS

General
In 2014 privatisation and new ownership are on the agenda. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that preparations were being made to privatise Entra and that the privatisation process could be implemented without properties being sold by Entra. Entra is well prepared to support the Ministry of Trade, Industry and Fisheries in the forthcoming privatisation process.

Market development
A slightly weaker macro-economic development is expected in Norway as a result of a lower growth contribution from the oil sector. Office vacancy is expected to remain roughly unchanged as a result of a low level of new building. Entra expects slightly rising rents for centrally located modern premises.

Property investors are still looking for quality properties with good locations and secure cash flows, as well as property with development potential. This means that centrally located properties in the main cities are still very attractive, while in the smaller cities and towns it is more difficult to achieve good prices.

The development in Entra's equity share is stable and the Group has a long term and differentiated debt financing profile. Transactions, in particular in the bond market, has shown that Entra is an attractive borrower.

Financial development
Entra has, in the opinion of the board, a solid financial platform and will maintain a balanced financial risk profile. Entra will use its position to continue growing profitably in accordance with the Group's strategy. The Board is of the opinion that the Group has good foundations for further growth and development.

Oslo, 31 March 2014

The Board of Entra Holding AS

Siri Hatlen Chair	Martin Mæland Deputy Chair	Ingrid Tjøsvold Board member
Arthur Sletteberg Board member	Kjell Bjordal Board member	Tore Benediktsen Board member
Birthe Smedsrud Skeid Board member		Klaus-Anders Nysteen Chief Executive

ENTRA HOLDING CONSOLIDATED FINANCIAL STATEMENTS 2013

Statement of comprehensive income 1.1.-31.12

All amounts in NOK million	Note	2013	2012
Rental income	23	1,543.9	1,500.3
Other operating revenue	24	31.5	32.4
Total operating revenue		1,575.4	1,532.7
Maintenance		65.9	66.2
Operating expenses	26	91.5	86.9
Other property costs	7, 10, 27	88.2	117.1
Administrative owner costs	25, 28	223.1	194.7
Total operating expenses		468.7	464.9
Net income from property management		1,106.8	1,067.8
Adjustment to value from investment property	8	-495.1	129.0
Share of profit from associates and jointly controlled entities	12, 13	235.5	508.7
Operating profit		847.2	1,705.5
Interest and other finance income	4-3	109.9	98.2
Interest and other finance expense	4-3	-674.8	-690.2
Net realised financial items		-564.9	-591.9
Unrealised changes in value of financial instruments	4	183.7	-272.0
Net financials item		-381.3	-864.0
Profit before tax		466.0	841.5
Tax expense	29	4.0	-103.8
Profit for period/year		469.9	737.8
Pension estimate difference	18	4.0	-48.3
Tax adjustment on comprehensive income	29	1.1	-13.5
Total comprehensive income for the year		467.0	772.6
Profit for the year allocated to:			
Shareholders in the parent company		453.3	703.3
Non-controlling interests		16.6	34.5
Total comprehensive income for the year allocated to:			
Shareholders in the parent company		450.4	738.1
Non-controlling interests		16.6	34.5
Earnings per share			
Continuing operations			
Ordinary = Diluted (NOK thousand)	32	3.2	4.9

Notes 1 through to 33 form an integral part of the consolidated financial statements.

ENTRA HOLDING CONSOLIDATED FINANCIAL STATEMENTS 2013

Balance Sheet - assets

All amounts in NOK million	Note	31.12.2013	31.12.2012	01.01.2012
NON-CURRENT ASSETS				
Other intangible assets	7	30.9	36.3	16.5
Total intangible assets		30.9	36.3	16.5
Investment properties	3, 8	23,144.8	22,202.5	21,843.9
Property used by owner	10	6.7	5.8	6.0
Other property, plant and equipment	10	30.5	26.2	25.4
Total property, plant and equipment		23,182.0	22,234.5	21,875.3
Investments in associates and jointly controlled entities	12, 13	1,128.3	1,100.3	502.0
Loan to associates and jointly controlled entities	31	-	6.7	14.2
Financial derivatives	4-2	203.5	214.3	-
Other non-current receivables	14	742.8	1,129.5	1,107.5
Total non-current financial assets		2,074.6	2,450.8	1,623.6
Total NON-CURRENT ASSETS		25,287.5	24,721.5	23,515.4
CURRENT ASSETS				
Housing units for sale	9	227.0	120.2	-
Trade receivables	15	27.9	20.1	34.5
Other receivables	15	538.1	49.9	105.6
Total current receivables		793.0	190.2	140.1
Cash and bank deposits	16	177.4	64.8	48.3
TOTAL CURRENT ASSETS		970.4	255.0	188.4
Investment properties held for sale	8	388.2	734.2	36.5
TOTAL ASSETS		26,646.1	25,710.8	23,740.3

Notes 1 through to 33 form an integral part of the consolidated financial statements.

Balance Sheet - equity and liabilities

All amounts in NOK million	Note	31.12.2013	31.12.2012	01.01.2012
EQUITY				
Paid-in capital	17	1,729.3	2,145.9	2,145.9
Retained earnings	17	6,149.1	5,698.7	5,113.6
Non-controlling interests		114.6	98.0	119.2
Total equity		7,993.0	7,942.6	7,378.7
LIABILITIES				
Interest-bearing liabilities	20	11,799.4	9,736.5	9,086.3
Pension liabilities	18	53.1	58.0	102.1
Deferred tax	29	2,463.8	2,472.7	2,347.6
Financial derivatives	4-2	848.0	1,005.2	769.5
Other liabilities	19	126.6	126.5	63.8
Total non-current liabilities		15,290.9	13,398.9	12,369.3
Current liabilities				
Trade payables and other payables	21	458.1	379.2	374.7
Interest-bearing liabilities	20	2,809.1	3,910.0	3,492.7
Prepayments and provisions	22	95.0	80.1	124.9
Total current liabilities		3,362.2	4,369.2	3,992.3
Total liabilities		18,653.1	17,768.2	16,361.6
TOTAL EQUITY AND LIABILITIES		26,646.1	25,710.8	23,740.3

Notes 1 through to 33 form an integral part of the consolidated financial statements.

Oslo, 31 March 2014
The Board of Entra Holding AS

Siri Hatlen
Chair

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Tore Benediktsen
Board member

Birthe Smedsrud Skeid
Board member

Klaus-Anders Nysteen
Chief Executive

ENTRA HOLDING CONSOLIDATED FINANCIAL STATEMENTS 2013

Consolidated statement of changes in equity

All amounts in NOK million	Paid-in equity	Retained earnings	Total majority	Non-controlling interests	Total equity
Equity at 31.12.2011	2,145.9	5,126.0	7,271.9	119.2	7,391.2
Change in accounting principle, see note 2		-12.4	-12.4		-12.4
Equity at 01.01.2012	2,145.9	5,113.6	7,259.5	119.2	7,378.7
Total comprehensive income		738.1	738.1	34.5	772.6
Dividend paid		-137.0	-137.0		-137.0
Change in non-controlling interests		-15.9	-15.9	-55.7	-71.7
Equity at 31.12.2012	2,145.9	5,698.7	7,844.7	98.0	7,942.6
Repayment shareholders equity	-416.6	-	-416.6		-416.6
Total comprehensive income		450.4	450.4	16.6	467.0
Equity 31.12.2013	1,729.3	6,149.1	7,878.4	114.6	7,993.0

Notes 1 through to 33 form an integral part of the consolidated financial statements.

ENTRA HOLDING CONSOLIDATED FINANCIAL STATEMENTS 2013

Consolidated statement of cash flows

All amounts in NOK million	Note	2013	2012
Cash flows from operating activities	33	1,213.7	1,366.1
Interest paid on loans from financial institutions		-694.6	-679.0
Payment of loan fees		-10.8	-31.1
Net cash flows from operating activities		**508.4**	**656.0**
Proceeds from sales of property, plant and equipment		596.3	185.7
Sales of operations, net liquidity	11	0.1	28.0
Purchase of investment properties	8	-592.1	-396.0
Cost of upgrades of investment properties	8	-998.0	-1,067.1
Purchase of intangible assets and other property, plant and equipment	7, 10	-101.8	-103.6
Investment in housing units for sale		-106.8	-24.2
Repayment of loans to associates and jointly controlled entities	30	-5.2	7.7
Investments in associates and jointly controlled entities		-	-191.0
Dividends from associates and jointly controlled entities	12, 13	207.4	322.3
Net cash flows from investing activities		**-999.7**	**-1,238.2**
New non-current liabilities	20	7,770.0	4,380.0
Repayment of non-current liabilities	20	-6,509.5	-2,662.6
New current liabilities	20	2,642.0	3,200.0
Repayment of current liabilities	20	-2,882.0	-4,110.0
Purchase of non-controlling interests		-	-71.7
Dividends paid	17	-416.6	-137.0
Net cash flows from financing activities		**603.9**	**598.8**
Net change in cash and cash equivalents		112.6	16.5
Cash and cash equivalents at the start of the period		64.8	48.3
Cash and cash equivalents at the end of the period	16	**177.4**	**64.8**

Notes 1 through to 33 form an integral part of the consolidated financial statements.

NOTE 1 – GENERAL INFORMATION

Entra Holding AS was established on 20 December 2012. The company was established when the then Ministry of Trade and Industry transferred all the shares in Entra AS to the company. The reorganisation was carried out in accordance with the continuity principle.

The establishment involved a reorganisation of the Group structure without a change in ownership. Entra Holding AS presents the consolidated financial statements for 2013 with comparable figures as if the Group was established on 01.01.2011, based on the continuity principle.

Entra is engaged in the development, letting, management, operation, purchase and sale of real estate in Norway. Entra is one of Norway's largest property companies, with a total property portfolio of 1,218,040 square metres and 1,018,143 square metres under management. The management portfolio's economic occupancy level was 95.8 % at the year-end. Entra's head office is situated in Oslo. Regional offices are located in Oslo, Bergen and Trondheim.

All of the shares in the company are owned by the Norwegian state, represented by the Ministry of Trade, Industry and Fisheries. The Board consists of five shareholder-elected members and two employee representatives. Entra operates in direct competition with private sector companies on a commercial basis.

The company mainly has public-sector tenants, and at 31.12.2013 the proportion of public-sector tenants was 81 (81) per cent.

The consolidated financial statements were adopted by the company's Board on 31.03.2014.

NOTE 2 - ACCOUNTING PRINCIPLES

ACCOUNTING PRINCIPLES
The most important accounting principles applied in the preparation of the annual financial statements are described below. These principles are applied in the same way for all periods presented, unless otherwise indicated in the description.

BASIC PRINCIPLES
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretation Committee (IFRIC), as adopted by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act.

The consolidated financial statements have been prepared on the basis of the historical cost principle, with the following modifications: investment properties as well as financial assets and financial liabilities have been measured at fair value. Financial instruments measured at fair value include the Group's non-current borrowings at fixed interest rates and derivatives.

Presenting the accounts in accordance with IFRS requires the management to make certain assessments and assumptions. The application of the company's accounting principles also requires management to exercise judgement. Estimates and subjective judgements are based on past experience and other factors that are considered appropriate. Actual results may deviate from these estimates.

Estimates and underlying assumptions are continuously reassessed. Changes in accounting estimates are recognised in the period in which the changes occur if they apply only to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods. Note 3 details items in the accounts that are based on a significant amount of subjective judgement.

The consolidated financial statements have been presented on the assumption of the business being a going concern.

The Group has started using the following new and amended standards in 2013:

No new or amended IFRS or IFRIC interpretations came into effect for the 2013 financial year that have a significant impact on the consolidated financial statements.

The following amendments to standards with an impact on Entra's consolidated financial statements have been implemented with effect for 2013:

IAS 19 Employee Benefits
This standard was amended in June 2011. The amendments entail that all actuarial gains and losses are recognised in comprehensive income as they arise (no corridor), an immediate recognition of all costs relating to pension liabilities accrued in previous periods, and the replacement of interest expenses and anticipated return on pension assets with a net interest amount, calculated by applying the discount rate to the net pension liability (asset). The Group has applied the amended standard with effect from 01.01.2013 with a restatement of comparable figures with implementation effect as at 01.01. 2012. Implementation of the new standard involved an increase in the pension liability of NOK 17.3 million, a reduction in deferred tax of NOK 4.8 million and a net effect on equity of NOK 12.4 million. Application of the new standard involved reduced administrative owner costs for 2012 of NOK 0.4 million, increased interest costs of NOK 1.9 million and an estimate difference after tax included in comprehensive income of NOK 34.8 million.

New and amended standards brought into use by the Group, but which do not have an effect on the financial statements at this time:

IFRS 10 Consolidated Financial Statements
The standard is based on the existing principles defining control as the decisive factor in determining whether a company is to be included in the consolidated accounts of the parent company. The standard provides extensive guidance on determining whether control exists in difficult cases. The standard is not expected to have any significant consequences for the Group. The Group is applying the standard to accounting periods beginning on 01.01.2013, although the EU does not require its application until 01.01.2014.

IFRS 11 Joint Arrangements
The standard replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers". IFRS 11 has two main categories of joint arrangements: joint operations and joint ventures. Proportional consolidation is no longer permissible (the gross method). The equity method of accounting must be used for interests in jointly controlled entities. For arrangements classified as joint operations, the parties recognise their share of the assets and liabilities in the collaboration. The classification of joint arrangements is determined by the nature and terms of the arrangement, as opposed to its formal structure. The standard is not expected to entail any significant changes for the Group. The Group is applying the standard to accounting periods beginning on 01.01.2013, although the EU does not require its application until 01.01.2014.

IFRS 12 Disclosure of Interests in Other Entities
The standard contains the disclosure requirements for financial interests in subsidiaries, jointly controlled entities, associates, special purpose entities (SPE) and other unconsolidated entities. The Group is applying the standard to accounting periods beginning on 01.01.2013, although the EU does not require its application until 01.01.2014.

IFRS 13 Fair Value Measurement
The standard provides a precise definition of fair value for use in IFRS, provides a single framework describing how to measure fair value in IFRS, and defines what additional information must be disclosed when fair value is used. The standard does not expand the area of application for the use of fair value; rather it provides guidance on how it should be applied when fair value measurement is already required or permitted by other IFRS. The Group measures certain assets and liabilities at fair value. The Group is applying the standard to accounting periods beginning on 01.01.2013. The standard has no consequences for balance sheet amounts as at 31.12.2013.

Standards, amendments and interpretations of existing standards that have not come into force and where the Group has not chosen early implementation:

The following standards, changes and interpretations of existing standards have been published and will be mandatory for the Group's financial statements that begin on or after 01.01.2014, but the Group has not chosen early implementation with effect for the 2013 financial year.

IAS 1 Presentation of Financial Statements
This standard has been amended with the result that items in comprehensive income are to be divided into two groups: those which are potentially re-classifiable to profit or loss subsequently and those which are not. This amendment does not affect which items are to be included in comprehensive income.

IFRS 9 Financial Instruments
IFRS 9 was published in November 2009 and October 2010, replacing the rules in IAS 39 on recognition, classification and measurement of financial instruments. Under IFRS 9, financial assets are divided into two categories depending on how they are measured: those measured at fair value and those measured at amortised cost. Classification is made on initial recognition. Classification will depend on the business model the company uses to handle its financial instruments and the contractual cash flow characteristics of the instrument. The rules for financial liabilities are largely the same as under IAS 39. The most significant change in cases where financial liabilities are measured at fair value is that part of gains or losses in the fair value of these instruments attributable to changes in the company's own credit risk are to be presented in other comprehensive income, as opposed to in the income statement, as long as this does not result in accrual errors in the measurement of profit or loss. The Group intends to adopt IFRS 9 once the standard comes into force and has been approved by the EU. The standard comes into force for accounting periods starting on or after 1 January 2018. The Group will also examine the consequences of the remaining stages of IFRS 9 once these have been completed by the IASB. The Group has not yet assessed the full impact of IFRS 9.

IFRIC 21 Special levies
IFRIC 21 regulates the accounting of liabilities to pay special levies. The interpretation does not apply to tax on income. The interpretation sets out what events give rise to an accounting liability. The Group is not obliged to pay significant special levies, so the impact on the accounts will be insignificant.

There are no other IFRS standards or IFRIC interpretations that have not yet come into effect that are expected to have a significant impact on the consolidated financial statements.

CONSOLIDATION PRINCIPLES

Subsidiaries

Subsidiaries are all entities over which the Group exercises control of financial and operating policies, normally through ownership of more than half the capital with voting rights. When deciding whether control exists, the effect of potential voting rights that can be exercised or converted on the balance sheet date is taken into consideration.

The Group also assesses whether there is control in entities over which it does not have more than 50 % of the voting rights, but in which it is nevertheless able to influence financial and operational guidelines in practice ("actual control"). Actual control can exist in situations where the other voting rights are spread over a large number of shareholders who are not realistically capable of organising their voting. In the assessment of whether the Group has actual control over a subsidiary, decisive importance is attached to whether the Group can choose the Board it wants.

Subsidiaries are consolidated from the date on which control is transferred to the Group, and are deconsolidated when control ceases.

The acquisition method is used to account for purchases of subsidiaries that constitute a business. The consideration given is measured at the fair value of the transferred assets, the equity instruments that have been issued, liabilities assumed on the transfer of control and direct costs relating to the actual purchase. The cost of acquisition also includes the fair value of all assets or liabilities that are the result of an agreement on contingent consideration.

Identifiable purchased assets, assumed liabilities and contingent liabilities are recognised at fair value on the date of acquisition. The costs associated with the business combination are expensed when they are incurred.

If the aggregate of the consideration, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate is less than the company's net assets, the difference is immediately recognised in profit or loss.

Contingent consideration is recognised at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss or recognised as a change in other comprehensive income, if the contingent consideration is classified as an asset or a liability. Contingent consideration classified as equity is not re-measured, and subsequent settlement is recognised in equity.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as subsidiaries that only consist of a building, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the property. In such cases no provision is made for deferred tax (cf. exceptions in IAS 12).

Intra-group transactions, balances and unrealised gains are eliminated. Unrealised losses are eliminated, but are considered evidence of impairment in terms of writing down the value of the transferred asset. If necessary, the accounting policies at subsidiaries are changed in order to bring them into line with the Group's accounting policies.

Transactions with non-controlling interests
Transactions with non-controlling interests in subsidiaries are treated as equity transactions. If shares are acquired from a non-controlling interest, the difference between the payment and the proportion of the carrying amount of the subsidiary's net assets attributable to the shares is recognised in the equity of the parent company's owners. Gains and losses arising from the sale of shares to non-controlling interests are similarly recognised in equity.

If the Group loses control, any residual holding is re-measured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as an investment in an associate, in a jointly controlled entity or in a financial asset. Amounts previously included in comprehensive income that relate to the company are treated as if the Group had disposed of the underlying asset and liability. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement.

Jointly controlled entities
Jointly controlled entities are companies where the Group shares control with other parties, and where an agreement between the parties ensures that strategic decisions on financial and operating policies are unanimous. This applies to companies where a shareholder agreement ensures joint control of the business. The Group's interests in jointly controlled entities are measured using the equity method. If necessary, the accounting policies at jointly controlled entities are changed in order to bring them into line with the Group's accounting policies.

The proportion of any gains and losses on the sale of assets to jointly controlled entities that is attributable to other owners (outside the Group) of the jointly controlled entity is recognised in profit or loss. When assets are acquired from a jointly controlled entity, any gain or loss is only recognised in profit or loss when the asset is sold by the Group. A loss is recognised immediately if the transaction indicates that the value of the company's current or non-current assets has fallen.

Associates
Associates are companies over which the Group has significant influence but not control. Significant influence normally exists where the Group's investment represents between 20 and 50 % of the capital with voting rights. Investments in associates are initially recognised on the acquisition date at the acquisition cost, and thereafter using the equity method. Investments in associates include any excess values and goodwill identified at the time of acquisition, less any subsequent impairment losses.

The Group's share of the profit and loss of associates is recognised and added to the carrying amount of the investments together with the portion of unrecognised equity changes. The Group's share of the comprehensive income of associates is recognised in the Group's comprehensive income and added to the carrying amount of the investments. The Group does not recognise its share of a loss if this would result in a negative carrying amount for the investment (including the entity's unsecured receivables), unless the Group has taken over obligations or made payments on behalf of the associate.

The Group's share of unrealised gains on transactions between the Group and its associates is eliminated. This also applies to unrealised losses, unless there is a permanent loss of value. Where necessary, the accounts of associates have been brought into line with the Group's accounting policies. Gains and losses arising from the dilution of ownership interests in associates are recognised in profit or loss.

If the Group no longer has significant influence, any residual holding is re-measured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as a financial asset. Amounts relating to the company that were previously recognised in comprehensive income are treated as if the associate had disposed of the underlying assets and liabilities. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement. If the Group reduces its shareholding but retains significant influence, a proportionate share of the amounts previously recognised in comprehensive income is reclassified to the income statement.

CURRENCY
The Group's presentation currency is NOK. This is also the functional currency of the parent company and all of its subsidiaries.

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the balance sheet date. Exchange rate fluctuations are recognised in profit or loss as they arise.

SEGMENT INFORMATION
Operating segments are reported in the same way as in internal reports to the company's highest decision-making authority. The company's highest decision-making authority, which is responsible for allocating resources and assessing the profitability of the operating segments, has been identified as the group management.

INVESTMENT PROPERTY
Investment property is owned with the aim of achieving a long-term return from rental income and increase in value. Properties used by the Group are valued separately under property, plant and equipment. Investment property is recognised at fair value, based on market values identified by independent valuers. Gains or losses as a result of changes in the market value of investment properties are recognised in profit or loss as they arise, and are presented on a separate line after income from property management.

Initial measurement also takes into consideration the property's cost price, which includes direct transaction costs such as document duty and other public duties, legal fees and due diligence costs. Transaction costs associated with properties acquired through business combinations (as defined in IFRS 3) are expensed.

Subsequent expenditure is added to the investment property's carrying amount, if it is probable that future financial benefits associated with the expenditure will flow to the Group and the expense can be measured reliably. Other maintenance costs are recorded through the income statement in the period in which they are incurred. When investment properties are disposed of, the difference between the net sales proceeds and carrying amount is recognised through profit or loss.

Investment properties are valued at each reporting date. The values are estimated by independent valuers. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return.

The required rate of return for each property is defined as being a long-term risk-free interest rate plus a property-specific risk supplement. The latter is defined on the basis of the property segment to which the property belongs, its location, standard, occupancy rate, tenants' financial reliability and remaining lease term. Known market transactions with similar properties in the same geographical area are also taken into consideration.

Changes in fair value are recognised as "changes in the value of investment property".

For properties where the Group is involved in constructing and/or upgrading public infrastructure, and where the Group operates and maintains the infrastructure for an agreed period of time, the infrastructure itself is not included in the Group's accounts, but is instead treated as a financial or intangible asset, depending on whether the Group has a public liability to pay/guarantee cash flows. In those cases where the Group has a contractual right to receive a specific amount or other financial asset from the public sector, in return for constructing or upgrading and subsequently maintaining/operating the asset for an agreed period, the infrastructure is deemed a financial asset as defined in IAS 39. If the Group is entitled to charge users of a public asset that it has constructed/upgraded, and it is responsible for maintaining and operating it for an agreed period, the entitlement is deemed an intangible asset as defined in IAS 38. The total amount recognised in income varies depending on the use of the asset. The Group has three properties classified as financial assets under IFRIC 12.

Property, plant and equipment
Property, plant and equipment are recognised at acquisition cost, less depreciation. The acquisition cost includes costs directly related to the acquisition of the asset. Buildings under construction that do not qualify as investment properties are recognised at historical cost, adjusted for write-downs. The acquisition cost includes costs directly related to the acquisition of the asset.

Subsequent expenditure is added to the asset's carrying amount or recognised separately, when it is probable that future financial benefits attributable to the expenditure will flow to the Group and the expense can be measured reliably. Amounts relating to replaced parts are recognised in the income statement. Other maintenance costs are recorded through the income statement in the period in which they are incurred.

Sites that are not considered to be investment properties (and buildings under construction) are not depreciated. Other assets are depreciated in a straight line over their anticipated remaining useful life.

The assets' remaining useful life and residual value are reassessed on each balance sheet date and changed if necessary. If the carrying amount of an asset is higher than its recoverable amount, the value of the asset is written down to the recoverable amount.

Gains and losses on disposals are recognised through profit or loss, and are calculated as the difference between the sales price and the carrying amount at the time of disposal.

Non-current assets held for sale and discontinued operations
Non-current assets and groups of non-currents assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through their continuing use. This condition is regarded as met if the sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present condition. The management must be intending to sell the asset and must expect the sale to be completed within a year of the balance sheet date.

Non-current assets and groups of non-current assets and liabilities classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs. Investment properties classified as held for sale are measured at fair value in the same way as other investment properties.

Housing projects being developed by the company for sale
Housing projects involve the development and construction of residential housing, with individual units being handed over to the purchaser when they are completed. During their construction these projects are classified as current assets. When the homes are completed and handed over to the buyer, the sales price and cost of construction are recognised in the income statement.

Buildings under construction
Sales of property projects are measured at cost and presented under inventories. The sales price is recognised in the income statement on handover. For construction contracts where the design and delivery schedule have been negotiated with the buyer, costs and revenues are recognised in the income statement in accordance with the percentage of completion method described in IAS 11.

Borrowing costs
Borrowing costs for capital used to finance buildings under construction are capitalised under the asset in question. When calculating the capitalised borrowing costs, the average interest rate on the company's debt portfolio over the course of the year is used, unless there is separate financing for the specific project. In such cases the specific borrowing cost for the loan in question is used. When calculating the average interest rate to be used for the capitalisation of borrowing costs, loans taken out for specific projects are not included.

INTANGIBLE ASSETS

Goodwill
Goodwill is the difference between the cost and the fair value of the Group's share of net identifiable assets in the entity on the acquisition date. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. For the purposes of impairment testing, goodwill is allocated to the relevant cash flow generating units. Goodwill is allocated to the cash flow generating units or groups of cash flow generating units that are expected to benefit from the acquisition from which the goodwill arose. Goodwill is tested for impairment annually and is recognised at cost less any impairment losses. Impairment of goodwill is not reversed. Gains and losses on the sale of an operation include the carrying amount of goodwill relating to the sold operation.

Goodwill arising from the purchase of shares in associates and jointly controlled entities is included under the investment in the associate or jointly controlled entity, and is tested for impairment as part of the carrying amount of the investment.

Software
Purchased software is recognised at cost (including expenditure on making programs operative) and is amortised over the expected useful life. Expenses directly associated with the development of identifiable and unique software owned by the Group and which is likely to generate net financial benefits for more than one year are capitalised as intangible assets, and are depreciated over the expected useful life. Expenses relating to the maintenance of software are expensed as incurred.

Development projects
Activities related to the application of knowledge to a plan or in relation to a concept or project prior to being taken into use/production, are classified as development activities that are capitalised as intangible assets when the Group considers it likely that the skills developed will generate net financial benefits. Expenses that are capitalised as development projects are directly attributable expenses relating to the development of the new skills.

Impairment of non-financial assets
Intangible assets with an uncertain useful life are not depreciated and are instead tested annually for impairment. Property, plant and equipment and intangible assets that are depreciated are also tested for impairment if there is any indication to suggest that future cash flows cannot justify the carrying amount of the asset. Write-downs are recorded through the income statement as the difference between the carrying amount and the recoverable amount. The recoverable amount is the utility value or fair value, whichever is the higher, less selling costs. When testing for impairment, non-current assets are grouped at the lowest possible level at which it is possible to identify independent cash flows (cash flow generating units). In conjunction with each financial report, the company assesses whether it is possible to reverse past write-downs of non-financial assets (except goodwill).

FINANCIAL INSTRUMENTS
A financial instrument is defined as being any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity. Financial instruments are recognised on the transaction date, i.e. the date on which the Group commits to buying or selling the asset.

Financial assets are classified in the following categories: at fair value through profit or loss, loans and receivables and available for sale. Financial assets at fair value through profit or loss are assets held for trading purposes, and include derivatives. Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments. Available-for-sale financial assets are assets designated as available for sale or assets that do not fall under any of the other categories, including minor shareholdings.

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities at fair value through profit or loss comprise loans designated at fair value upon initial recognition (fair value option) and derivatives. Financial liabilities at amortised cost consist of liabilities that do not fall under the category at fair value through profit or loss.

Financial assets and liabilities are classified upon initial recognition based on their characteristics and purpose. In order to avoid an accounting mismatch, Entra has used the fair value option for the Group's long-term borrowing at fixed interest rates raised to finance the acquisition of investment properties measured at fair value. Liabilities designated at fair value through profit or loss are typically debt incurred to finance the acquisition of investment properties measured at fair value.

Trade receivables and other financial assets
Trade receivables and other financial assets are classified as loans and receivables and are measured at fair value upon initial recognition, and thereafter at amortised cost. Interest is ignored if it is insignificant. A provision for bad debts is recognised if there is objective evidence that the Group will not receive payment in accordance with the original conditions. Any subsequent payments received against accounts for which a provision has previously been made are recognised in the income statement. Trade receivables and other financial assets are classified as current assets, unless they are due more than twelve months after the balance sheet date. If so, they are classified as non-current assets.

Cash and cash equivalents
Cash and cash equivalents consist of bank deposits and other short-term, highly liquid investments with an original term to maturity of no more than three months.

Financial derivatives
The Group uses derivatives to manage its interest rate risk. Derivatives are initially recognised at fair value on the date on which the contract was signed, and subsequently at fair value. Gains or losses on re-measurement at fair value are recognised in the income statement. Regular payments are presented as interest and other finance expenses. Changes in the value of the derivatives are presented under "Adjustment to value of financial instruments".

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to redeem the contracts on the balance sheet date. This amount will depend on interest rates and the contracts' remaining term to maturity. The derivatives are classified on the balance sheet as current liabilities or non-current liabilities, depending on whether they are expected to be redeemed under or over 12 months from the balance sheet date.

Trade payables and other non-interest-bearing financial liabilities
Trade payables and other non-interest-bearing liabilities are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method. Interest is ignored if it is insignificant.

Interest-bearing liabilities
Interest-bearing liabilities that satisfy the criteria for using the fair value option under IAS 39 are classified in the category at fair value through profit or loss. Entra uses the fair value option for interest-bearing liabilities at fixed interest rates incurred to finance the acquisition of investment properties. Interest-bearing liabilities are recognised at fair value when the loan is received. Subsequently loans are measured at fair value through the income statement and are presented under net financial items. Ordinary interest expenses are presented on the income statement under net financial items.

Interest-bearing liabilities with variable interest rates are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method.

Interest-bearing liabilities are classified as current liabilities where the debt is due for repayment less than 12 months from the balance sheet date.

PENSIONS
The Group has pension schemes that are defined-benefit plans. A defined-benefit plan is a pension arrangement that defines the pension payment an employee will receive on retirement. The pension benefit payable is dependent on a number of factors, such as the employee's age, number of years of membership of the Norwegian Public Service Pension Fund and salary.

The recognised pension obligation relating to defined-benefit plans is the present value of the defined-benefit on the balance sheet date less the fair value of the plan assets. The gross pension obligation is calculated annually by an independent actuary using the projected credit unit method. The gross obligation is discounted using a discount rate based on bonds with preference rights, which mature around the same time as the related pension obligations.

Changes to benefits payable under the pension plan are recognised in the income statement as they arise.

Actuarial gains/losses resulting from new information or changes to actuarial assumptions are recognised against equity via comprehensive income in the period they arise.

Redundancy packages are payments made when a contract of employment is terminated by the Group before the normal retirement age or when an employee voluntarily agrees to leave in return for such a payment. The Group expenses redundancy packages when it has a proven obligation to either terminate the contract of current employees in accordance with a formal, detailed plan that cannot be withdrawn by the Group, or to make redundancy payments as a result of an offer made to encourage voluntary redundancy. Redundancy packages that are due for payment over 12 months after the balance sheet date are discounted to their present value.

TAX
The tax expense consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised directly in equity. In such cases, the tax is either recognised in comprehensive income or directly in equity.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and consolidated accounting values of assets and liabilities. Any deferred tax arising from the initial reporting of a liability or asset in a transaction which is not a business combination and which on the transaction date does not affect accounting or tax results is not recognised on the balance sheet. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised.

Deferred tax is calculated and provided or reduced in the event of adjustments to the value of investment properties at a nominal tax rate of 27 per cent from 31 December 2013. For investment properties acquired through the purchase of shares in property companies or not acquired through a business combination, in the event of an adjustment in value, deferred tax is calculated on the property's fiscal value.

A deferred tax asset is recognised to the extent that it is likely that future taxable profit will be available against which the temporary differences can be offset.

In principle, deferred tax is not calculated on temporary differences arising from investments in subsidiaries and associates. This does not apply in cases where the Group is not in control of when the temporary differences will be reversed, and it is probable that they will be reversed in the foreseeable future. Nor is a liability for deferred tax calculated upon initial recognition of assets or liabilities obtained through an acquisition of a subsidiary not classified as a business combination.

PROVISIONS
The Group recognises provisions for lease agreements and legal claims when a legal or self-imposed obligation exists as a result of past events, it is likely on a balance of probabilities that an outflow of resources will be required to settle the obligation and its amount can be estimated with a sufficient degree of reliability. There is no provision for future bad debts.

In cases where there are several obligations of the same nature, the likelihood of settlement is determined by assessing the Group as a whole. A provision for the Group is recognised even if there is little likelihood of settlement of the Group's individual elements.

Provisions are measured at the present value of expected payments to settle an obligation. A discount rate before tax is used which reflects the present market situation. Any increase in an obligation as a result of a changed time value is reported as a financial expense.

INCOME RECOGNITION
Operating revenue consists of rental income and other operating revenue. Gains on the sale of property are presented as part of the change in value. Rental income encompasses the fair value of the payments received for services that fall within the ordinary activities of the company. Rental income is presented net of VAT, rebates and discounts. Shared costs are capitalised alongside payments on account from tenants and therefore have no impact on the income statement. Shared costs are settled after the balance sheet date.

Rental income is recognised over the duration of the lease. If a rent exemption is agreed, or if the tenant receives an incentive in conjunction with the signing of the lease, the cost or loss of rent is spread over the duration of the lease, and the resulting net rent is recognised in equal instalments. The accrued loss of rent or costs is presented under other receivables.

Lease contracts that are terminated are valued on an individual basis. Payments relating to the termination of contracts are recognised in the period from the contract being entered into until the date of its termination.

LEASE CONTRACTS
Lease contracts where a significant proportion of the risks and benefits of ownership remain with the lessor are classified as operating leases. Rent payments for operating leases (less any financial incentives given by the lessor) are expensed in a straight line over the duration of the lease.

Lease contracts for property, plant and equipment where the Group has all of the risks and benefits of ownership are classified as finance leases. Finance leases are recognised at the start of the lease term at the lower of fair value and the present value of the minimum lease payments.

STATEMENT OF CASH FLOWS
The statement of cash flows is prepared using the indirect method. This means that the statement is based on the Group's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Dividends paid to shareholders and non-controlling interests are presented under financing activities.

DIVIDENDS
Dividend payments to the company's shareholders are classified as debt from the date on which a resolution regarding the dividend is passed by the Annual General Meeting.

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES AND SUBJECTIVE JUDGEMENTS

Fair value of investment properties
Investment properties are measured at their fair value based on external, independent valuations.

Each quarter, all the properties are valued by two independent, external valuers. The valuations at 31 December 2013 were obtained from Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenants' financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk relating to letting and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the valuers receive comprehensive details of the leases for the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and leases are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The valuers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the leases is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc.)

The table below shows to what extent the value of the property portfolio is affected by inflation, market rents, discount rates (interest rates) and exit yields (market yields), assuming that all other factors are equal.

Change variable	Change in percent	Value change (NOKm)*
Inflation	+ 1,00 %	258.2
Market rent	+ 10,00 %	1,911.0
Discount rates	+ 0,25 %	-654.4
Exit yield	+ 0,25 %	-439.9

* Estimates by DTZ Realkapital Verdivurdering AS in conjunction with valuations at 31 December 2013.

Fair value of financial liabilities

The Group values liabilities with fixed interest rates and financial derivatives at fair value in the Group's balance sheet. The Group's interest-bearing debt is measured at fair value using valuation methods where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.

The fair value of both listed and unlisted bonds with fixed interest rates is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association, www.nfmf.no).

The fair value of commercial paper is estimated as its nominal value, due to the short term to maturity. For more information on how the Group values its financial assets and liabilities see note 4-2.

The carrying amount of financial liabilities classified at fair value through profit or loss will increase by NOK 300.3 million or decrease by NOK 301.1 million in the event of a parallel shift in market interest rates of +/- 1 percentage point.

Pensions

The present value of pension obligations is dependent on several different factors that are determined by a number of actuarial assumptions.
The assumptions used to calculate net pension costs (revenue) include the discount rate. Any changes to these assumptions will affect the carrying amount of the pension obligations.

The Group determines the relevant discount rate at the end of each year. This is the interest rate used to calculate the present value of the future estimated outgoing cash flows required to fulfil the pension obligations. When determining the relevant discount rate, the Group looks at the interest rate for high-quality corporate bonds or bonds with preference rights, which mature around the same time as the related pension obligations. At 31 December 2013, the discount rate was determined on the basis of bonds with preference rights.

If a discount rate is used which deviates from the management estimates by +/- 0.5 per cent, the carrying amount of the pension obligations will be NOK 11.1 million lower or NOK 11.2 million higher.

See Note 18 for more details on pensions and estimates.

Uncertainty surrounding estimates pursuant to IFRIC 12

IFRIC 12 regulates the building of public infrastructure by private operators commissioned by public authorities. The infrastructure is also to be operated by the private sector for a period, although the public sector retains control of the residual value. Entra has three properties regulated by these rules.

The value of the receivable has been calculated using estimates to which uncertainty is attached. The uncertainty relates to future rent payments. There is also uncertainty surrounding the property-specific estimates of future ownership costs, investments and purchase options.

NOTE 4 - FINANCIAL RISK MANAGEMENT
All amounts in NOK million

Governance structure, exposure and reporting

The Board of Entra Holding has defined limits for the financial exposure of the Group through the financial directive. The financial directive regulates the following:
- Allocation of responsibility for financial management
- Overall limits for financial exposure, as well as principles for handling these
- Principles for borrowing
- Definition of how financial risk is to be calculated and key controls that must be in place to ensure adequate risk management
- Requirements for reporting and monitoring. The Group's overall financial risk exposure is reported regularly to the Board.

There is a responsibility and authority matrix for the Finance area, which defines authority for the day-to-day management of financial transactions within the overall framework of financial management.

The Group must ensure that there is adequate operational risk management and internal control through clear areas of responsibility and segregation of duties. The procedures relate in particular to the management of financial exposure and the division of responsibility between the various roles in the treasury department and the department's financial systems. There are guidelines for managing financial exposure, which include checklists related to the control of current transactions.

Entra has established an internal finance committee, which is a forum for updates on and discussion of the macroeconomic climate, as well as for discussing the company's financial risks and opportunities. Long-term projections are made of financial developments as a component of the Group's risk management, using a model with detailed assumptions concerning the Group's financial performance, cash flow and balance sheet. The projections take into account cyclical developments in the economy, financial parameters and the property market. Scenarios and simulations are developed for various development life cycles. The simulations are intended to provide good information for the Board and the executive management in their monitoring of developments in central key figures and cash flow.

The Group's finance strategy shall ensure that the Group has financial flexibility and that it achieves competitive financial terms. The Group is exposed to financial risk and has defined the following relevant risk areas:
- Liquidity/refinancing risk
- Capital management and solvency
- Interest rate risk
- Credit/counterparty risk
- Currency risk

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due and that financing will not be available at a reasonable price.

The company seeks to limit liquidity risk through:
- requirements for committed capital to cover refinancing requirements
- average credit period requirements
- the use of various credit markets and counterparties
- spread maturity structure for the Group's financing

Capital management and solvency

The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximise the value of the shares in the company, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the company. The Group has defined a target range for its equity ratio of 25–35 per cent over the economic cycle. This means that the Group will normally aim for the median value of the target range, i.e. an equity ratio of 30 per cent. There are covenants in the Group's loan agreements that specify requirements in relation to the company's financial strength.

Interest rate risk

Interest rate risk arises from the loan portfolio's exposure in debt instruments being affected by changes in market rates. Interest rate risk affects the company's cash flows and the market value of the company's liabilities. The main purpose of the company's strategy to manage interest rate risk is to ensure that the company achieves a balance between the desired interest expense and interest rate risk. The Group's interest rate risk is managed through the requirements for fixed interest rates for at least 60 per cent of the debt portfolio, an average duration in the range of 2–5 years and diversification of the maturity structure for fixed interest rates.

Credit and counterparty risk

Stable, predictable and long-term access to capital is critical for Entra Holding. Entra Holding considers that the ability of creditors to behave predictably over the long term is often dependent on their creditworthiness. For this reason, the Group wants the company's creditors to be of a good credit quality and has established credit rating limits for the company's creditors. The credit ratings of the company's financial counterparties are continuously monitored.

Currency risk
The company shall not incur any currency risk and at 31.12.2013, the Group had no currency exposure.

Financial covenants
There are covenants in the Group's bank loan agreements relating to the value-adjusted equity ratio (VEK), interest cover ratio (ICR) and the loan-to-value of property (LTV). At 31.12.2013, the Group was not in breach of any covenants.

There are no covenants in relation to the Group's bond or commercial paper loans.

Maturity profile of all financial instruments

31.12.2013	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
					REMAINING TERM				
Interest-bearing bank loans – principal	-	-	1,215.0	2,790.0	240.0	195.0	-	495.0	4,935.0
Interest-bearing bank loans – estimated interest	33.7	100.9	130.2	114.8	37.0	31.1	20.1	30.9	498.5
Bonds – principal	-	1,142.5	1,200.0	1,600.0	1,700.0	700.0	500.0	1,100.0	7,942.5
Bonds – estimated interest	50.7	251.6	259.5	432.8	292.2	181.4	151.6	355.7	1,975.6
Commercial paper – principal	800.0	850.0	-	-	-	-	-	-	1,650.0
Commercial paper – estimated interest	18.0	19.2	-	-	-	-	-	-	37.2
Financial instruments									
- interest rate derivatives	54.3	110.2	151.8	229.3	119.2	23.8	-33.1	-95.5	559.8
Trade payables	290.0	-	-	-	-	-	-	-	290.0
Other financial liabilities	58.3	-	-	-	-	-	-	-	58.3
Total	1,304.9	2,474.5	2,956.6	5,166.7	2,388.4	1,131.0	638.6	1,886.1	17,946.9

31.12.2012	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
					REMAINING TERM				
Interest-bearing bank loans – principal	-	2,000.0	-	2,795.0	295.0	-	195.0	507.0	5,792.0
Interest-bearing bank loans – estimated interest	41.6	125.9	116.8	184.3	50.7	38.4	27.9	47.2	632.8
Bonds – principal	-	-	1,425.0	1,200.0	1,600.0	500.0		1,100.0	5,825.0
Bonds – estimated interest	21.6	209.4	226.8	294.8	191.7	127.9	101.6	406.8	1,580.5
Commercial paper – principal	982.0	908.0	-	-	-	-	-	-	1,890.0
Commercial paper – estimated interest	31.6	27.0	-	-	-	-	-	-	58.7
Financial instruments									
- interest rate derivatives	27.5	178.5	180.0	292.8	197.3	98.3	11.2	-89.7	876.8
Trade payables	191.4								191.4
Other financial liabilities	79.8								79.8
Total	1,376.4	3,448.9	1,929.6	4,766.9	2,334.7	764.6	335.8	1,971.1	16,926.9

The table is based on undiscounted contractual cash flows. The maturity analysis is based on the earliest possible redemption for instruments where the counterparty has a choice as to when to redeem the instrument. Estimated interest is based on the interest rate on the individual loan/ instrument on the balance sheet date. In order to manage its liquidity risk, the Group has available, unused credit facilities with Norwegian and international banks, as well as available liquid assets.

Unused credit facilities

31.12.2013	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
					TERM TO MATURITY				
Parent company's unused credit facilities	-	-	250.0	2,410.0	700.0	-	-	-	3,360.0
Subsidiaries' unused credit facilities	-	-	-	-	-	65.0	-	-	65.0
Total unused credit facilities	-	-	250.0	2,410.0	700.0	65.0	-	-	3,425.0

Unused credit facilities

31.12.2012	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
					TERM TO MATURITY				
Parent company's unused credit facilities	-	-	-	1,500.0	2,455.0	-	-	-	3,955.0
Subsidiaries' unused credit facilities	-	-	-	60.0	-	-	65.0	-	125.0
Total unused credit facilities	-	-	-	1,560.0	2,455.0	-	65.0	-	4,080.0

At 31.12.2013, the Group had NOK 142.2 (NOK 31.7) million of available liquid assets. See Note 18.

Interest rate risk

The Group's liabilities are subject to fixed interest rates (62 per cent of liabilities). The Group uses a variety of derivatives to adapt its portfolio to the chosen fixed rate structure. The choice of fixed interest profile is based on an evaluation of the Group's financial strength and ability to generate long-term, stable cash flow.

At 31 December 2013, the weighted average duration was 3.0 (3.2) years. The average credit interest rate was 4.47 (5.13) per cent at 31 December 2013.

The table below shows the nominal value of outstanding current and non-current interest-bearing debt including derivatives.

Maturity structure of the Group's exposure to nominal interest rate risk

As at 31.12.2013	31.12.2014	31.12.2015	31.12.2017	31.12.2019	31.12.2021	31.12.2023	31.12.2023+	Total
Term to maturity	Up to 1 year	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Percentage	38 %	5 %	13 %	22 %	15 %	2 %	4 %	100 %
Amount	5,565.5	750.0	1,852.0	3,200.0	2,250.0	350.0	510.0	14,527.5

As at 31.12.2012	31.12.2013	31.12.2014	31.12.2016	31.12.2018	31.12.2020	31.12.2022	31.12.2022+	Total
Term to maturity	Up to 1 year	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Percentage	39 %	4 %	15 %	14 %	18 %	5 %	6 %	100 %
Amount	5,215.0	600.0	2,020.0	1,832.0	2,450.0	650.0	760.0	13,527.0

Sensitivity analysis for market interest rates

The table below shows the overall impact on the Group's financing costs of a parallel shift in market rates for NOK of +/- 1 percentage point, based on the Group's debt portfolio and interest rate derivatives on the balance sheet date. The figure quoted for the change in the fair value of debt and derivatives reflects what the market value of the portfolio would be on the balance sheet date if the yield curve were 1 per cent higher or lower, based on discounted future cash flows from the various instruments.

31.12.2013	Total change in profit/loss (after tax) *	Change in the Group's interest expense (annualised)	Change in the fair value of bonds and derivatives (after tax)
Market rates increase by 1 percentage point	**269.6**	**-30.8**	**300.3**
Interest-bearing debt	123.3	-60.3	183.6
Derivatives	146.3	29.6	116.7
Market rates fall by 1 percentage point	**-270.4**	**30.8**	**-301.1**
Interest-bearing debt	-123.3	60.3	-183.6
Derivatives	-147.1	-29.6	-117.5

31.12.2012	Total change in profit/loss (after tax) *	Change in the Group's interest expense (annualised)	Change in the fair value of bonds and derivatives (after tax)
Market rates increase by 1 percentage point	**283.0**	**-33.1**	**316.1**
Interest-bearing debt	81.3	-62.0	143.4
Derivatives	201.7	29.0	172.7
Market rates fall by 1 percentage point	**-303.4**	**33.1**	**-336.5**
Interest-bearing debt	-81.3	62.0	-143.4
Derivatives	-222.1	-29.0	-193.2

* A positive figure signifies an increase in profit after tax.

Key figures for the Group's financial instruments	**2013**	**2012**
Nominal value of interest rate derivatives on the balance sheet date**	13,554.5	14,087.0
of which		
- Fixed-to-variable swaps**	3,992.5	3,075.0
- Variable-to-variable swaps	0.0	700.0
- Variable-to-Fixed swaps	9,512.0	8,612.0
- Options or option-related products	50.0	1,700.0
Range of fixed interest rates	From 2.377 % to 5.950 %	From 2.94% to 5.950 %
Variable rate basis	NIBOR	NIBOR
Average fixed rate excl. futures contracts	4.67 %	4.92 %
Average fixed rate incl. futures contracts	4.49 %	4.66 %
Fair value of derivatives on the balance sheet date (NOKm)	644.5	790.8
Change in fair value of bank loans over the year	0.0	-136.2
Change in fair value of bonds over the year	38.5	-98.2
Change in fair value of interest rate derivatives over the year	146.4	-21.4
Premiums/discounts, loan drawings	-1.2	-16.1
Total change in fair value of financial instruments	183.7	-272.0

** NOK 3 993 (NOK 3 075) million of swaps linked to the fixed-interest bonds issued by the Group are included in the volume of interest rate swaps. These bonds are swapped to a variable rate in order to ensure that the Group is in a position to manage its interest rate fixing independently of the bonds. The real volume used for interest rate fixing is therefore NOK 9 562 (NOK 8 612) million. NOK 9 512 (NOK 8 612) million of this consists of pure interest rate swaps, whilst NOK 50 (NOK 1,700) million is interest rate options or option-related products. Option-related products are used either to put a ceiling on parts of the Group's future interest rate expenses, or to reduce the current interest rate on the portfolio by issuing options that expose the company to a limited amount of risk. The majority of the Group's option-related agreements are standard interest rate swaps where the bank has an option to extend the maturity date of the contracts.

NOTE 4-1 - CATEGORIES OF FINANCIAL INSTRUMENTS

All amounts in NOK million

31.12.2013	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit and loss	Total		Financial liabilities at fair value through profit or loss		Financial liabilities ta amortised cost	Total
			Held for sale			Held for sale	Designated upon initial recognition		
Assets					**Liabilities**				
Financial investments									
- shares	-	0.6	-	0.6	Interest-bearing non-current liabilities	-	3,365.7	8,435.0	11,800.7
- other financial assets	742.3	-	-	742.3	Interest-bearing current liabilities	-	2,357.7	450.0	2,807.7
Financial derivatives	-	-	203.5	203.5	Financial derivatives	848.0	-	-	848.0
Trade receivables	27.9	-	-	27.9	Trade payables	-	-	290.0	290.0
Other current receivables	538.1	-	-	538.1	Other current liabilities	-	-	58.3	58.3
equivalents	177.4	-	-	177.4					
Total financial assets	1,485.7	0.6	203.5	1,689.7	Total financial liabilities	848.0	5,723.5	9,233.3	15,804.8

31.12.2012	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit and loss	Total		Financial liabilities at fair value through profit or loss		Financial liabilities ta amortised cost	Total
			Held for sale			Held for sale	Designated upon initial recognition		
Assets					**Liabilities**				
Financial investments									
- shares	-	0.4	-	0.4	Interest-bearing non-current liabilities	-	3,194.5	6,542.0	9,736.5
- other financial assets	1,129.1	-	-	1,129.1	Interest-bearing current liabilities	-	1,910.0	2,000.0	3,910.0
Financial derivatives	-	-	214.3	214.3	Financial derivatives				
Trade receivables	20.1	-	-	20.1	Trade payables	1005.2	-	-	1,005.2
Other current receivables	49.9	-	-	49.9	Other current liabilities	-	-	191.4	191.4
equivalents	64.8	-	-	64.8		-	-	79.8	79.8
Total financial assets	1,263.9	0.4	214.3	1,478.6	Total financial liabilities	1005.2	5,104.5	8813.1	14,922.8

NOTE 4-2 - INFORMATION ABOUT FAIR VALUE

All amounts in NOK million

Bank and bond loans with variable interest rates are valued at amortised cost.

The fair value of both listed and unlisted bonds with fixed interest rates is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association, www.nfmf.no).

The fair value of commercial paper is estimated as its amortised cost, due to the short term to maturity.

Financial derivatives are measured at fair value using valuation methods where the significant parameters are obtained from quoted market data.

The Group uses the following hierarchy to classify financial instruments, based on the valuation methods used to measure and disclose their fair value.
Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: Other techniques where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.
Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

Financial assets at fair value	**31.12.2013**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss				
- Derivatives	203.5	-	203.5	-
Financial assets available for sale				
- Equity instruments	0.6	-	-	0.6
Total	**204.0**	-	**203.5**	**0.6**

Financial liabilities at fair value	**31.12.2013**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at fair value through profit or loss				
- Derivatives	848.0	-	848.0	-
- Bank loans	-	-	-	-
- Bonds	4,073.5	-	4,073.5	-
- Commercial paper	1,650.0	-	1,650.0	-
- Other	-	-	-	-
Total	**6,571.5**	-	**6,571.5**	-

Financial assets at fair value	**31.12.2012**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss				
- Derivatives	214.3	-	214.3	-
Financial assets available for sale				
- Equity instruments	0.4	-	-	0.4
Total	**214.6**	-	**214.3**	**0.4**

Financial liabilities at fair value	**31.12.2012**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at fair value through profit or loss				
- Derivatives	1,005.2	-	1,005.2	-
- Bank loans	-	-	-	-
- Bonds	3,194.5	-	3,194.5	-
- Commercial paper	1,890.0	-	1,890.0	-
- Other	20.0	-	-	20.0
Total	**6,109.7**	-	**6,089.7**	**20.0**

Information about the fair value of financial assets measured at amortised cost

	2013 Fair value	2013 Carrying amount	2012 Fair value	2012 Carrying amount
Loans to associates	-	-	6.7	6.7
Financial assets – service concession arrangements (IFRIC 12)	1,285.0	1,122.0	1,296.7	1,122.6
Trade receivables	27.9	27.9	20.1	20.1
Closing balance	**1,312.9**	**1,149.9**	**1,323.5**	**1,149.5**

The fair value is the same as the carrying amount for jointly controlled entities and associates, as the interest rate is adjusted continuously and no changes in credit margins have been identified. Trade receivables have a short anticipated term, so the fair value is the same as the carrying amount. For service concession arrangements, fair value has been set as the average of two external valuers' estimates of the fair values of the properties in question; see Note 3.

Information about the fair value of financial liabilities measured at amortised cost
The difference between the fair value and the amortised cost of interest-bearing liabilities with variable interest rates is described in note 20. Other financial liabilities are short term and the difference between the fair value and the amortised cost is marginal.

NOTE 4-3 - FINANCIAL ITEMS

All amounts in NOK million

	2013	**2012**
Interest income*	108.5	98.2
Other finance income	1.4	0.0
Total interest and other finance income	**109.9**	**98.2**
Interest expenses	686.9	650.7
- of which capitalised loan arrangement fees	-45.3	-43.9
Other finance expenses	33.2	43.4
Total interest and other finance expense	**674.8**	**650.2**
Average interest on capitalised loan arrangement fees	4.9 %	5.5 %

* Interest income includes the impact of IFRIC 12 on financial assets where the Group's counterparty is the state. The effective interest rate based on the asset's cash flow is used to calculate the finance income for the period.

NOTE 5 - SEGMENT INFORMATION

All amounts in NOK million

The Group established a regional model at the end of the second quarter of 2013. With effect from the fourth quarter of 2013 the business reports under four geographic operating segments in line with IFRS 8: Central Oslo, Greater Oslo, Southern and Western Norway and Mid- and Northern Norway. Each of the operating segments has its own profit responsibility.

Segment information is reported to the group management team and to the CEO, which are the Group's highest operational management and decision-making body.

Expenses related to staff and support functions for the operating segments and group eliminations are included in the segment Group. Finance expenses, finance income and tax are handled at Group level.

31.12.2013	**Central Oslo**	**Greater Oslo**	**South/West**	**Mid/North**	**Group**	**Consolidated**
Rental income	667.3	453.0	222.4	201.2	-0.1	1,543.9
Other operating revenue	18.2	5.3	3.5	3.7	0.0	30.7
Total operating revenue	**685.5**	**458.3**	**226.0**	**204.9**	**-0.1**	**1,574.6**
Maintenance	33.2	10.6	13.6	8.5	0.0	65.9
Operating costs	34.3	25.6	16.6	15.1	-0.1	91.5
Other property costs	27.5	28.9	3.4	2.3	26.0	88.2
Administrative owner costs	13.2	12.6	11.0	13.6	171.6	222.1
Total operating costs	**108.2**	**77.7**	**44.7**	**39.5**	**197.5**	**467.6**
Profit from property management	**577.3**	**380.6**	**181.3**	**165.4**	**-197.6**	**1,107.0**

31.12.2012	**Central Oslo**	**Greater Oslo**	**South/West**	**Mid/North**	**Group**	**Consolidated**
Rental income	691.9	445.8	201.9	161.2	-0.6	1,500.2
Other operating revenue	17.7	6.0	4.6	4.1	0.0	32.4
Total operating revenue	**709.6**	**451.9**	**206.5**	**165.3**	**-0.6**	**1,532.7**
Maintenance	33.4	17.2	9.0	8.0	-1.3	66.2
Operating costs	29.1	22.1	13.6	16.7	5.4	86.8
Other property costs	75.6	21.8	10.2	2.6	6.9	117.1
Administrative owner costs	7.3	10.3	10.9	10.5	155.6	194.7
Total operating costs	**145.4**	**71.5**	**43.7**	**37.7**	**166.5**	**464.9**
Profit from property management	**564.1**	**380.4**	**162.9**	**127.6**	**-167.1**	**1,067.8**

NOTE 6 - MAJOR TRANSACTIONS

There were no major transactions in 2013 or 2012.

NOTE 7 - INTANGIBLE ASSETS

All amounts in NOK million

2013	**Concept development**	**Options**	**Other intangible assets***	**Total intangible assets**
Acquisition cost at 01.01.2013	15.5	3.5	43.2	62.2
Acquisitions	10.6	-	5.9	16.5
Disposals	-14.0	0.0	0.0	-14.0
Acquisition cost at 31.12.2013	12.1	3.5	49.2	64.7
Accumulated depreciation and write-downs at 01.01.2013	-	-	25.9	25.9
Depreciation and write-downs	14.0	0.5	7.5	22.0
Disposals	-14.0	0.0		-14.0
Accumulated depreciation and write-downs at 31.12.2013	-	0.5	33.4	33.9
Carrying amount at 31.12.2013	**12.1**	**3.0**	**15.8**	**30.9**
Anticipated useful life			5 years	
Depreciation schedule			Linear	

2012	**Concept development**	**Options**	**Other intangible assets***	**Total intangible assets**
Acquisition cost at 01.01.2012	-	3.5	40.1	43.6
Acquisitions	79.1	-	12.2	91.3
Disposals	-63.6	-	-9.1	-72.7
Acquisition cost at 31.12.2012	15.5	3.5	43.2	62.2
Accumulated depreciation and write-downs at 01.01.2012	-	-	27.1	27.1
Depreciation and write-downs	25.4	-	7.8	33.2
Disposals	-25.4	-	-9.1	-34.5
Accumulated depreciation and write-downs at 31.12.2012	-	-	25.9	25.9
Carrying amount at 31.12.2012	**15.5**	**3.5**	**17.3**	**36.3**
Anticipated useful life			5 years	
Depreciation schedule			Linear	

* Other intangible assets relate to software.

NOTE 8 - INVESTMENT PROPERTIES

All amounts in NOK million

Value of investment properties	**2013**	**2012**
Opening balance at 1.1	22,936.7	21,880.4
Other movements		
New acquisitions	591.2	412.8
Improvements	1,045.4	984.0
Capitalised loan arrangement fees	45.3	43.9
Disposals	-590.5	-420.7
Reclassified as housing units for sale	0.0	-92.8
Value change operational leases	-39.8	-25.4
Value change investment property	-455.2	154.3
Closing balance 31.12	**23,533.0**	**22,936.7**
Of which investment properties held for sale	388.2	734.2
Investment properties	**23,144.8**	**22,202.5**

Investment properties held for sale comprise 5 (7) investment properties for which the sales process had started, but not been completed, on the balance sheet date. Assuming that acceptable offers are received, the properties are expected to be sold within 12 months. In 2013, the Group has identified four new investment properties held for sale.

Investment properties are valued at fair value based on independent external valuations. The valuation method is included at level 3 in the valuation hierarchy. Reference is made to note 4-2.

For information about valuations and fair value calculations for investment properties, see Note 3 "Critical accounting estimates and subjective judgements".

NOTE 9 - HOUSING UNITS FOR SALE

The design and construction of housing units for sale began in 2012. Until the units are completed and transferred to buyers, they are treated as current assets. Their total carrying amount at 31.12.2013 was NOK 227 million (NOK 120.2 million).

NOTE 10 - OTHER PROPERTY, PLANT AND EQUIPMENT

All amounts in NOK million

2013	Property used by owner	Other plant and equipment	Total
Acquisition cost at 01.01.2013	7.5	68.0	75.5
Acquisitions	1.0	21.7	22.7
Disposals	0.0	-40.7	-40.7
Acquisition cost at 31.12.2013	8.5	49.0	57.5
Accumulated depreciation and write-downs at 01.01.2013	1.8	41.8	43.5
Depreciation	0.1	4.8	4.9
Disposals	0.0	-28.1	-28.1
Accumulated depreciation and write-downs 31.12.2013	1.8	18.5	20.3
Carrying amount at 31.12.2013	**6.7**	**30.5**	**37.2**
Anticipated useful life	20-50 years	1-5 years	
Depreciation schedule	Linear	Linear	

2012	Property used by owner	Other plant and equipment	Total
Acquisition cost at 01.01.2012	7.5	60.7	68.2
Acquisitions	-	13.3	13.3
Disposals	-	-6.0	-6.0
Acquisition cost at 31.12.2012	7.5	68.0	75.5
Accumulated depreciation and write-downs at 01.01.2012	1.5	35.3	36.8
Depreciation	0.2	6.8	7.0
Disposals	-	-0.3	-0.3
Accumulated depreciation and write-downs 31.12.2012	1.8	41.8	43.5
Carrying amount at 31.12.2012	**5.8**	**26.2**	**32.0**
Anticipated useful life	20-50 years	1-5 years	
Depreciation schedule	Linear	Linear	

NOTE 11 - SUBSIDIARIES

	Acquisition date	Business office	Shareholding/ voting rights
Subsidiary of Entra Holding AS			
Entra Eiendom AS	01.07.2000	Oslo	100 %
Subsidiary of Entra Eiendom AS			
Oslo Z AS	20.09.2000	Oslo	100 %
Biskop Gunnerusgt. 14 AS	26.03.2001	Oslo	100 %
Universitetsgaten 2 AS	03.09.2001	Oslo	100 %
Kunnskapsveien 55 AS	17.12.2001	Oslo	100 %
Entra Kultur 1 AS	28.02.2002	Oslo	100 %
Kristian Augustsgate 23 AS	01.02.2003	Oslo	100 %
Nonnen Utbygging AS	10.02.2003	Oslo	100 %
Langkaia 1 AS	21.11.2003	Oslo	100 %
Kjørboparken AS	21.12.2005	Oslo	100 %
Brattørkaia AS*	31.01.2006	Oslo	100 %
Ribekk AS	02.10.2006	Oslo	100 %
Bispen AS	24.10.2007	Oslo	100 %
Pilestredet 28 AS	07.05.2008	Oslo	100 %
Hagegata 22 og 24 AS	01.10.2008	Oslo	100 %
Hagegata 23 AS	29.03.2010	Oslo	100 %
Holtermanns veg 1-13 AS	24.09.2010	Oslo	100 %
Papirbredden Eiendom AS	12.01.2011	Oslo	60 %
Karoline Kristiansen vei 2 AS	15.02.2011	Oslo	100 %
Youngskvartalet AS	30.03.2011	Oslo	100 %
Brødrene Sundt Verktøimaskinfabrik AS	01.10.2011	Oslo	100 %
Tullinkvartalet AS	21.11.2011	Oslo	100 %
Universitetsgaten 7 AS	01.04.2012	Oslo	100 %
Greenfield Datacenter AS	10.04.2012	Oslo	100 %
Wesselsplass Garasje AS	11.06.2012	Oslo	100 %
Kristian Augustsgate 19 AS	04.05.2012	Oslo	100 %
Schweigaardsgate 16 AS	20.02.2013	Oslo	100 %
Vahlsgate 1-3 KS**	01.07.2013	Oslo	90 %
Vahlsgate 1-3 AS	01.07.2013	Oslo	100 %
Hinna Park Eiendom AS	20.12.2013	Oslo	100 %
Subsidiary of Papirbredden Eiendom AS			
Grønland 51 AS	04.02.2005	Drammen	100 %
Grønland 56 AS	12.01.2011	Drammen	100 %
Grønland 58 AS	12.01.2011	Drammen	100 %
Grønland 60 AS	12.01.2011	Drammen	100 %
Kreftingsgate 33 AS	30.12.2010	Drammen	100 %
Subsidiary of Brattørkaia AS			
Brattørkaia 14 AS	31.01.2006	Trondheim	100 %
Brattørkaia 15AB-16 AS	31.01.2006	Trondheim	100 %
Brattørkaia 17A AS	31.01.2006	Trondheim	100 %
Brattørkaia 17B AS	31.01.2006	Trondheim	100 %
Brattørkaia Energi AS	03.02.2012	Trondheim	100 %
Subsidiary Ribekk AS			
Ringstabekk AS	30.06.2006	Oslo	100 %

* Entra Eiendom AS increased its shareholding from 52 per cent to 100 per cent of the shares in Brattørkaia AS on 24.10.2012.
** Remaining 10 % of interests are owned by Vahlsgate 1-3 AS.

NOTE 12 - ASSOCIATES

All amounts in NOK million

Investments in associates are recognised using the equity method.

31.12.2013	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which value changes under IFRS *
Associated companies						
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00 %	6.7	0.2	-
Tverrforbindelsen AS***	24.04.2009	Trondheim	33.33 %	-	-0.2	-
Greenfield Property AS**	26.09.2011	Oslo	33.00 %	0.0	0.0	-
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.26 %	0.0	0.0	-
Total associated companies				**6.8**	**0.0**	-

31.12.2012	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which value changes under IFRS *
Associated companies						
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00 %	6.6	0.5	-
Tverrforbindelsen AS	24.04.2009	Trondheim	33.33 %	0.2	-0.1	-
Greenfield Property AS**	26.09.2011	Oslo	33.00 %	0.0	-12.6	-
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.26 %	0.0	-0.1	-
Total associated companies				**6.7**	**-12.3**	-

* Changes in value under IFRS consist of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.
** Entra Eiendom AS sold down in Greenfield Property AS, where Norwegian Datasenter Group AS bought 67 % of the company.
*** Tverrforbindelsen AS was wound up on 17.12.2013.

Movement in carrying amount of associates

	Carrying amount 31.12.2012	Share of profit/ loss for 2013	Dividend 2013	Capital injection/reduction	Carrying amount 31.12.2013
Associated companies					
Ullandhaug Energi AS	6.6	0.2	-	-	6.7
Tverrforbindelsen AS	0.2	-0.2	-	-	0.0
Greenfield Property AS	0.0	0.0	-	-	0.0
Youngstorget Parkeringshus AS	0.0	0.0	-	-	0.0
Total associated companies	**6.7**	**0.0**	-	-	**6.8**

Movement in carrying amount of associates

	Carrying amount 31.12.2011	Share of profit/ loss for 2012	Dividend 2012	Capital injection/reduction	Carrying amount 31.12.2012
Associated companies					
Ullandhaug Energi AS	6.1	0.5	-	-	6.6
Tverrforbindelsen AS	0.3	-0.1	-	-	0.2
Greenfield Property AS	-	-12.6	-	12.6	-
Kunnskapsbyen Eiendom AS	5.7	-	-	-5.7	-
Youngstorget Parkeringshus AS	0.1	-0.1	-	-	0.0
Total associated companies	**12.2**	**-12.3**	-	**6.9**	**6.7**

Aggregate financial information about associates
(Figures stated refer to Entra's ownership interest)

	2013	2012
Operating revenue	4.0	3.7
Profit after tax	0.2	-12.3
Total comprehensive income	0.2	-12.3
Total assets	26.2	28.8
Equity	6.6	6.7
Total liabilities	19.6	22.0

NOTE 13 - JOINTLY CONTROLLED ENTITIES

All amounts in NOK million

Investments in jointly controlled entities are measured using the equity method.

31.12.2013	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which value changes under IFRS *
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS	02.06.2005	Kristiansand	51.00 %	6.1	1.7	2.8
UP Entra AS	31.12.2003	Hamar	50.00 %	103.9	-9.2	-15.9
Entra OPF Utvikling AS	21.04.2012	Oslo	50.00 %	393.7	20.1	-8.0
Oslo S Utvikling AS	01.07.2004	Oslo	33.34 %	617.9	222.8	-9.7
Total jointly controlled entities				**1,121.6**	**235.4**	**-30.7**

31.12.2012	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which value changes under IFRS *
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS	02.06.2005	Kristiansand	51.00 %	4.3	-5.7	-7.4
UP Entra AS	31.12.2003	Hamar	50.00 %	113.1	-11.6	-14.5
Entra OPF Utvikling AS	21.04.2012	Oslo	50.00 %	403.3	15.8	-0.3
Oslo S Utvikling AS	01.07.2004	Oslo	33.34 %	572.8	522.6	-11.4
Total jointly controlled entities				**1,093.5**	**821.1**	**-33.6**

* Changes in value under IFRS consist of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.

Movement in carrying amount of jointly controlled entities

	Carrying amount 31.12.2012	Share of profit/ loss for 2013	Dividend 2013	Capital injection/reduction	Carrying amount 31.12.2013
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS	4.3	1.7	-	-	6.1
UP Entra AS	113.1	-9.2	-	-	103.9
Entra OPF Utvikling AS	403.3	20.1	-29.7	-	393.7
Oslo S Utvikling AS	572.8	222.8	-177.7	-	617.9
Total jointly controlled entities	**1,093.5**	**235.4**	**-207.4**	**0.0**	**1,121.6**

Movement in carrying amount of jointly controlled entities

	Carrying amount 31.12.2011	Share of profit/ loss for 2012	Dividend 2012	Capital injection/reduction	Carrying amount 31.12.2012
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS	10.0	-5.7	-	-	4.3
UP Entra AS	107.3	-11.6	-	17.5	113.1
Entra OPF Utvikling AS	-	15.8	-	387.5	403.3
Oslo S Utvikling AS	372.5	522.6	-322.3	-	572.8
Total jointly controlled entities	**489.8**	**821.1**	**-322.3**	**405.0**	**1,093.5**

Aggregate financial information about jointly controlled entities
(Figures stated refer to Entra's ownership interest)

	2013	2012
Operating revenue	873.0	1,670.2
Profit after tax	235.4	532.4
Total comprehensive income	235.4	532.4
Total assets	1,610.7	1,808.9
Equity	1,120.2	1,031.5
Total liabilities	409.5	867.4

The Group owns 33.33 per cent of Oslo S Utvikling AS, which represents a significant asset to the Group.

There has not been any change in the share of ownership or voting rights in this jointly controlled company in 2013.

The Group received NOK 177.7 million (NOK 291.6 million) in dividends from OSU in 2013. In 2012 the Group also received the repayment of paid-in capital of NOK 30.7 million after reduction of the share premium reserve.

Summary of significant accounting items in the consolidated financial statements of Oslo S Utvikling AS after IFRS adjustments for 2013 and 2012 (100 %)

	2013	2012
Balance sheet:		
Current assets	1,987.2	2,761.9
of which cash and cash equivalents	62.7	32.0
Non-current assets	242.8	227.1
Current liabilities	285.5	434.0
of which current financial liabilities other than accounts payable and provisions	0.0	325.8
Non-current liabilities	245.9	1,020.7
of which non-current financial liabilities other than accounts payable and provisions	245.9	1,020.7
Income statement:		
Operating revenue	2,329.2	3,720.4
Operating expenses	-1,640.4	-2,094.2
of which depreciation and write-downs	-0.7	-0.8
Net financial items	-21.3	-88.0
of which interest income	1.3	2.6
of which interest expenses	-40.1	-36.2
Profit before tax	667.5	1,538.1
Tax expense	29.8	63.8
Profit after tax	697.2	1,601.9
Total comprehensive income	697.2	1,601.9

Reconciliation of carrying amount

	Shareholding	2013	2012
Net assets	100 %	1,698.6	1,534.4
Group's shareholding in the company	33.33 %	566.1	511.4
Added value	33.33 %	51.7	61.4
Carrying amount of Group's shareholding	33.33 %	617.8	572.8

INFORMATION ABOUT MAJOR PROJECTS THROUGH OSLO S. UTVIKLING AS (OSU)

Oslo S. Utvikling AS (OSU) is a property development company established for the purpose of developing properties at Bjørvika, Oslo. OSU is jointly controlled by the Group, and is accounted for using the equity method. Sales of property projects are measured at cost and presented under inventories. The sales price is recognised in the income statement on handover.

At 31.12.2013, OSU was on course to develop approx. 300,000 square metres, which is around one-third of the total area being developed at Bjørvika. OSU's most important projects are described below.

Completed projects
Up to the end of 2012 OSU had completed the PwC-building, the KLP-building, the Visma-building and two DNB-buildings. The gain on the sale, taking into account the seller's future commitments, is recognised in the completion year.

In 2013 a housing project (B 11), the last of the three DNB buildings and the Deloitte building were completed. All the apartments in the housing projects have been sold apart from the show apartment. In the case of the two other buildings the office parts are fully let. The two office parts were taken over by their respective purchasers on completion. Sales gains, taking into account seller's future obligations, were recognised in 2013.

Current projects under development
Barcode Basement AS, a subsidiary of OSU, is a separate company that owns, and which is developing and building, all of the underground areas in the Barcode zone (gross area of 70,000 square metres, just over 50 per cent of which Basement will be responsible for), and the business will lease out storage, parking spaces and plant/plant rooms for the buildings above. At year-end 2013, the areas from the western limit (under the PwC Building) to and including the DNB buildings had been completed and for the most part leased. The remaining areas will be completed over the period 2014–2015.

Building work is taking place in what is referred to as a Zone B 13. A total of approximately 230 apartments are to be built here together with retail and some office space. At the end of 2013 two of the three residential blocks had been commenced/committed. Completion of these is expected in the autumn of 2014 and autumn of 2015 respectively. With regard to the part that is mainly residential and retail space, procurement contracts have been entered into for approximately 67% of the project.

Infrastructure projects
OSU owns 34 per cent of Bjørvika Utvikling/Bjørvika Infrastruktur. These companies are mainly involved in building infrastructure at Bjørvika, with an estimated cost of NOK 2,000–2,500 million. The costs are covered by developers, who pay a fixed amount per square metre of development, as well as by a contribution of NOK 300 million from the City of Oslo. Payments are due at certain milestones, with 30 per cent due when work above ground level starts, 50 per cent on completion of the buildings' structures and 20 on their completion. The infrastructure contributions have been incorporated into the cost estimates for the various buildings. All infrastructure is to be transferred to the City of Oslo free of charge.

Contractual obligations
All contractual obligations on the balance sheet date that have not been capitalised are included in the table below

Contractual obligations	2013	2012
Property, plant and equipment	192	269
Total contractual obligations	**192**	**269**

NOTE 14 - OTHER NON-CURRENT RECEIVABLES

All amounts in NOK million

	2013	2012
Financial assets – service concession arrangements (IFRIC 12)	679.7	1,122.6
Other non-current receivables	63.1	6.8
Total other non-current receivables	**742.8**	**1,129.5**

NOTE 15 - CURRENT RECEIVABLES

All amounts in NOK million

	2013	2012
Trade receivables	30.1	23.0
Provisions for bad debts	-2.2	-2.9
Net trade receivables	27.9	20.1
Other current receivables	538.1	49.9
Total current receivables	**566.0**	**70.0**

At 31.12.2013, NOK 21 (NOK 20.1) million in trade receivables were overdue. Provisions for a loss of NOK 2.2 (NOK 2.9) million have been made for overdue trade receivables. Trade receivables relate to various customers who historically have not had problems with meeting their obligations. The age analysis of these trade receivables is as follows:

Trade receivables	2013	2012
Up to 3 months	7.3	3.5
Over 3 months	13.9	16.6
Total overdue	**21.2**	**20.1**

Other current receivables	2013	2012
Shared costs to be distributed amongst tenants	0.0	4.6
Advance payments and accruals	2.0	31.1
VAT owed	38.7	-
Accrued interest	39.0	2.6
Other current receivables	16.0	11.6
Financial receivables – service concession arrangements (IFRIC 12)	442.3	-
Total other current receivables	**538.1**	**49.9**

NOTE 16 - BANK DEPOSITS

All amounts in NOK million

	2013	2012
Bank deposits	142.2	31.7
Tied bank deposits	35.2	33.1
Total bank deposits	**177.4**	**64.8**

Tied bank deposits relate to the withholding tax account and guarantees for loans.

NOTE 17 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

Paid-in capital amounts to NOK 1 729.3 million and consists of NOK 142.2 million in share capital and NOK 1 587.1 million in other paid-in capital. In 2013 the share premium reserve was reduced by NOK 2 003.7 million, of which NOK 418.8 million was paid out to the shareholder.

The share capital of NOK 142,194,000 consists of 142,194 shares with a face value of NOK 1,000. All shares enjoy equal rights. All of the shares are owned by the Norwegian state represented by the Ministry of Trade, Industry and Fisheries.

No provision is made for dividends in the consolidated accounts until the Annual General Meeting has been held and the dividend has been decided.

NOTE 18 - PENSION LIABILITIES

All amounts in NOK million

The Group has pension schemes that cover a total of 152 (188) current employees and 54 (48) pensioners. The schemes provide an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

The Group also has a contractual early-retirement scheme (AFP). At 31 December 2013, 11 (11) former employees had chosen to make use of the AFP scheme.

The employees in Entra Eiendom AS are members of the Norwegian Public Service Pension Fund. This is a defined-benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level ensures a defined pension benefit. The guarantee means that employees will receive at least 66 per cent of their pension qualifying salary. Any income over and above 12 times the National Insurance Scheme's basic amount is not included in the qualifying salary. The pension benefit payable is based on the employee's salary, average percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension). The company's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions.

Entra operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 per cent of a full-time position. Between the ages of 62 and 65, pensions are calculated in accordance with the National Insurance Scheme's stipulations. On reaching the age of 65, the pension is calculated using either the National Insurance Scheme's rules or the Norwegian Public Service Pension Fund's rules, depending on which is better for the member. At 31 December 2013, the net pension liabilities associated with the AFP scheme amounted to NOK 7.4 (NOK 7.0) million, which is included under total pension liabilities in the table below.

Employees are also insured against incapacity and death.

The Chief Executive Officer, has an uninsured defined-benefit supplemental pension under which the company provides an annual pension premium of 30% of fixed salary above 12 times the National Insurance Scheme's basic amount. The pension scheme is in accordance with the state's guidelines for senior management salaries.

The balance sheet liabilities have been calculated as follows

	2013	2012	01.01.2012
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	153.9	148.3	176.3
Fair value of pension scheme assets	-107.3	-96.5	-85.8
Employers' NICs accrued	6.5	6.3	11.6
Net pension liabilities on the balance sheet at 31.12	**53.1**	**58.0**	**102.1**

Change in defined-benefit pension liabilities over the year

	2013	2012	01.01.2012
Pension liabilities at 01.01	148.3	176.3	153.4
Present value of pensions earned this year	9.8	19.2	20.3
Interest expense	5.4	4.3	4.7
Actuarial losses/(gains)	-4.9	-47.2	2.3
Pension benefits paid	-4.7	-4.4	-4.3
Pension liabilities at 31.12	**153.9**	**148.3**	**176.3**

Change in fair value of pension scheme assets

	2013	2012	01.01.2012
Pension scheme assets at 01.01	96.5	85.8	74.4
Anticipated return on pension scheme assets	4.1	2.4	4.4
Actuarial (gains)/losses	-8.5	-4.8	-2.8
Contributions from employer	19.8	17.5	14.1
Pension benefits paid	-4.7	-4.4	-4.3
Pension scheme funds at 31.12	**107.3**	**96.5**	**85.8**

Total cost recognised in the income statement

	2013	2012
Cost of pension benefits accrued during current period	10.2	19.5
Employers' National Insurance contributions	2.7	3.1
Total pension benefits accrued during the period	12.9	22.6
Net interest expense	1.3	1.9
Total pension benefits accrued in income statement	**14.2**	**24.6**
Estimate difference recorded in comprehensive income	4.0	-48.3
Total pension benefits accrued in total comprehensive income	**18.2**	**-23.8**

The actual return on pension scheme assets was NOK - 4,4 million (NOK -2,3 million).

The following economic assumptions have been used

	2013	2012	2011
Discount rate	4.00 %	3.90 %	2.60 %
Anticipated return on pension scheme assets	4.40 %	4.00 %	4.10 %
Annual wage growth	3.75 %	3.50 %	3.50 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	3.50 %	3.25 %	3.25 %
Annual adjustment of pensions	2.75 %	2.50 %	2.50 %
Mortality rates	K2013	K2005	K2005
Disability rates	200 % * K63	200% * K63	200% * K63
Proportion of entitled employees making use of AFP	20 %	20 %	40 %

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors.

Percentage distribution of the pension scheme assets by investment category at 31.12.

	2013	2012	2011
Government bonds	100 %	100 %	100 %
Corporate bonds	0 %	0 %	0 %
Shares	0 %	0 %	0 %
Property	0 %	0 %	0 %
Other	0 %	0 %	0 %
Total	**100 %**	**100 %**	**100 %**

Amounts for the current year and for the four previous years

	2013	2012	2011	2010	2009
Gross defined-benefit pension liabilities	153.9	148.3	176.3	134.8	133.4
Fair value pension funds 31.12	-107.3	-96.5	-85.8	-74.4	-66.5
Net defined-benefit pension liabilities	**46.6**	**51.7**	**90.5**	**60.4**	**66.9**

Sensitivity analysis for the assumptions used to calculate pension assets and liabilities

Discount rate		Impact on liabilities	Impact in %
0.5 percentage point reduction	3.50 %	11.2	7.3 %
Discount rate at 31.12.2013	4.00 %	-	-
0.5 percentage point increase	4.50 %	-11.1	-7.2 %

Wage growth		Impact on liabilities	Impact in %
0.5 percentage point reduction	3.25 %	-5.7	-3.7 %
Expected wage growth at 31.12.2013	3.75 %	-	-
0.5 percentage point increase	4.25 %	5.6	3.7 %

Expected payments to the defined-benefit pension plan for the period 01.01.2014 - 31.12.2014 are NOK 16.2 million.

NOTE 19 - OTHER LIABILITIES

All amounts in NOK million

	2013	2012
Prepayments from customers	95.0	101.0
Provisions for non-current liabilities	31.6	25.5
Total other liabilities	**126.6**	**126.5**

Movements in provisions for non-current liabilities

2013	Provision for rents/loss making contracts	Maintenance provision (IFRIC 12)	Other provisions	Total
Movements in provisions				
Opening balance at 01.01.2013	0.0	23.9	1.6	25.5
Additional provisions during the year	-	3.6	3.5	7.1
Provisions used during the year	-	-	-	0.0
Unused provisions reversed during the year	-	-1.0	-	-1.0
Discounting of provisions	-	-	-	0.0
Transferred to current	-	-	-	0.0
Closing balance at 31.12.2013	**0.0**	**26.5**	**5.1**	**31.6**

2012	Provision for rents/loss making contracts	Maintenance provision (IFRIC 12)	Other provisions	Total
Movements in provisions				
Opening balance at 01.01.2012	15.6	18.8	0.3	34.6
Additional provisions during the year	-	5.2	3.7	8.9
Provisions used during the year	-3.7	-	-0.3	-4.0
Unused provisions reversed during the year	-7.7	-	-2.1	-9.7
Discounting of provisions	0.5	-	-	0.5
Transferred to current	-4.7	-	-	-4.7
Closing balance at 31.12.2012	**0.0**	**23.9**	**1.6**	**25.5**

Details of provisions for leased properties

As at 31.12.2013 Entra Holding had no provision for leased properties. At the end of 2012 there was a provision for Akersgata 55 and Dronningensgate 10-14 in Oslo. These rental liabilities were short-term as at 31.12.2012 and are included in note 22.

An assessment is made of the relationship between the rent paid by Entra Holding and the rental income that can be achieved by leasing out these premises. This assessment is based on the rental cost and rental income specified in current leases, as well as an evaluation of future rental income for vacant premises and for contracts that are expiring.

For properties leased by Entra, the company calculates the net cash flow over the duration of the lease. The present value of future cash flows is calculated using a discount rate of six per cent.

In the accounts, a provision is made at 31.12 equal to the estimated present value. Changes in the present value compare to the previous year are recorded through the income statement.

More detailed explanation of the provision for maintenance under IFRIC 12

The contracts that the Group has signed with Vøyenenga school, Borgarting Court of Appeal and the National Library specify that the Group undertakes to maintain the buildings. A regular provision is therefore made in accordance with IAS 37 to cover future maintenance requirements.

NOTE 20 - INTEREST-BEARING LIABILITIES AND ACCRUED INTEREST

All amounts in NOK million

Non-current interest-bearing liabilities	Nominal value 2013	Market value 2013	Carrying amount 2013	Nominal value 2012	Market value 2012	Carrying amount 2012
Bank loans	4,935.0	4,935.0	4,918.4	3,792.0	3,684.3	3,792.0
Bonds	6,800.0	7,003.1	6,881.0	5,825.0	5,936.2	5,944.5
Total non-current interest-bearing liabilities		**11,938.1**	**11,799.4**		**9,620.5**	**9,736.5**

Current interest-bearing liabilities	Nominal value 2013	Market value 2013	Carrying amount 2013	Nominal value 2012	Market value 2012	Carrying amount 2012
Bank loans	16.6	16.6	16.6	2,000.0	1,992.9	2,000.0
Bonds	1,142.5	1,157.7	1,142.5	-	-	-
Commercial paper	1,650.0	1,650.0	1,650.0	1,890.0	1,890.0	1,890.0
Other liabilities	-	-	-	20.0	20.0	20.0
Total current interest-bearing liabilities		**2,824.3**	**2,809.1**		**3,902.9**	**3,910.0**

The average risk premium on the Group's loans at 31.12.2013 was 0.99 % (0.86 %).

The Group's bonds and commercial paper are subject to the following terms

The Group's bonds at 31.12.2013

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010552458	1,500.0	4.95 %	25.11.2014	975.0	(282.5)	692.5
NO0010552441	1,500.0	3M Nibor+0.80%	25.11.2014	450.0	-	450.0
NO0010662869	1,500.0	3M Nibor+1.22%	09.11.2015	1,200.0	-	1,200.0
NO0010592363	1,500.0	4.70 %	06.12.2017	500.0	-	500.0
NO0010641806	1,500.0	3M Nibor+1.25%	10.04.2017	1,100.0	-	1,100.0
NO0010552466	1,500.0	5.55 %	25.11.2019	500.0	-	500.0
NO0010670995	1,500.0	5.00 %	08.02.2023	500.0	-	500.0
NO0010673700	1,500.0	3M Nibor +1.25%	20.09.2018	1,200.0	-	1,200.0
NO0010686660	1,500.0	4.25 %	02.09.2020	700.0	-	700.0
NO0010282031	1,100.0	4.62 %	29.05.2030	1,100.0	-	1,100.0
						7,942.5

The Group's commercial paper at 31.12.2013

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010675101	400.0	2.30 %	10.01.2014	300	-	300.0
NO0010679442	400.0	2.20 %	10.02.2014	250	-	250.0
NO0010685514	400.0	2.17 %	10.03.2014	250	-	250.0
NO0010686876	400.0	2.20 %	10.04.2014	250	-	250.0
NO0010687494	400.0	2.24 %	09.05.2014	300	-	300.0
NO0010694011	400.0	2.30 %	10.06.2014	300	-	300.0
						1,650.0

The Group's bonds at 31.12.2012

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010552458	1,500.0	4.95 %	25.11.2014	975.0	-	975.0
NO0010552441	1,500.0	3M Nibor+0.80%	25.11.2014	450.0	-	450.0
NO0010662869	1,500.0	3M Nibor+1.22%	09.11.2015	1,200.0	-	1,200.0
NO0010592363	1,500.0	4.70 %	06.12.2017	500.0	-	500.0
NO0010641806	1,500.0	3M Nibor+1.25%	10.04.2017	1,100.0	-	1,100.0
NO0010552466	1,500.0	5.55 %	25.11.2019	500.0	-	500.0
NO0010282031	1,100.0	4.62 %	29.05.2030	1,100.0	-	1,100.0
						5,825.0

The Group's commercial paper at 31.12.2012

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010637473	400.0	3.40 %	10.01.2013	400	23.0	377.0
NO0010638232	400.0	3.35 %	11.02.2013	400	135.0	265.0
NO0010642093	400.0	3.05 %	11.03.2013	400	60.0	340.0
NO0010649627	400.0	3.20 %	10.04.2013	400	-	400.0
NO0010656424	400.0	2.93 %	10.05.2013	400	222.0	178.0
NO0010656416	400.0	2.93 %	10.07.2013	300	170.0	130.0
NO0010659683	400.0	2.68 %	12.08.2013	200	-	200.0
						1,890.0

* nominal values

Mortgages

In general the Group's financing is based on the parent company borrowing from external parties using negative pledge clauses. Wholly-owned subsidiaries are generally financed using intra-group loans.

For projects/properties with special characteristics, separate mortgage-based financing can be arranged. At 31 December 2013, a long-term bond of NOK 1,100 million is secured against the National Library and associated buildings, located at Henrik Ibsens gate 110 in Oslo. The lender also has a mortgage on the rental income from the property.

For subsidiaries that are not wholly-owned by Entra Eiendom AS, separate financing is generally arranged without any guarantee from the shareholders. This kind of financing is generally secured through a mortgage.

	2013	2012
Carrying amount of liabilities secured through mortgages	2,660.6	2,675.6
Carrying amount of mortgaged assets		
Buildings and sites	3,544.2	3,482.3

NOTE 21 - TRADE PAYABLES AND OTHER LIABILITIES

All amounts in NOK million

	2013	2012
Trade payables	200.0	191.4
Holiday pay owed	13.5	13.5
Unpaid government taxes and duties	12.7	20.2
Shared costs for buildings, owed to tenants	27.3	37.1
Interest accrued	109.3	107.8
Other liabilities	5.2	9.3
Total trade payables and other liabilities	**458.1**	**379.2**

NOTE 22 - PREPAYMENTS AND PROVISIONS

All amounts in NOK million

	2013	2012
Prepayments from customers	67.3	54.8
Provisions for current liabilities	27.8	25.2
Total prepayments and provisions	**95.0**	**80.1**

Movements in provisions for current liabilities

2013	Provisions for salaries and fees	Other	Total
Movements in provisions			
Opening balance at 01.01.2013	18.2	7.0	25.2
Additional provisions during the year	25.2	1.8	27.0
Provisions used during the year	-17.5	-5.8	-23.4
Unused provisions reversed during the year	-0.7	-0.4	-1.1
Transferred from non-current	-	0.0	-
Closing balance at 31.12.2013	**25.2**	**2.5**	**27.8**

2012	Provisions for salaries and fees	Other	Total
Movements in provisions			
Opening balance at 01.01.2012	19.1	-	19.1
Additional provisions during the year	21.3	2.6	23.9
Provisions used during the year	-21.7	0.0	-21.7
Unused provisions reversed during the year	-0.5	-0.3	-0.8
Transferred from non-current	-	4.7	4.69
Closing balance at 31.12.2012	**18.2**	**7.0**	**25.2**

NOTE 23 - LEASES

All amounts in NOK million

The Group mainly enters into contracts with a fixed rent for the lease of property.

The Group's future accumulated rent from non-terminable operational lease contracts at 31.12

	2013	2012
≤ 1 year	1,650.7	1,557.0
1 year < 5 years	5,442.4	5,128.9
≥ 5 years	7,941.7	8,081.8
Sum**	15,034.7	14,767.7

The Group's lease contracts at 31.12 have the following maturity structure measured in annual rent*

Remaining term

	2013			2012		
	No. of contracts	Contract rent	Contract rent, %	No. of contracts	Contract rent	Contract rent, %
≤ 1 year	99	167.5	10 %	104	104.9	7 %
1 year < 5 years	173	223.4	14 %	236	366.4	24 %
5 years < 10 years	147	572.3	35 %	110	525.4	32 %
≥ 10 years	71	687.5	42 %	49	560.3	36 %
Total**	**490**	**1,650.7**	**100 %**	**499**	**1,557.0**	**100 %**

The table above shows the remaining non-terminable contractual rent for current leases without taking into account the impact of any options.
* The rent is stated as the annualised contractual rent, and is therefore not reconcilable with the rental income for the year for accounting purposes.
** Rent includes rent from IFRIC 12 properties classified under net finance in the income statement.

Other parameters relating to the Group's lease portfolio

	31.12.2013	31.12.2012
Vacancy rate of the management portfolio*	95.8 %	95.8 %
Share of public sector tenants	80.6 %	79.0 %
Weighted average remaining contract term	9.2 år	9.5 år

* In 2013 and 2012, the economic vacancy rate is stated in accordance with EPRA standards.

On account of the high occupancy rate, the high proportion of public sector tenants and the relatively long average remaining contract term, the risk to the Group's cash flow is considered low.

NOTE 24 - OTHER OPERATING REVENUE

All amounts in NOK million

	2013	2012
Sales of maintenance services to tenants	8.4	10.4
Administrative mark-ups	8.8	8.8
Service concession arrangements (IFRIC 12) recognised in the income statement	6.6	7.1
Other operating revenue	6.9	6.1
Total other operating revenue	**30.7**	**32.4**

NOTE 25 - PERSONNEL COSTS

All amounts in NOK million

Personnel costs	2013	2012
Salaries, performance-related pay and other taxable benefits*	148.1	128.7
Employers' National Insurance contributions	20.7	18.8
Pension expenses	12.9	21.1
Other personnel costs	12.5	9.2
Total personnel costs	**194.3**	**177.9**
Of which capitalised as projects under development	-13.1	-15.7
Of which shared costs to be distributed amongst tenants	-38.3	-39.4
Of which related to the ongoing operation of properties	-5.7	-13.8
Total salary and personnel costs	**137.2**	**109.1**

Number of employees/full-time equivalents	2013	2012
Number of employees at 31.12.	152	163
Number of full-time equivalents at 31.12.	150	161
Average number of employees	148	159

* Salaries, performance-related pay and other taxable benefits includes a NOK 8.8 (NOK 13.8) million provision for performance-related pay for all employees in 2013, which has not yet been paid out.

STATEMENT ON THE DETERMINATION OF SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES:

The Board of Directors' statement on the determination of salaries and other remuneration of senior executives is presented to the Annual General Meeting and is included in the notes to the financial statement regarding personell costs. The statement is structured as follows:

- General guidelines on the compensation of senior executives
- The board's follow-up of senior executives' pay
- Explanation of the compensation of senior executives
- Determination of remuneration in 2014
- Overview of total remuneration to senior executives in 2013

General guidelines on the compensation of senior executives

The Norwegian state has laid down guidelines for terms of employment for senior executives in state-owned enterprises and companies, cf. Report no. 13 (2010-2011) to the Norwegian parliament, Appendix 1. These guidelines form the basis for the Board's pay policy at Entra, and provide guidance concerning recruitment and employment processes and in connection with the annual review of the salaries of the Group's senior management team and the CEO.

Compensation of senior executives is based on the Group's general HR strategy and pay policy. Entra wants to be an attractive employer that attracts the best candidates and is able to retain and develop professional employees. To this end, Entra needs to be able to offer good pay packages, including competitive salaries, to ensure the company can recruit and retain attractive expertise. The board is however, currently occupied with moderating salary trends for senior executives. The guidelines on remuneration stress in particular that the overall compensation shall be competitive, but not above those of other similar companies in Norway. The principal element of the compensation package should be a fixed basic salary and the total remuneration shall be considered together as a whole. To the extent that performance-related pay schemes are used, the targets shall be objective, measurable and identifiable, and there must be a clear correlation between the company's targets and the targets in the performance-related pay scheme.

The Board's follow-up of senior executives' pay

The Board has established a compensation committee consisting of two representatives from the current Board of Directors to follow up on the remuneration of the Group's senior executives. The compensation committee is chaired by the Chair of the Board. The compensation committee monitors the remuneration of senior executives in relation to the state's guidelines for terms of employment for senior executives in state- owned enterprises and companies. The committee evaluates the company's pay schemes and recommends guidelines for determining salaries prior to final determination by the Board. The Board determines the Chief Executive Officer's salary on an annual basis in the light of a recommendation from the Board's compensation committee. The CEO consults the compensation committee in connection with determining the salaries of the Group's senior executives.

Explanation of the compensation of senior executives

The fixed basic salary is the principal element in the remuneration of the Group's senior executives and the Chief Executive Officer. The CEO has no performance-related pay scheme. The total performance-related pay for other members of the Group's senior management team cannot exceed 25 per cent of their annual salary. For the Group's senior management team, performance-related pay in 2013 is based on targets defined at company and business level, as well as predefined personal targets. The company targets for 2013 are based on return on equity, owner costs, achieved rents, occupancy rates, customer satisfaction and energy consumption. Group management, excluding the CEO, have a defined benefit pension limited to 12 x the National Insurance basic amount ("12G"), in line with the other employees. The CEO, in line with the state's guidelines, has a supplemental contribution based pension under which the company provides for an annual pension amounting to 30 % of annual base salary above 12G. The CEO has the right to 6 months severance pay based on the base salary in cases where the Board takes the initiative to terminate employment. No agreement on severance pay has been made with other members of the group management. There are no option or share schemes for senior executives.

Senior executives have company car or mileage agreements. The company also covers other benefits to the management team in line with the benefits offered to the other employees at Entra and in accordance with normal practice at Norwegian companies.

The Chief Executive Officer and the rest of the management group have a number of internal directorships. They do not receive special remuneration for these directorships.

In 2013 severance pay was paid until October to the former CEO Kyrre Olaf Johansen, who stepped down from his post in mid-April 2012. The former CEO Rune Olsø received salary until April 2013 and severance pay for 3 months after resigning from his position on 17 October 2012. The former Director of Communications and Corporate Social Responsibility, Ingrid Schiefloe, who left her post at Entra on 30 June 2012 received one month of severance pay in 2013. The former CFO Anne Harris resigned from her position on 30.11.2013. An agreement was reached to pay salary during the notice period until 30.06.2014 and subsequently severance pay for 12 months. Anne Harris did not receive performance-related pay.

Determination of salaries and other remuneration in 2014

The CEO had a fixed salary of NOK 2.85 million in 2013, while salary for 2014 is determined by the Board after input from the compensation committee and in accordance with the state's guidelines. The CEO is not covered by the company's performance-related pay scheme.

If the owner decides that the company is to be listed, and such a process is initiated, the Board will recommend to the Annual General Meeting the establishment of a long-term incentive scheme linked to shares and/or bonuses for senior executives in accordance with the prevailing guidelines on senior executive remuneration.

The Board will in principle use the same guidelines for compensation of senior executives in 2014 as it did in 2013. The targets for the performance-related pay scheme of the Group's senior executives are to be expanded to include all the company targets according to the scorecard for 2014 approved by the Board. Individual targets are also set. The Board determines the CEO's salary, and the compensation committee is consulted in connection with determining the salaries of the other members of the senior management team. The annual determination of pay for senior executives is based on assessment of the individual employee.

Overview of total remuneration to senior executives in 2012

Payments to senior executives All amounts in NOK thousand	Salary	Performance related pay**	Benefits in kind	Commuting costs	Estimated pension costs	Total remuneration 2013
Senior executives as at 31.12.2013						
Klaus-Anders Nysteen, CEO from 29.01.2013****	2,436	-	121	-	161	2,718
Anders Solaas, Marketing Director	1,622	330	164	-	175	2,291
Hege Njå Bjørkmann, Communications Director from 02.02.2013	796	-	109	-	133	1,038
Hallgeir Østrem, Legal Director from 01.10.2013	410	-	1	-	44	455
Kristin Haug Lund, Director for Project Development and Technical from 01.10.20	1,124	44	113	-	170	1,451
Mona Aarebrot, Regional Director Greater Oslo ***	1,261	81	139	-	175	1,656
Karl Fredrik Torp, Regional Director Mid-North***	1,119	127	144	-	175	1,565
Sonja Horn, Regional Director Central Oslo from 19.08.2013	593	-	51	-	69	713
Jorunn Nerheim, Regional Director South-West***	1,088	116	151	-	175	1,530
Astrid Tveten - Acting CFO from 01.11.2013 til 31.01.2014	1,748	380	140	-	175	2,443
Total	**12,197**	**1,078**	**1,133**	**-**	**1,452**	**15,860**
Senior excutives prior to 31.12.2013						
Kyrre Olaf Johansen, CEO, left the company 17.04.2012*	2,926	-	-	-	-	2,926
Rune Olsø, Deputy, Acting and CEO, left the company 17.10.2012*	2,268	-	49	12	57	2,386
Anne Harris, Acting CEO to 20.01.2013, CFO to 30.11.2013*	3,022	612	141	-	175	3,950
Nils Fredrik Skau, Tech. Dir. to 01.09.2013, Projects Dir. to 01.11.2013	1,565	328	134	178	175	2,380
Bjørn Holm, Director of Projects and Development to 31.08.2013	1,279	313	96	-	115	1,803
Ingrid Schiefloe, Dir. Comm. and CSR., left the company 30.06.2012*	161	-	-	-	-	161
Total	**11,221**	**1,253**	**420**	**190**	**822**	**13,606**

The Group appointed a temporary Director of Communications and Corporate Social Responsibility in part of 2013.

* Salaries and other remuneration during the notice period, as well as severance pay to be paid in 2014 are not included in the table above.
** Performance-related pay is based on targets met in 2012, which was paid in 2013.
*** Member of group management after reorganisation effective 1.7.2013.
**** In addition there is an estimated pension cost for an individual scheme above the State Employees Pension Fund of NOK 419,000 excluding employer's National Insurance contributions.

Overview of total remuneration to senior executives in 2012

Payments to senior executives All amounts in NOK thousand	Salary	Performance related pay**	Benefits in kind	Commuting costs***	Estimated pension costs	Total remuneration 2012
Senior executives						
Kyrre Olaf Johansen, CEO, left the company 17.04.2012*	3,496	611	204	-	131	4,442
Rune Olsø, Deputy, Acting and CEO, left the company 17.10.2012*	2,810	497	166	330	158	3,961
Anne Harris, CFO and acting CEO from 17.10.2012	2,684	512	115	-	158	3,469
Nils Fredrik Skau, Technical Director	1,503	280	114	171	158	2,226
Bjørn Holm, Director of Projects and Development	1,655	346	144	-	158	2,303
Anders Solaas, Marketing Director	1,524	287	172	-	158	2,141
Ingrid Schiefloe, Dir. Comm. and CSR, left the company 30.6.2012*	1,132	149	70	-	78	1,429
Total	**14,803**	**2,682**	**985**	**502**	**999**	**19,971**

The Group appointed a temporary Director of Communications and Corporate Social Responsibility in 2012.

* Salaries and other remuneration during the notice period, as well as severance pay to be paid in 2013 are not included in the table above.
** Performance-related pay is based on targets met in 2011, which was paid in 2012.

*** Costs associated with established commuting arrangements did not previously form part of the overview of payments to senior executives, but are included in the overview from the 2012 financial year.

	Board fees	Committee fees	Total remuneration 2013	Total remuneration 2012
Board				
Siri Hatlen, Chair	380	41	421	-
Martin Mæland, Deputy Chair	191	45	236	210
Ingrid Tjøsvold (from 15.10.12)	143	30	173	-
Arthur Sletteberg (from 15.10.12)	143	39	182	-
Kjell Bjordal (from 15.10.12)	143	17	160	-
Tore Benediktsen, employee representative**	191	-	191	187
Birthe Smedsrud Skeid, employee representative**	191	-	191	-
Grace Reksten Skaugen, Chair	-	-	-	413
Finn Berg Jacobsen, Board member (to 15.10.12)	-	-	-	243
Ida Helliesen, Board member (to 15.10.12)*	-	-	-	313
Ottar Brage Guttelvik, Board member (to 15.10.12)*	-	-	-	299
Ketil Fjerdingen, Board member (to 15.10.12)*	-	-	-	323
Åse Koll Lunde (to 29.12.11)	-	-	-	113
Mari Fjærbu Åmdal, employee representative**	-	-	-	187
Frode Halvorsen, employee representative (half period)**	-	-	-	94
Total*	**1,382**	**172**	**1,554**	**2,380**

The overview of the remuneration of the Board of Directors shows remuneration paid in 2013 for the period between the dates of the Annual General Meetings in 2012 and 2013.
The Board and committee members received no other compensation than what is set out in the table
The above amounts are subject to National Insurance contributions of 14.1 per cent

* Total remuneration paid for the period between the Annual General Meeting in 2011 and the Annual General Meeting in 2012, as well as for the period up to the date when the Board members left the Board in the period from 2012 to 2013.
** Does not include ordinary salary

The Group has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the Group, customer satisfaction and individual goals.

Auditor's fee All amounts in NOK thousand	2013	2012
Statutory audit	1,868	1,490
Tax advice	24	9
Other services not related to auditing	250	138
Other certification services	614	45
Total auditor's fee (excl. VAT)	**2,756**	**1,682**

NOTE 26 - OPERATING EXPENSES

All amounts in NOK million

	2013	2012
Operating expenses		
Administrative costs	40.3	41.7
Payroll and personnel expenses	5.3	13.8
Operating expenses	37.8	22.1
Other operating costs	8.0	9.2
Total operating expenses	**91.5**	**86.9**

* A total of NOK 0.4 (NOK 1.7) million of the total operating expenses are related to properties that do not generate any income.

NOTE 27 - OTHER PROPERTY COSTS

All amounts in NOK million

	2013	2012
Other property costs		
Rental costs	34.1	44.6
Project operating expenses	21.3	32.7
Development costs	0.1	-0.1
Depreciation and write-downs	32.7	40.0
Total other property costs	**88.2**	**117.1**

NOTE 28 - ADMINISTRATIVE OWNER COSTS

All amounts in NOK million

	2013	2012
Administrative expenses		
Payroll and personnel expenses	132.8	108.7
Office expenses, furnishings and equipment	27.1	26.3
Consultancy fees	45.2	39.9
Other administrative owner costs	18.0	19.7
Total administrative owner costs	**223.1**	**194.7**

NOTE 29 - TAX

All amounts in NOK million

Deferred tax is stated net if the Group has a legal right to offset deferred tax assets against the deferred tax on the balance sheet, and if the deferred tax is owed to the same tax authority. The following net value was recognised:

	2013	2012
Deferred tax	2,799.6	2,855.9
Deferred tax assets	335.8	383.2
Net deferred tax	**2,463.8**	**2,472.7**

Change in deferred tax (+)/deferred tax assets (-)

	Non-current assets	Financial instruments	Current assets	Gains/ losses account	Provisions	Loss carried forward	Total
31.11.2011	2,854.0	-178.8	-2.4	33.2	-28.4	-328.1	2,352.6
Principle change, pensions					-4.8		-4.8
01.01.2012	2,854.0	-178.8	-2.4	33.2	-33.2	-328.1	2,347.7
Recognised in profit and loss	-161.3	231.1	20.3	49.1	-3.1	-32.3	103.8
Recognised in comprehensive income	-	-	-	-	13.5	-	13.5
Acquisition and disposal of subsidiaries	7.8	-	-	-	-	-	7.8
31.12.2012	2,700.5	55.3	17.8	82.3	-22.7	-360.4	2,472.7
Recognised in profit and loss	-89.9	63.7	1.3	76.1	0.5	35.5	87.3
Recognised in comprehensive income	-	-	-	-	-1.1	-	-1.1
Acquisition and disposal of subsidiaries	-3.8	-	-	-	-	-	-3.8
Effect of change in tax rate	-93.1	-4.3	-0.7	-5.7	0.8	11.6	-91.3
31.12.2013	2,513.6	114.8	18.4	152.7	-22.6	-313.3	2,463.8

* The Group has applied the main rule for recognition of deferred tax in connection with the purchase of shares in property companies that are not acquired through a business combination. This means that deferred tax is recognised as the difference between the tax value and consolidated accounting value of investment properties. Deferred tax linked to the retrospective accumulated change in the value of investment properties at 31.12.2013 is NOK 1 874,8 million (NOK 2 078,7 million).

Tax payable is calculated as follows

	2013	2012
Profit before tax	466.0	841.5
Share of profit/loss at associates and jointly controlled entities	-212.4	-508.7
Other permanent differences	57.7	37.6
Changes in loss carry-forwards	-127.1	115.4
Changes in temporary differences*	-184.2	-485.8
Profit for tax purposes	**0.0**	**0.0**
Tax payable on the balance sheet	-	-
Tax payable on the balance sheet	-	-

The tax expense for the year is calculated as follows

	2013	2012
Tax payable	-	-
Change in deferred tax in profit and loss	-4.0	103.8
Change in deferred tax in comprehensive income	-1.1	13.5
Tax expense for the year	**-5.1**	**117.3**

From the income year 2014 the tax rate on normal income is reduced to 27 %. Deferred tax as at 31.12.2013 is measured using the new rate. The effect on tax for the period is NOK 91.2 million.

Reconciliation of tax expense with profit multiplied by nominal tax rate	2013	%	2012	%
Profit for accounting purposes multiplied by nominal tax rate	130.5	28.0 %	235.6	28.0 %
Tax on share of profit/loss at associates and jointly controlled entities	-59.5	-12.8 %	-142.4	-16.9 %
Tax on permanent differences	16.2	3.5 %	10.5	1.3 %
Effect of corrections to previous years	0.2	0.0 %	-	0.0 %
Effect of change in tax rate	-91.3	-19.6 %	0.0	0.0 %
Reversal of write-down of deferred tax asset	-0.1	0.0 %	0.0	0.0 %
Tax expense for accounting purposes	**-4.0**	**-0.8 %**	**103.8**	**12.3 %**

NOTE 30 - CONTINGENCIES

Due to a disagreement beween the shareholders in Greenfield Property AS («GFP») Entra has sued Norwegian Data Group AS («NDG») and GFP. After receiving the writ NDG and GFP have brought their own claim against Entra.

EVRY has issued a writ against Entra alleging that Entra has defaulted on a guarantee to build Greenfield Datacenter and/or a promise to support a computer centre project.

Entra considers it unlikely that the claims of NDG/GFP and EVRY will succeed.

NOTE 31 - RELATED PARTIES

All amounts in NOK million

Entra Holding is owned by the Norwegian state represented by the Ministry of Trade, Industry and Fisheries. Most of the company's premises are leased to public-sector tenants. Lease contracts are signed on commercial terms. NOK 1,303 million (1,192 million) of the Group's annual rental income is generated by leases where the state is the tenant, through various ministries.

The Group's transactions and balances with associates and jointly controlled entities in 2013 mainly related to loans and interest payments on loans. The aggregate figures are shown in the table below.

	2013	2012
Interest income		
Jointly controlled entities	-	0.0
Associates	0.1	0.3
Total interest income	**0.1**	**0.3**
Receivables		
Jointly controlled entities	-	-
Associates	0.0	6.7
Total receivables	**0.0**	**6.7**

NOTE 32 - EARNINGS PER SHARE

Earnings per share are calculated as the profit for the year attributable to the shareholder of NOK 453.3 (NOK 703.3) million divided by the weighted average number of outstanding ordinary shares over the course of the financial year, which was 142 194 (142 194).

There are no dilution effects, so the diluted earnings per share are the same as the earnings per share.

	2013	2012
Total comprehensive income for the year attributable to shareholders of the parent company (NOK million)	453.3	703.3
Average number of outstanding shares (Note 17)	142,194	142,194
Earnings per share (NOK thousand)	3.2	4.9

NOTE 33 - OPERATIONAL CASH FLOW

All amounts in NOK million

	2013	2012
Profit before tax	466.0	841.5
Net expensed interest on loans from financial institutions	688.0	683.0
Accrued, not paid interest income	-0.3	-0.2
Share of profit from associates and jointly controlled entities	-235.5	-508.7
Ordinary depreciation	17.9	14.8
Write-downs of non-current assets	26.9	47.8
Non-cash impact of IFRIC 12	3.2	-10.9
Adjustment to value of investment property	495.1	-129.0
Changes in the market value of financial derivatives	-183.7	272.0
Changes in trade receivables	0.1	16.0
Changes in trade payables	31.3	28.1
Difference between pension expense and payments in/out of pension schemes	-4.9	4.2
Change in other accruals	-70.3	107.4
Total cash flows from operating activities	**1,213.7**	**1,366.1**

Entra Holding AS

INCOME STATEMENT

(All amounts in NOK)

	Note	01.01.13-31.12.13	20.12.12-31.12.12
Operating expenses			
Other operating expenses	5	207,498	0
Total operating expenses		207,498	0
Operating result		-207,498	0
Financial income and expenses			
Income from investment in subsidiary		250,000,000	0
Interest income from companies in same group		48,194	0
Net financial items		250,048,194	0
Profit before tax		249,840,696	0
Tax expense	6	-110,512	0
Profit for the year		249,951,208	0

Entra Holding AS

BALANCE SHEET AT 31.12

(All amounts in NOK)

	Note	2013	2012
Assets			
Non-current assets			
Intangible assets			
Deferred tax asset	6	110,512	0
Total intangible assets		110,512	0
Financial non-current assets			
Investment in subsidiary	3	1,729,579,686	1,729,579,686
Total financial non-current assets		1,729,579,686	1,729,579,686
Total non-current assets		1,729,690,198	1,729,579,686
Current assets			
Receivables			
Receivables on group companies	4	250,000,000	416,600,000
Total receivables		250,000,000	416,600,000
Total current assets		250,000,000	416,600,000
Total assets		1,979,690,198	2,146,179,686
Equity			
Paid-in equity			
Share capital	2	142,194,000	142,194,000
Share premium reserve	2	0	2,003,735,686
Other paid-in equity	2	1,587,086,894	0
Total paid-in equity		1,729,280,894	2,145,929,686
Total equity		1,729,280,894	2,145,929,686
Liabilities			
Current liabilities			
Debt to group companies	4	409,304	0
Proposed dividend	2	250,000,000	0
Other current liabilities		0	250,000
Total current liabilities		250,409,304	250,000
Total liabilities		250,409,304	250,000
Total equity and liabilities		1,979,690,198	2,146,179,686

Oslo, 31 March 2014

The Board of Entra Holding AS

Siri Hatlen
Chair

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Tore Benediktsen
Board member

Birthe Smedsrud Skeid
Board member

Klaus-Anders Nysteen
Chief Executive

Entra Holding AS

CASH FLOW STATEMENT

(All amounts in NOK)

	2013	2012
Cash flows from operating activities		
Result before tax	249,840,696	-
Items classified as investing or financing activities	-250,000,000	-
Change in other accruals	-	-
Net cash flows from operating activities	-159,304	-
Cash flows from investing activities		
Receipts from investments	416,600,000	
Net cash flows from investing activities	416,600,000	-
Cash flows from financing activities		
Net change in overdraft facility	159,304	-
Repayment of equity	-416,600,000	-
Net cash flows from financing activities	-416,440,696	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at the start of the period	-	-
Cash and cash equivalents at the end of the period	-	-

NOTE 1 - ACCOUNTING PRINCIPLES

The annual financial statements have been prepared in accordance with the Accounting Act and good accounting practice.

The company was incorporated on 20 December 2012.

Main rule for valuation and classification of assets and liabilities

Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that will be paid within one year are classified as current assets. Corresponding criteria are applied in classifying current assets and current liabilities.

Current assets are valued at the lower of acquisition cost and fair value

Non-current assets are valued at acquisition cost but are written down to the recoverable amount if this is lower than book value and the fall in value is not expected to be temporary.

Current liabilities are valued at the nominal amount.

Subsidiaries

Investments in subsidiaries are valued using the cost method in the company's financial statements. Investments are written down to fair value if the fall in value is not temporary and it must be considered necessary in accordance with good accounting practice.

Dividends and group contributions from subsidiaries are recognised as income from the investment in the subsidiary in the same year as the allocations are made in the subsidiaries. Dividends and group contributions from subsidiaries that exceed retained earnings in the ownership period are treated as repayment of the acquisition cost.

Tax

The tax expense in the income statement includes both tax payable for the period and the change in deferred tax. Deferred tax is calculated at 27 per cent on the basis of the temporary differences that exist between accounting and tax values, together with the tax loss carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences that reverse or may reverse in the same period are set off. The net deferred tax asset is capitalised to the extent that it is likely that it can be utilised.

Cash holdings

The company has a bank account in a group account system

Entra Holding AS is the parent company in a group. The consolidated financial statements can be obtained on application to Entra Eiendom AS, PO Box 52, Økern, 0508 Oslo.

NOTE 2 - EQUITY

(All amounts in NOK)

	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity at 31.12.2012	142,194,000	2,003,735,686	0	0	2,145,929,686
Reduction in share premium reserve		-2,003,735,686	2,003,735,686	0	0
Repayment to shareholder			-416,600,000	0	-416,600,000
Result for the year				249,951,208	249,951,208
Allocated to dividend			-48,792	-249,951,208	-250,000,000
Equity at 31.12.2013	**142,194,000**	**0**	**1,587,086,894**	**0**	**1,729,280,894**

The share capital of NOK 142 194 000 consists of 142 194 shares of NOK 1 000. All shares have equal rights. All the shares are owned by the state acting through the Ministry of Trade, Industry and Fisheries.

NOTE 3 - SUBSIDIARIES

(All amounts in NOK)

Investments in the subsidiaries are accounted for using the cost method.

Subsidiary	Acquisition date	Business office	Ownership and voting interest	Book value
Entra Eiendom AS	20.12.2012	Oslo	100 %	1,729,579,686
				1,729,579,686

NOTE 4 - INTRA-GROUP ITEMS

(All amounts in NOK)

Receivables	2013	2012
Dividend receivable from subsidiary	250,000,000	416,600,000
Total receivables	250,000,000	416,600,000

Liabilities	2013	2012
Current liabilities to group companies	409,304	-
Total	409,304	-

NOTE 5 - SALARY COSTS, TOTAL EMPLOYEES AND REMUNERATION

(All amounts in NOK)

The company has no employees. No remuneration has been paid to the board.

Remuneration to auditor	2013	2012
Statutory audit (excluding VAT)	50,000	-
Other certification services (excluding VAT)	125,000	-

NOTE 6 - TAX

(All amounts in NOK)

The year's tax expense is made up as follows	2013	2012
Change in deferred tax	-110,512	-
Total tax expense	**-110,512**	-

Calculation of the year's tax base	2013	2012
Profit before tax	249,840,696	-
Issue expenses	-250,000	
Dividend received	-250,000,000	
Change in temporary differences	409,304	-
Year's tax base	-	-

Overview of temporary differences	Change	2013	2012
Loss carried forward		-409,304	
Total		**-409,304**	-
27% deferred tax		-110,512	

Explanation as to why the year's tax expense does not represent 28% of the profit	2013	2012
28% tax on profit before tax	69,955,395	-
Permanent differences (28%)*	-70,000,000	-
Reversal of write-down of deferred tax asset	-70,000	
Effect of change in tax rules	4,093	-
Calculated tax expense	**-110,512**	-
Effective tax rate	-0.044 %	

*) Includes: Non-taxable dividend.

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To the Annual Shareholders' Meeting of Entra Holding AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Entra Holding AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at December 31, 2013, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the statement of financial position as at December 31, 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway for the company accounts and in accordance with International Financial Reporting Standards as adopted by EU for the group accounts, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements for the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Entra Holding AS as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements for the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group Entra Holding AS as at December 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and in the statements on Corporate Governance and Corporate Social Responsibility, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 31 March 2014
Deloitte AS

Aase Aa. Lundgaard
Aase Aa. Lundgaard
State Authorised Public Accountant (Norway)

BOARD REPORT FOR ENTRA HOLDING AS

Good underlying operations and exciting future opportunities

Solid performance and completion of projects, combined with gains from sale of properties in the jointly controlled entity Oslo S Utvikling AS contributed to a profit before tax for 2012 of NOK 843.1 (NOK 805.6) million. A stable, low vacancy rate in the property portfolio and completed projects resulted in increased rental income, and net income from property management of NOK 1,067.4 (NOK 1,004.1) million. The market value of the property portfolio increased by NOK 1.1 billion to NOK 24.3 billion, mainly as a result of good project development. Entra has a continuous focus on finding new and innovative environmentally friendly solutions. At Kjørbo outside Sandvika, an office building is being renovated into an energy-positive building, a building that has a positive energy consumption calculated over its lifetime. Development projects in 2012 will contribute to a significant level of future activity for the Group. In Trondheim the development at Brattørkaia has come a long way with the completion of the building at Brattørkaia 15 in the first quarter of 2013 and plans for an energy- positive building in the same area. The establishment of Entra OPF Utvikling AS together with Oslo Pensjonsforsikring provides good development opportunities in Bergen.

THIS IS ENTRA

Entra Holding Group comprises the parent company Entra Holding AS, the 100 percent owned subsidiary Entra Eiendom AS, and 25 wholly and partly owned subsidiaries of Entra Eiendom AS.

Entra Holding AS was founded on 20 December 2012, as part of an ongoing process of changing the corporate structure of the Group. The company was incorporated by the way of transferring 100% of the shares owned by the Ministry of Trade and Industry in Entra Eiendom AS to Entra Holding AS, and the creation thus implies no change in ownership. The reorganisation was carried out in accordance with the continuity principle, and Entra Holding AS therefore is presenting consolidated financial statements for 2012 with comparative figures for 2011 as if the Group was established 01.01.2011.

There are no employees Entra Holding AS and the Group's operations are run through its subsidiary Entra, where everyone is employed.

The Group Entra Holding (hereinafter "Entra" or "the Group") is engaged in the development, leasing, management, operation, acquisition and sale of real estate in Norway, and is one of the country's leading property companies. Entra's main purpose is to provide premises to meet central government needs. The Group operates on commercial principles in competition with private providers of office property. The Group has both public and private sector customers of which public sector tenants accounts for 81 percent.

The Group's vision is to help enhance its customers' efficiency and reputation. Entra's strategic platform has three pillars; profitable growth, customer satisfaction and environmental leadership.

The head office is in Oslo, and regional offices are located in Bergen and Trondheim.

ENTRA'S ACTIVITIES IN 2012

The work of the Board

In 2012, the Board reviewed and approved the Group's strategy, including the financial targets and vision.

The Board of Directors also assessed the various alternatives for a privatisation of Entra in 2012. On 9 June 2011, the Norwegian Parliament (Storting) adopted a resolution to authorize the Government to reduce its ownership interest in Entra down to 33.4 per cent in connection with a privatization of the company. There has been good dialogue between the Board and the owner and significant progress has been made on this matter.

Kyrre Olaf Johansen left his post as Chief Executive Officer in April 2012. For the period from April to October, Rune Olsø was Acting Chief Executive Officer, while Anne Harris was Acting Chief Executive Officer from October to January 2013. In December 2012, the Board appointed Klaus-Anders Nysteen as the company's new Chief Executive Officer, and he took office on 29 January 2013.

Rental market

Rents in Oslo rose by seven per cent in 2012, compared to five per cent in 2011, with the greatest increase for centrally located, modern office space. Rental activity was at its highest since 2007. The office vacancy rate at the end of the year was around seven per cent, unchanged from the previous year.

Rents in Bergen were relatively stable throughout the year. There was strong demand for modern, centrally located offices. The office vacancy rate remained unchanged at around six to seven per cent in 2012.

There was a high level of activity in the rental market in Stavanger in 2012 and rents rose slightly for centrally located, modern premises. The office vacancy rate rose by around one percentage point in 2012 and was approximately five per cent at the end of the year.

In Trondheim, there was a good level of activity in the rental market throughout the year, with relatively stable rents. Strong competition from new-builds helped keep rents down. The office vacancy rate was approximately six per cent at the end of 2012.

The proportion of vacant space in Entra's portfolio increased slightly over the year, and the Group had a vacancy rate of 4.2 (3.7) per cent at 31 December 2012. Vacancy was highest in the Greater Oslo region, with a vacancy rate of 5.9 per cent, and lowest at 1.3 per cent in the Southern and Western Norway region. Central Oslo had a vacancy rate of 4.6 per cent and the Central and Northern Norway Region had a vacancy rate of 1.4 per cent.

At the close of 2012, the Group managed 971,466 square metres spread across 99 properties.

The average remaining lease duration at this time was 9.5 (9.9) years. In 2012, Entra signed leases corresponding to a total annual rent of NOK 74.2 million and 47,300 square metres, with the most important individual contracts being:

- Sør-Trøndelag University College, Tungasletta 2, Trondheim, 10,274 square metres
- Asplan Viak, Kjørbo, Bærum, 6,863 square metres
- Fylkesmannen i Østfold, Vogtsgt. 17, Moss, 5,320 square metres
- Nexans, Grenseveien 92, Oslo, 2,022 square metres

Customer satisfaction

One of Entra's goals is to be best in the industry in terms of customer satisfaction. The Norwegian Tenant Satisfaction Index was used to measure customer satisfaction. Entra achieved an overall customer satisfaction rating of 71 (70) in 2012, compared with the national average of 68 (66) in the industry. Entra's customers consider the company's properties to have the best location in the industry. On the survey's environmental questions, Entra achieved a score of 70 (66), compared with the national average of 62 (60). It is gratifying that customers appreciate Entra's efforts to create environmentally friendly solutions.

As an important part of Entra's customer-oriented work, Entra opened a customer service centre in the autumn of 2012. The customer service centre is a central point of day-to-day contact for Entra's customers and improves efficiency for both customers and Entra.

Projects and development

In 2012, the Group invested NOK 922 million in new-builds and renovation projects, and the following major projects were completed on schedule:

- Lerviksveien 36, Stavanger
- Papirbredden 2, Building 1, Drammen
- Professor Olav Hanssens vei 10, third construction phase, Stavanger

At the end of 2012, the project portfolio had a total area of 109,000 square metres.

At Øvre Torg in Sandvika, renovation and new-builds are underway with a total of 15,500 square metres. A new Learning Centre will be established for Bærum Municipality and Oslo and Akershus University College. The project is scheduled for completion in 2014.

In 2011, the Powerhouse Alliance was established by the construction company Skanska, Snøhetta Architects, the environmental organisation Zero, the aluminium company Hydro, and Entra. In 2012, the alliance developed and introduced concepts and solutions for the world's northernmost energy-positive new-build at Brattørkaia in Trondheim and the world's northernmost energy-positive renovated office building at Kjørbo in Sandvika. At Kjørbo, two office blocks will be renovated as energy- positive buildings. During the fourth quarter, a lease contract was signed with Asplan Viak for the entire project of around 6,850 square metres. These will be the first office buildings in Norway that are renovated to produce more energy than they consume over their usable lifetime. The project is scheduled for completion in January 2014.

The total renovation of Fredrik Selmers vei 4 in Helsfyr for the tenant, the Norwegian Directorate of Taxes, is on schedule. The building is going to be renovated to meet the passive house standard and energy efficiency rating A. The building will be awarded BREEAM "Very Good" classification, and the project is part of the FutureBuilt programme. In 2012, the Directorate of Taxes also leased an additional 2,100 square metres, bringing its total rented area to 27,000 square metres. Work remains to start on 7,500 square metres of the property that is currently without a tenant. The project is scheduled for completion on 1 November 2013.

The 20,000 square metre project at Brattørkaia 15 in Trondheim has been completed and was handed over to the tenants during the first quarter of 2013. The building has been designed in accordance with the passive building standard, the energy efficiency rating A standard and BREEAM rating Very Good.

At Ringstabekkveien 105, the construction of 72 senior living apartments for sale has been commissioned, along with around 3,000 square metres of commercial premises for rent to the Bærum municipal authorities. Start-up of the project is contingent on pre-sale of at least 50 per cent of the units.

Entra is going to build a 2,000 square metre school building for Kristiansand International School on the property Kongsgård allé 20 in Kristiansand. The building will meet the passive house standard. The new building is scheduled to be completed by the start of the academic year in autumn 2014.

In addition, Entra has worked on a number of projects that are at an early stage, where an investment decision has not yet been taken. The most important projects are discussed below.

Entra has carried out further work on plans for the development of the Tullinkvartalet quarter of Oslo. As part of the development plans, Entra acquired several properties in this quarter in 2012. A main priority here is the establishment of a city-centre campus in collaboration with the University of Oslo.

Through the jointly controlled entity Entra OPF Utvikling, Entra has worked on the opportunities to develop the new "MediaCity Bergen" concept at Lars Hilles gate 30. The concept involves the relocation to shared premises of major media companies in Bergen. The development of the property includes renovation of the building and expansion totalling 45,000 square metres. A final decision on whether the project goes ahead or not will be made in August/September 2013.

Along with several leading Nordic companies in the real estate industry, Entra has signed the Nordic Built Charter. The Nordic Council of Ministers has developed a programme for investment in industry and innovation, with a focus on "green" growth. A key element of this programme is the Nordic Built Challenge, which is an open, multi-discipline design competition for the renovation of buildings. The aim is to develop good concepts that enable sustainable renovation of existing buildings. Each of the Nordic countries enters one building in the competition. Entra's Post Office building, Posthuset, at Biskop Gunnerus gate 14 in Oslo is the Norwegian entry.

Entra has carried out further work on development plans for the Greenfield Datacenter and in October sold 67 per cent of the shares in Greenfield Property AS to Lefdal Gruve Drift AS.

The transaction market

Over 2012 as a whole, commercial property transactions in Norway amounted to NOK 52 billion, an increase in volume of almost 40 per cent compared with 2011. Of this sum, office premises represented around NOK 23 billion and retail premises around NOK 18 billion.

The growing uncertainty about future developments in the international economy has affected the Norwegian interest rate and credit market in 2012 and has had an impact on the transaction market. The new requirements placed on banks concerning increased equity and risk exposure have led to a tighter financial market. This may be a compounding reason for the flat value growth for commercial property. The prime yield is still at 5.25 per cent in central Oslo.

Acquisition of properties and property companies

As part of its portfolio management and the Group's strategy, Entra both acquired and sold properties and companies in 2012. All property acquisitions are within defined areas of growth for the Group.

As part of Entra's plans to develop the Tullin quarter, Entra acquired the properties Universitetsgata 7 and Kristian Augusts gate 19 in Oslo. The acquisition price was based on property values of NOK 260 million and NOK 150 million respectively.

On 22 October, Entra acquired the remaining 48 per cent of the shares in Brattørkaia AS from Utstillingsplassen Eiendom AS and Koteng Holding AS AS the company wishes to be a long-term owner of Brattørkaia.

In spring 2012, Entra acquired shares in WexelsPlass Garasje AS, which owns 69 parking spaces adjacent to the Lakkegata 55 property in Oslo. The acquisition was based on a property value of NOK 14 million.

Sales of shares and properties

In connection with the acquisition of Kristian Augusts gate 19 in Oslo, Entra sold the property Dronningens gate 16/ Skippergata 17 in Oslo to Kristian Augusts gate 15 AS for NOK 181 million.

On the establishment of Entra OPF Utvikling AS, Entra transferred Allehelgens gate 6 in Bergen to the company. The property was valued at NOK 219 million in the transaction.

On 30 September 2012, Entra sold 67 per cent of the shares in Greenfield Property AS to Lefdal Gruve Drift AS.

Entra signed an agreement to sell Hammersborggata 12 and Youngs gate 7–9/Torggata 13 to Industri Energi, a trade union under the Norwegian Confederation of Trade Unions (LO). The total transaction price for the properties was NOK 567 million. Hammersborggata 12 was handed over on 8 January 2013, while the shares in Youngskvartalet AS, which owns Youngs gate 7–9/Torggata 13, will be transferred once the property has been completed.

Entra also sold some smaller properties in 2012. Stakkevollveien 11 AS in Tromsø was sold for NOK 20 million and Toldbodbrygga 2 in Fredrikstad for NOK 10 million.

Part-owned subsidiaries

Our development projects in Drammen are continuing through Papirbredden Eiendom AS (60 per cent). The Papirbredden 2 project, Building 1, was completed in June 2012. The project was the first construction project in Norway designed from the outset to participate in the FutureBuilt programme. FutureBuilt aims to promote climate- friendly architecture and urban development. The building, which covers approximately 9,000 square meters, is fully leased to tenants including the Norwegian Labour Inspection Authority, the pharmaceutical company MSD AS, Buskerud University College and Telemark University College.

Papirbredden Eiendom AS also owns Kreftings gate 33, Drammen Science Park, the old Fyrhuset lighthouse, and Union Scene in Drammen. Kreftingsgate 33 is defined as a development project. Drammen Science Park "Kunnskapsparken" is primarily leased to higher education institutions and a library. Union Scene is a modern cultural centre with stages, theatres and offices for Drammen Town Council's culture department.

Jointly controlled entities and associates

On 1 April 2012, Entra Eiendom AS and Oslo Pensjonsforsikring (OPF) established a joint venture Entra OPF Utvikling AS (50 per cent). Entra's property, Allehelgens gate 6 and OPF's property, Lars Hilles gate 30 in Bergen, were transferred to the company at the same time. Entra also paid NOK 171.4 million in capital contributions. The company is working on the renewal of the lease to the police in Allehelgens gate 6. The renewal will include a major refurbishment project at the property. Lars Hilles gate 30 was one of two remaining participants in the competition to develop the new concept of "MediaCity Bergen", and on 7 February 2013 the major media players in Bergen announced that they have jointly decided to enter into final negotiations with Entra OPF Utvikling on a lease for Lars Hilles gate 30 in Bergen. The building is the largest commercial building in central Bergen.

Oslo S Utvikling AS (33.33 per cent) is playing a major role in the development of Bjørvika. In the Opera Quarter, the company is building a total of approximately 350,000 square metres of commercial and residential space within the Bjørvika development. At the end of 2012, OSU had fully developed around 122,000 square metres, of which 111,000 square metres have been sold and taken over by the buyer. In early 2012, OSU entered into an agreement for the sale of the DNB buildings to DNB Liv. The transaction was based on a property value of just under NOK 4.8 billion. The first two of a total of three buildings were completed in 2012 and transferred to the buyer. Entra's share of the profits from OSU in 2012 is NOK 522.6 million.

OSU develops properties for sale, meaning that the properties are not recognised at fair value in the accounts, but at historical cost. The investment is accounted for in the consolidated financial statements using the equity method and the equity is recognised at a value of NOK 572.8 million at 31 December 2012. In 2012, OSU paid dividends and made a repayment of previously invested capital, of which Entra's share came to NOK 322.3 million. The market value of the remaining properties and projects in OSU is estimated at approximately NOK 4.3 billion (100 per cent). Entra's 33.33 per cent ownership interest yields a market value of NOK 1.4 billion. This estimate has been calculated using the same principles as for other valuations of Entra's investment properties. Entra's share of value-adjusted equity was NOK 1.0 billion at 31 December 2012, taking into account 10 per cent latent deferred tax.

UP Entra AS (50 per cent) develops and manages approximately 80,000 square metres of property in the Hamar region. In 2012, the company began construction of a 1,700 square metre extension to Stangeveien 105 in Hamar, where the tenant is the Norwegian National Rail Administration. During 2012, UP Entra AS increased its holding in Storhamargata Eiendom AS to 66.67 per cent. Storhamargata Eiendom AS has commenced the renovation of the old Nestlé factory and has signed lease contracts for approximately 3,000 square metres.

Sørlandet Kunnskapspark Eiendom AS (51 per cent) owns the Sørlandet Kunnskapshavn science park. The property is home to large tenants such as Agder Research, Høyskoleforlaget and the Sørlandet Resource Centre, as well as a number of smaller companies that want to be part of a research-driven environment.

Greenfield Property AS (33 per cent ownership interest) is owned by Lefdal Gruve Drift AS and Entra Eiendom AS. The company is in negotiations with EVRY regarding the establishment of a new data centre.

Corporate responsibility

Entra demonstrates corporate social responsibility in the way in which our core business helps resolve social challenges in a long-term and profitable manner. The company's corporate social responsibility work is in line with the goals and expectations which the government, in its capacity as owner, has expressed in the Government's Ownership Report, (Report no. 13 (2010-2011)), where it states that *"companies with state ownership shall be leading companies in the efforts to promote corporate social responsibility in areas where it is natural for that business"*. One of Entra's main strategic focus areas is to be an industry leader in providing environmentally sustainable solutions. Entra believes that environmental work both provides a competitive advantage and will be profitable. In addition, Entra has defined the following three areas for its corporate social responsibility work:

- Urban development – Entra will contribute to developing urban areas for the benefit of those who work and live there
- HSE and working conditions – Working with and in an Entra building shall be the safest in the sector
- Ethics – Entra is honest and responsible in everything we do

The company's impact on the environment

Entra seeks to develop environmentally friendly buildings in collaboration with customers, suppliers and partners. The environmental strategy is well integrated at all levels in the Group, and the environmental targets are monitored through the balanced scorecard system.

In contrast to traditional financial strategies in business, environmental thinking means looking ahead to the future and adopting a broader, long-term life-cycle perspective. Through high quality property management in its development and renovation projects, Entra seeks to influence the market conditions and requirements regarding the

environmental efficiency of buildings. Entra has chosen to adopt BREEAM certification as a tool for building classification for all new-builds and total renovations.

Entra was the first property company to introduce "green benefit" agreements in 2011, and in 2012 it entered into 56 (12) "green benefit" agreements. The agreements commit the tenant and Entra to a binding cooperation on measures to enhance the environmental performance of the premises. Entra identifies and finances the measures, while tenants enjoy lower waste management and energy costs and pay for the measures as part of the communal costs.

Entra's environment strategy shall serve to reduce the company's negative impact on the environment. The Group has achieved significant energy savings through targeted-oriented work over several years to reduce energy consumption. In 2012, the Group had an average energy consumption adjusted for temperature variations of 200 kWh per square metre. The goal for 2013 is an average energy consumption of 195 kWh per square metre. The total energy consumption adjusted for temperature variations was reduced by nearly 3.6 GWh from 2011 to 2012. Energy consumption is reduced by means of good control systems, continuous training of operating personnel, and investments in energy-saving measures at the properties. Using online tools, the operating personnel continuously monitor energy consumption, water consumption, waste volumes and source sorting at all properties. The Group's total carbon emissions in 2012 have been calculated as 52,398,000 (50,100,000) kg, of which carbon emissions from oil and gas heating account for only 27,000 (39,000) kg.

Entra is also actively involved in environmental issues outside its own business areas. Senior executives at Entra have roles on the boards of the Norwegian Green Building Council and the Green Building Alliance.

Enova projects

In total, 700,000 square metres of the Group's property portfolio is covered by energy-saving projects started in 2006 and 2007 with the support of Enova. The aim of the Enova projects was to reduce energy consumption in the buildings by approximately 19 GWh per year relative to their energy consumption at the time the projects were started. By 2012, energy consumption had been cut by 25.6 GWh per year, equivalent to a reduction of 16.5 per cent. The specific energy consumption of the Entra properties covered by the Enova projects was 200 kWh per square metre in 2012. This is significantly lower than at other comparable buildings, and reflects the hard work of the operations department and our close cooperation with our customers.

Of the four Enova projects started in 2006 and 2007, the projects in Eastern Norway and Western Norway were completed in spring 2011 and spring 2012 respectively. On completion, these projects achieved energy savings of 16.6 GWh per year and also converted 15.6 GWh per year into renewable heat. Entra has chosen energy-optimal solutions that meet the passive house or low energy standards in all its new-build and upgrade projects. Grants were received from Enova for these solutions.

Urban development

Entra wants to contribute to the development of urban areas where the Group is present. A key element in the development of the Brattørkaia area was the construction of a pedestrian and cycle bridge over the railway area. The bridge is called "Sjøgangen" and links the quayside to the city centre. The bridge opened in October 2012. In 2012, Entra completed

Papirbredden 2 Building 1, which represents further development of the Papirbredden area in Drammen. Entra's involvement in Sandvika, where it is developing a new learning centre at Øvre Torg, is an important part of the "Kunnskapsbyen Sandvika" project to develop Sandvika as a centre of learning and education and will help revitalise the old Sandvika town centre. The renovated building will be eco-friendly and energy efficient with additional insulation of existing façades and roofs, low-energy windows and new technical installations.

All features of cultural value in the Group's buildings are carefully safeguarded in line with current laws and regulations. When disposing of properties comprising buildings constructed before 1950, the company follows the provisions contained in the fourth paragraph of section 2.1 of the "Order on the disposal of real estate belonging to the state, etc." (Royal Decree of 19 December 1997), which was also referred to in Report no. 29 (2008-2009) to the Storting.

HSE and organisation

Entra is responsible for ensuring the safety of its customers, suppliers, employees and guests. Entra's goal of being a zero-harm workplace for people, the environment and society underpins all the Group's health, safety and environmental work. The main HSE requirements for the business are specified in the Group's HSE policy.

In 2012, Entra had a serious accident involving a fatality on the construction project in Brattørkaia 15. The person who died was an employee of one of the subcontractors of Reinertsen, which is the contractor for the construction project. The police and the Labour Inspection Authority have conducted investigations but Entra has not yet received the final report. After the accident, Entra conducted a review of the internal HSE procedures on projects.

Entra's LTI rate (the number of work-related injuries resulting in absence per million work-hours) was 3.7 in 2012, compared with 6.3 in 2011. Risk analysis is a key element in Entra's HSE work and is central to all Entra's projects and the day-to-day operation of the properties. The risk analyses shall also help promote continuous improvements by giving priority to the most important HSE measures and establishing good action plans. Good reporting routines, combined with the systematic recording and follow-up of all types of injuries and adverse events, are an important part of the Group's improvement work.

At the close of 2012, the Group had 163 employees in total, corresponding to 160.8 full-time equivalents. Staff turnover at Entra was 6.8 per cent, which is 2.7 percentage points lower than in 2011. Adjusted for natural wastage (retirement), turnover was 4.5 per cent, which is four percentage points lower than in 2011.

Sickness absence at Entra was 3.8 per cent in 2012, down by 0.7 percentage points compared with 2011. The company works systematically to prevent sickness absence, as stipulated in the agreement on an Inclusive Workplace, and monitors the progress of staff on sick leave closely. The company has established its own policy for older workers.

In 2012, Entra participated in the employee satisfaction survey "Great Place to Work" for the fourth time. This important survey provides a basis for comparing employee satisfaction both within the organisation and in relation to other companies. In 2012, there has been

systematic work on targeted measures, and this year's survey showed a good improvement on 2011. The company is working on plans to increase employee satisfaction further in 2013.

Entra's leadership principles, which were developed and implemented in 2011, are firmly rooted in the company's core values and set standards for management. The leadership principles articulate the expectations which employees can have to their managers at Entra. Systematic leadership development took place in 2012 on the basis of these principles.

As part of Entra's work to prevent corruption and undesirable incidents, systematic training on Entra's ethical guidelines was provided throughout the organisation in 2012, with all employees signing that they have read and understood the guidelines.

Cooperation with employee organisations was good and constructive during 2012, and made a positive contribution to the running of the company.

Equality and diversity

At 31 December 2012, 28 (28.8) per cent of the Group's employees were women. Around 52 per cent of the positions at the company are in the operations and maintenance department, where most of these jobs are related to the operation of the company's properties. This is an area in which there are usually very few female applicants. At the end of 2012, 9.4 per cent of the workers in the operations and maintenance department were women. This represents an increase of 1.4 percentage points compared with 2011 and we are working to further increase the proportion of women in this area of our business. The proportion of women at the company, excluding the operations and maintenance department, is 50 per cent. Entra aims to increase the number of women working at the company, and this goal has been incorporated into the company's recruitment procedures. In 2012, over 40 per cent of the Board members were women.

Employee benefits, such as flexible working hours and full pay during illness and parental leave regardless of the National Insurance Scheme's limits are regarded as important measures in the efforts to ensure equal opportunity.

The company believes in the benefits of diversity, and this goal has been incorporated into Entra's recruitment procedures. The company's recruitment processes encourage all qualified candidates to apply, regardless of their age, gender, ethnic background or any disabilities.

3.4 per cent of Entra's employees worked part-time in 2012, of which 67 per cent were men. All employees who worked part time had chosen to do so by their own preference.

STATEMENT OF INCOME, BALANCE SHEET AND STATEMENT OF CASH FLOWS

Income

The Group's rental income amounted to NOK 1,500.3 (NOK 1,434.7) million. This increase is primarily due to the completion of development projects. Other operating revenues amounted to NOK 32.4 (NOK 33.1) million. The Group's total operating revenues amounted to NOK 1,532.7 (NOK 1,467.8) million.

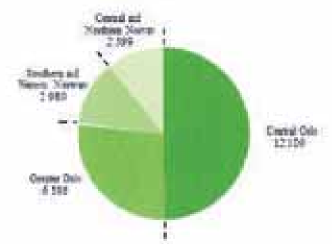
Total operating expenses were virtually unchanged compared to last year at NOK 465.3 (NOK 463.7) million. Other property costs fell to NOK 117.1 (NOK 127.2) million as a result of lower rent costs.

At the same time, administrative ownership costs increased to NOK 195.1 (NOK 186.0) million in 2012. The change was mainly due to higher levels of activity in the Group.

The profit from property management was NOK 1,067.4 (NOK 1,004.1) million in 2012.

The Group had a positive impact from the change in value of investment properties of NOK 129.0 (NOK 629.2) million. The net yield based on contract rents was 6.0 (6.2) per cent at the close of the year. Market conditions were largely unchanged throughout the year. Factors linked to individual properties, including the signing of important lease contracts, adjustments in the estimated costs of building projects, and sales of properties, have had a positive impact on the change in the value of investment properties. The long weighted remaining term of the contract portfolio helps to minimise the impact of changes in the market rent on property values compared with shorter leases.

Geographical distribution of market value (NOKm)



The Group's share of profit from associates and jointly controlled entities amounted to NOK 508.7 (NOK -28.4) million. The increase is the result of increased profit from Oslo S Utvikling AS (OSU), following the recognition of income on transfer of the first two bank buildings to the buyer, DNB Liv.

The Group's operating profit was NOK 1,705.1 (NOK 1,604.8) million.

Net realised financial items totalled NOK -590.0 (NOK -591.3) million. The average credit interest rate is 5.34 (5.28) per cent. Net interest-bearing liabilities increased by NOK 1,050.9 million in 2012, resulting in higher interest expenses. Compared with 2011, however, net realised financial items were at the same level. This is because of write-downs relating to IFRIC 12 properties in 2011. Net unrealised changes in the value of financial instruments amounted to NOK -272.0 (NOK -208.0) million. The market value of the company's financial liabilities rose more in 2012 than in 2011. Net unrealised changes in value are affected by a change in the recording of loans with variable interest rates at their nominal value.

The Group's profit before tax in 2012 was NOK 843.1 (NOK 805.6) million. The tax expense for the year totalled NOK 104.2 (NOK 226.6) million. The Entra Holding Group's profit after tax was NOK 738,9 (NOK 579,0) millions for group Entra Holding before non-controlling interests, and NOK 704,4 (NOK 564,8) millions after non-controlling interests. Nominal tax rate is applied for calculation of deferred tax.

Balance sheet

The Group's reported total equity at the close of the year totalled NOK 25,710.8 (NOK 23,740.3) million. The carrying amount of the Group's investment properties and investment properties held for sale rose by NOK 1,056.3 million in 2012 to NOK 22,936.7 million. Investment properties are valued at fair value, based on the average of two external, independent valuations. Properties valued in accordance with the IFRIC 12 rules amounted to NOK 1,296.7 (NOK 1,318.7) million.

Investments in associates and jointly controlled entities increased to NOK 1,100.3 (NOK 502.0) million. This increase is the result of the establishment of Entra OPF Utvikling AS and good profit levels at OSU in 2012.

In 2012, the Group saw an increase in its net interest-bearing liabilities of NOK 1,050.9 million to NOK 13,581.6 (NOK 12,530.7) million to finance property investments.

The Group's equity was NOK 7,921.4 (NOK 7,391.2) million at 31 December 2012. Deferred tax was NOK 2,464.5 (NOK 2,352.5) million. Deferred tax is calculated as the difference between the tax value and the market value of the Group's investment properties using the nominal tax rate of 28 per cent.

The Group had an equity ratio of 30.8 (31.1) per cent at the close of the year. The Board considers the Group's financial position to be satisfactory.

Cash flow

The Group's net cash flows from operating activities increased to NOK 656.0 (NOK 517.2) million, mainly as a result of changes in working capital and other accruals. The difference between net cash flows from operating activities and the operating profit is largely explained by the change in the value of investment properties and the interest and fees for loans paid to financial institutions.

Net cash flows from investment activities came to NOK -1,238.2 (NOK -1,052.5) million. The investments were mainly associated with renovation projects and new-builds in 2012. The acquisition of investment properties and the establishment of the jointly controlled entity Entra OPF Utvikling AS increased net cash flows from investment activities by NOK 185.7 million.

In 2012, net cash flow from financing activities totalled NOK 598.8 (NOK 434.6) million. The increased financing requirements are mainly related to ongoing projects. The total net change in liquid assets for the year was NOK 16.5 (NOK -100.8) million.

Going concern

The financial statements have been prepared on the basis of the going concern assumption, and the Board confirms that this assumption is valid. The company is in a healthy financial position, and has good liquidity. There have been no events since 31 December 2012 that affect the financial statements.

FINANCIAL MATTERS

Conditions in the financial markets remained volatile in 2012. The European Central Bank's refinancing package for banks in the eurozone contributed to a positive trend in the first quarter. The positive trend was followed by weak development in important expectation indicators and increasing uncertainty with regard to the sovereign debt situation in southern Europe. This situation resulted in large risk premiums on government interest rates in several southern European countries and falling stock markets. Major central banks, particularly in Europe and the USA, subsequently decided to implement further expansionary monetary policy measures. These measures helped to stabilise the global macroeconomic trend. The main expectation indicators for the major economies signalled positive growth prospects and the financial markets performed well towards the end of the year.

The Group has chosen a finance strategy with an equity ratio that will allow financial flexibility over the economic cycle. Entra has defined a range for its equity ratio of 25–35 per cent over the economic cycle. The company will normally aim for the median value of the target range, i.e. an equity ratio of 30 per cent.

Entra is exposed to developments in the financial markets and in 2012 experienced rising rates in the credit markets for new loan agreements. The market for commercial paper remained very liquid throughout the year. Towards the end of the year, Entra established new credit facilities with its banks to secure the Group's need for available capital in 2013.

The average financing costs of the Group are shown in the table below.

Net financial expenses*

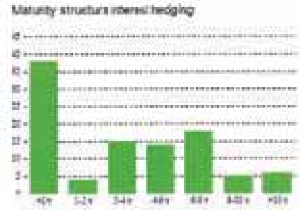
All figures in NOK millions	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Total
Interest cost	167.2	169.9	172.4	174.9	684.4
Other financing cost	4.2	5.5	5.3	7.6	22.6
Interest income	-0.8	-0.4	-0.4	-0.5	-2.1
Net financing cost	170.5	175.0	177.3	182.0	705.1
Net interest bearing nominal debt	12 741.8	12 228.3	12 244.5	13 455.4	12 168.8
Average financing interest**					5.34 %

* The table includes amortised [illegible] costs.

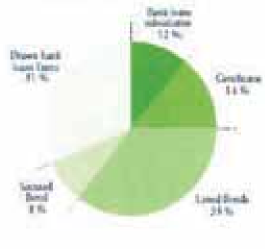
** Average financing interest is calculated based on [illegible] four quarters basis. [illegible]

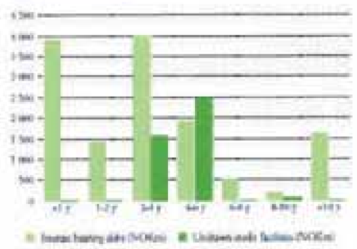
At 31 December 2012, 62 (67) per cent of the Group's total interest-bearing debt was subject to fixed interest rates. At the same time, the effective term to maturity of the Group's interest rate hedging instruments was 3.2 (3.4) years.

Interest rate structure



The Group is financed through a variety of bank and capital market instruments. The loans have a balanced maturity profile. At 31 December 2012, the Group's liquid assets amounted to NOK 64.8 (NOK 48.3) million. In addition, the company had committed, unused credit facilities with Norwegian banks totalling NOK 4.1 (NOK 4.5) billion. The Group's liabilities at 31 December 2012 totalled NOK 17,789.2 (NOK 16,348.9) million. The Group's nominal interest- bearing liabilities totalled NOK 13,527 (NOK 12,694) million at the same date, equivalent to 52.6 (53.5) per cent of total equity.





CORPORATE GOVERNANCE

Corporate governance at Entra is based on the principles set out by the Norwegian Corporate Governance Committee (NUES) in its Norwegian Code of Practice for Corporate Governance.

In 2012, there were 14 Board meetings, of which five were extraordinary Board meetings. The Annual General Meeting in 2012 reduced the number of shareholder-elected Board members from seven to five. Siri Hatlen took over as Chair of the Board from Grace Reksten Skaugen, who left the Board. At the Extraordinary General Meeting of 15 October 2012, Arthur Sletteberg, Ingrid Tjøsvold and Kjell Bjordal were elected as new Board members. Ottar Brage Guttelvik, Ketil Fjerdingen and Ida Helliesen stepped down from the Board on the same date.

The Group has established a set of values and ethical guidelines that underpin its operations. Defined overall objectives and strategies highlight Entra's ambitions, strategic choices and long-term goals. Guidelines, routines and authorisation structures have been drawn up to put the strategy and overall objectives into operation.

See the chapter of this report on corporate governance for a more detailed discussion of the corporate governance principles and reporting pursuant to Section 3-3b of the Norwegian Accounting Act.

SHAREHOLDER INFORMATION

The Norwegian Government, through the Ministry of Trade and Industry owns 100 per cent of the shares in Entra Holding AS. The owner cannot dispose of the shares in the company without special authorisation from the Storting.

In the Government's Ownership Report, Report no. 13 (2010–2011) to the Storting, the Government indicates that it may permit the company to finance any equity capital needs in the private market. This may entail a government sell-down as part of a structural transaction and/or initial public offering. On 9 June 2011, the Storting adopted a resolution to authorise the government to reduce the government ownership interest in Entra Eiendom AS down to 33.4 per cent in connection with a sell-down and/or initial public offering of the company. Before any sell-down and/or initial public offering takes place, the government will review whether individual buildings in Entra's portfolio should be taken over by Statsbygg on commercial terms.

Dividend policy
The shareholder has adopted a dividend policy for Entra. The annual dividend shall constitute 50 per cent of the Group's profit after tax and non-controlling interests as calculated under the Norwegian Accounting Act and generally accepted accounting principles, or be equivalent to at least two per cent of book equity after non-controlling interests under IFRS at the start of the financial year. The expected dividend from Entra is presented each year in the national budget.

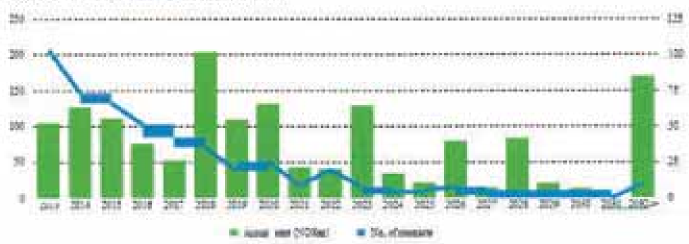
RISKS ASSOCIATED WITH ENTRA'S BUSINESS

Entra assesses risk on an ongoing basis and draws up risk maps for the business. The main risks are considered to be commercial risk, operational risk, project risk and business and strategic risk.

Entra's commercial risk includes the risk associated with signing and renegotiating contracts. The Group is exposed to changes in market rents in the form of economic downturns. The

Group achieves stable and predictable cash flows through long-term leases with a balanced maturity profile. The company aims to reduce rental risks through systematic customer care, by keeping track of when contracts expire and planning how to find new tenants. 81 per cent of the Group's customers are in the public sector, and changes in the prerequisites and efficiency improvements in the public sector may affect the company's risk exposure. The market value of the company's property portfolio is affected by cyclical fluctuations in the economy. A decrease in the market value will reduce the Group's equity ratio.

The maturity of the Group's portfolio of contracts is shown in the graph below.



Commercial risk includes the Group's financial risk. The Group is exposed to financial risk through the liabilities on its balance sheet. The management of its financing activities is regulated by the limits set in the Group's finance policy. Changes in interest rates will have an impact on the Group's cash flows. The company manages this risk by actively using various interest rate hedging instruments. Liquidity risk and refinancing risk are reduced by entering into long-term loan agreements as well as by maintaining an adequately diversified maturity structure and using a variety of different credit markets and counterparties. Entra does not expose itself to currency risk. Our high proportion of public-sector tenants means that credit and counterparty risk is limited. The creditworthiness of other customers is continuously monitored. If a customer lacks financial strength, adequate security is demanded.

The Group is exposed to project risk in conjunction with the construction and renovation of properties. The company takes this type of risk into account in its investment analysis prior to deciding on project start-up, and risk is subsequently continuously monitored throughout the project period. When calculating the required return, a risk premium is added to allow for elements like cost increases over the construction period, delays and contractual disputes. When making investment decisions, market risk is also taken into account when analysing cash flow and required rate of return. There is currently a discrepancy between the price growth on current leases (CPI) and the increase in building costs. While CPI is currently around 1 per cent per year, building costs are predicted to increase by 4–5 per cent per year over the next few years. This entails a risk of reduced profits.

Operational risk is managed through procedures for day-to-day operations, compliance and HSE work. Business and strategic risks include the possible impact on the Group's operations of policies, regulation and significant unforeseen non-recurring events. The group has identified strategic risk factors, and considers these to be carefully managed through the work and measures currently implemented.

PROFIT FOR THE YEAR AND ALLOCATIONS

In 2012, Entra Holding AS made a profit after tax of NOK 0.0 as set out in the financial statements prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles. At 31.12.2012 the company has no distributable reserves

According to the proposed annual report 2012 for the subsidiary Entra Eiendom AS, the proposed dividend paid from Entra Eiendom AS is NOK 416.6 million for the financial year 2012. It is insufficient distributable reserves to suggest similar dividend in Entra Holding AS. In order to make corresponding distributions and to facilitate increased disposable equity in Entra Holding AS going forward, it will be proposed a capital reduction of the company simultaneously with the approval of the payment of NOK 416.6 million to shareholders.

FUTURE DEVELOPMENT

General

Entra is constantly engaged in developing new projects and operating its properties, in support of the company's business concept of adding value by developing, managing and operating attractive and environmentally friendly premises. The Group's growth ambitions are largely associated with the central areas of Oslo, Sandvika, Drammen, Bergen and Trondheim in order to meet the needs of existing and new customers.

Focused operations in 2012 provide good momentum heading into 2013. MediaCity Bergen may become a reality in 2016, with TV 2, NRK Hordaland, Bergens Tidende, Bergensavisen, Vizrt and the University of Bergen all relocating to shared premises. A final decision on relocation is expected in August/September 2013, with the possibility of renovation and expansion totalling 45,000 square metres through Entra OPF Utvikling AS. Entra signed an agreement on 12 February 2013 to buy the property for the planned European head office of Statoil Fuel & Retail in Schweigaardsgate 16 in central Oslo. The company is also working on development projects, including the Tullinkvartalet quarter in Oslo and the further development of Brattørkaia in Trondheim and Papirbredden in Drammen. The completion of the project for the Directorate of Taxes at Fredrik Selmers Vei 4 in November 2013 will be an important milestone.

It is essential for Entra to have the trust of its customers, owners, employees and of society as a whole. Entra seeks to be close to its customers and wants to be the best in the industry in terms of customer satisfaction. The establishment of the customer service centre in 2012 will help to strengthen customer focus even further in 2013. Entra will continue to build on the Group's strong position in the rental market for commercial property. Entra will work in a targeted manner to secure profitable growth for the Group, while the environmental strategy

and ambitions for the Group's corporate social responsibility work will also underpin its operations.

Market developments

The global macroeconomic trend in 2012 was influenced by monetary policy stimuli from central banks. Important expectation indicators in the major economies are signalling more positive growth prospects as 2013 begins. At the same time, unemployment in Europe is high and rising. The Norwegian economy is in a solid position, but weaker growth is expected in the mainland economy in 2013 than in 2012.

Unemployment was lower in 2012 than forecast at the beginning of the year. High levels of activity are expected going forward, albeit with slightly lower growth. Entra expects market rents for modern premises in central locations to rise slightly. Rents for less central and less efficient premises are expected to remain unchanged.

Demand for office space may be slightly lower in 2013. Entra's Consensus Report predicts a stable or slight increase in office vacancy in Oslo. High levels of new-building activity will contribute to an increase in supply, which will be partially counteracted by the growth in office- intensive sectors and the conversion of office buildings to housing.

Property investors continue to be interested in properties in good locations with a reliable cash flow, as well as in development properties. The trend of converting office buildings into residential buildings is expected to continue in areas with low office rents and high house prices. Tenants are willing to pay high prices for the best properties, and this is reflected in large differences depending on the quality and location of the property. Property transactions continue to be affected by the difficult financial market. A falling office vacancy rate and strong demand for premises are contributing to optimism among investors.

Financial developments

Entra's equity ratio has remained stable, and the Group has long-term, diversified loan agreements. Transactions during 2012, particularly on the bond market, showed that there is a strong willingness to lend money to Entra, even at times when the finance markets are volatile and challenging.

It is the view of the Board that Entra's strong cash flow and balance sheet give it a sound financial platform. The Board will continue its conservative financial risk profile. Entra will use its strong position to continue growing profitably in accordance with the Group's strategy.

The Board is of the opinion that the Group has good foundations for further growth and development.

The Board of directors of Entra Holding AS

Oslo, 22 March 2013

Siri Hatlen
Chair of the Board

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board Member

Arthur Sletteberg
Board Member

Kjell Bjordal
Board Member

Tore Benediktsen
Board Member

Birthe Smedsrud Skeid
Board Member

Klaus-Anders Nysteen
Chief Executive Officer

STATEMENT OF TOTAL COMPREHENSIVE INCOME 1.1-31.12.

All amounts in NOK millions	Note	2012	2011
Rental income	23	1 500,3	1 434,7
Other operating revenue	24	32,4	33,1
Total operating revenue		**1 532,7**	**1 467,8**
Maintenance		66,2	61,9
Operating expenses	26	85,9	88,6
Other property costs	7, 10, 27	117,1	127,2
Administrative owner costs	25, 28	195,1	186,0
Total operating costs		**465,3**	**463,7**
Net income from property management		**1 067,4**	**1 004,1**
Changes in value from investment properties	8	129,0	629,2
Share of profit in associates and jointly controlled entities	12, 13	508,7	-28,4
Operating profit		**1 705,1**	**1 604,8**
Interest and other finance income	4-3	98,2	114,7
Interest and other finance expense	4-3	-688,3	-706,0
Net realised financials		**-590,0**	**-591,3**
Unrealised changes in value of financial instruments	4	-272,0	-208,0
Net financials		**-862,1**	**-799,3**
Profit before tax		**843,1**	**805,6**
Tax expense	29	-104,2	-226,6
Profit for period/year		**738,9**	**579,0**
Total comprehensive income for the year		**738,9**	**579,0**
Profit attributable:			
Equity holders of the Company		704,4	564,8
Non-controlling interest		34,5	14,2
Total comprehensive income attributable to:			
Equity holders of the Company		704,4	564,8
Non-controlling interest		34,5	14,2
Earnings per share			
Continuing operations			
Ordinary = Diluted (NOK)	31	4 953,7	3 972,0

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Entra Holding Consolidated Financial statements 2012

BALANCE SHEET AT 31 DECEMBER - ASSETS

All amounts in NOK millions	Note	31.12.2012	31.12.2011
NON-CURRENT ASSETS			
Other intangible assets	7	36,3	16,5
Total intangible assets		36,3	16,5
Investment property	3, 8	22 202,5	21 843,9
Property used by owner	10	5,8	6,0
Other property, plant and equipment	10	26,2	25,4
Total property, plant & equipment		22 234,5	21 875,3
Investments in associated companies and joint ventures	12, 13	1 100,3	500,0
Loan to associated companies and joint ventures	30	6,7	14,2
Financial derivatives		214,3	-
Other non-current receivables	14	1 129,5	1 109,5
Total non-current financial assets		2 450,8	1 623,6
Total NON-CURRENT ASSETS		24 721,5	23 515,4
CURRENT ASSETS			
Housing units for sale	9	120,2	-
Trade receivables	15	20,1	34,5
Other receivables	15	49,9	105,6
Total current receivables		190,2	140,1
Cash and bank deposits	16	64,8	48,3
TOTAL CURRENT ASSETS		255,0	188,4
Investment property held for sale	8	734,2	36,5
TOTAL ASSETS		25 710,8	23 740,3

Notes 1 through to 32 form an integral part of the consolidated financial statements.

BALANCE SHEET AT 31 DECEMBER - EQUITY AND LIABILITIES

All amounts in NOK millions	Note	31.12.2012	31.12.2011
EQUITY			
Paid-in equity	17	2 145,9	2 145,9
Retained earnings	17	5 677,5	5 136,0
Non-controlling interests		98,0	109,2
Total equity		7 921,4	7 391,2
LIABILITIES			
Interest-bearing debt	20	9 736,5	9 086,3
Pension liabilities	18	87,5	84,9
Deferred tax liability	29	2 464,5	2 352,5
Financial derivatives	42	1 005,2	769,5
Other liabilities	19	126,5	63,8
Total non-current liabilities		13 420,2	12 356,9
Current liabilities			
Trade payables and other payables	21	379,2	374,7
Interest-bearing debt	20	3 910,0	3 492,7
Prepayments and provisions	22	80,1	124,9
Total current liabilities		4 369,2	3 992,3
Total liabilities		17 789,4	16 349,2
TOTAL EQUITY AND LIABILITIES		25 710,8	23 740,3

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Oslo 22 March 2013
Board of Directors of Entra Holding AS

Siri Hatlen
Chair of the Board

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Tore Benediktsen
Board member

Birthe Smedsrud Skeid
Board member

Klaus-Anders Nysteen
Chief Executive Officer

Entra Holding Consolidated Financial statements 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in NOK millions	Paid-in equity	Retained earnings	Total majority	Non-controlling interests	Total equity
Equity at 01.01.2011	2 145,9	4 686,2	6 832,1	120,1	6 952,2
Total comprehensive income		564,8	564,8	14,2	579,0
Dividend paid		-124,6	-124,6		-124,6
Change in non-controlling interests		-0,4	-0,4	-15,0	-15,4
Equity at 31.12.2011	2 145,9	5 126,0	7 271,9	119,2	7 391,2
Total comprehensive income		704,4	704,4	34,5	738,9
Dividend paid		-137,0	-137,0		-137,0
Buy-out of non-controlling interests		-15,9	-15,9	-55,7	-71,7
Equity at 31.12.2012	2 145,9	5 677,5	7 823,4	98,0	7 921,4

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Entra Holding Consolidated Financial statements 2012

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts in NOK millions	Note	2012	2011
Cash flows from operating activities	32	1 366,1	1 153,1
Interest paid on loans from financial institutions		-679,0	-618,6
Payment of loan fees		-31,1	-17,3
Net cash flows from operating activities		656,0	517,2
Proceeds from sales of property, plant and equipment		185,7	47,6
Sales of operations, net liquidity	11	28,0	-40,8
Purchase of investment properties	8	-396,0	-127,4
Cost of upgrades of investment properties	8	-1 067,1	-1 135,1
Purchase of intangible assets and other property, plant and equipment	7, 10	-103,5	-12,0
Purchase of shares and other investments		-	-2,6
Investment in housing units for sale		-24,2	-
Repayment of loans to associates and jointly controlled entities	30	7,7	122,4
Investments in associates and jointly controlled entities		-191,0	-
Dividends from associates and jointly controlled entities	12, 13	322,3	95,3
Net cash flows from investing activities		-1 238,1	-1 052,5
New non-current liabilities	20	4 380,0	2 597,0
Repayment of non-current liabilities	20	-2 662,6	-2 138,0
New current liabilities	20	3 200,0	4 144,0
Repayment of current liabilities	20	-4 110,0	-3 994,0
Equity injection by non-controlling interests		-	0,2
Purchase of non-controlling interests		-71,7	-
Dividends paid	17	-137,0	-124,6
Net cash flows from financing activities		598,8	434,6
Net change in cash and cash equivalents		16,5	-100,8
Cash and cash equivalents at the start of the period		48,3	149,1
Cash and cash equivalents at the end of the period	16	64,8	48,3

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Entra Holding Consolidated Financial statements 2012

NOTES

NOTE 1 General information

Entra Holding AS was established on 20 December 2012. The Company was established when the Ministry of Trade and Industry transferred all the shares in Entra Eiendom AS to the company.The reorganisation was carried out in accordance with the continuity principle.

The establishment involved a reorganisation of the Group structure without a change in ownership. Entra Holding AS presents the consolidated financial statements for 2012 with comparable figures for 2011 as if the Group was established on 01.01 2011, based on the continuity principle.

Entra is engaged in the development, letting, management, operation, sale and purchase of real estate in Norway. The company is one of Norway's largest property companies, with a total property portfolio of 1,201,237 square metres and 971,466 square metres under management, of which 53,561 square metres were vacant at 31 December 2012. Entra Holding's head office is situated in Oslo. Regional offices are located in Oslo, Bergen and Trondheim.

All of the shares in the company are owned by the Norwegian Government through the Ministry of Trade and Industry. The Board consists of five shareholder-elected members and two employees. Entra operates in direct competition with private sector companies on a commercial basis. Entra is fully financed in the private markets.

The Group mainly has public-sector tenants, and at 31 December 2012 the proportion of public-sector tenants was 81 (80) per cent.

The consolidated financial statements were adopted by the Board of Directors on 22 March 2013.

NOTE 2 Accounting policies

ACCOUNTING POLICIES
The most important accounting policies used to prepare the annual financial statements are described below. These policies are used in the same way for all periods presented, unless otherwise indicated in the description.

BASIC PRINCIPLES
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretation Committee (IFRIC), as endorsed by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act.

The consolidated financial statements have been prepared on a historical cost basis, with the following modifications: investment properties as well as financial assets and financial liabilities have been measured at fair value. Financial instruments measured at fair value include the Group's non-current borrowings at fixed interest rates and derivatives.

Presenting the accounts in accordance with IFRS requires the management to make certain assessments and assumptions. The application of the company's accounting policies also requires management to exercise judgement. Estimates and subjective judgements are based on past experience and other factors that are considered relevant. Actual results may deviate from these estimates.

The estimates and underlying assumptions are continuously reassessed. Changes in accounting estimates are recognised in the period in which the changes occur if they apply only to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods. Note 3 details items in the accounts that are based on a significant amount of subjective judgement.

The consolidated financial statements have been filed on the assumption of the business being a going concern.

The Group has started using the following new and amended standards in 2012:

No new or amended IFRS or IFRIC interpretations came into effect for the 2012 financial year that are considered to have or are expected to have a significant impact on the consolidated financial statements.

Standards, amendments to existing standards and interpretations that have not yet come into force, and which the Group has not chosen to apply early:

The following standards, amendments to existing standards and interpretations of existing standards have been published and will be mandatory for the consolidated financial statements for periods starting on or after 1 January 2013, and the Group has chosen not to adopt these early with effect for the 2012 financial year.

IAS 1 Presentation of Financial Statements
This standard has been amended with the result that items in comprehensive income are to be divided into two groups: those which are potentially reclassifiable to profit or loss subsequently and those which are not. This amendment does not affect which items are to be included in comprehensive income.

IAS 19 Employee Benefits
This standard was amended in June 2011. The amendments entail that all actuarial gains and losses are recognised in comprehensive income as they arise (eliminating the "corridor" approach), the immediate recognition of all costs relating to pension liabilities accrued in previous periods, and the replacement of interest expenses and anticipated return on pension assets with a net interest amount, calculated by applying the discount rate to the net pension liability or asset.

Unrecognised actuarial gains/losses at 31 December 2012 are presented in Note 18 – Pensions. The Group will implement the revised standard as of the 2013 financial year. The effect of implementing IAS 19R is expected to result in a reduction in equity of approximately NOK 17.2 million as a consequence of recognising previously unrecognised actuarial gains and losses.

IFRS 9 Financial Instruments
Revised versions of IFRS 9 were published in November 2009 and October 2010, replacing the rules in IAS 39 on recognition, classification and measurement of financial instruments. Under IFRS 9, financial assets are divided into two categories depending on how they are measured: those measured at fair value and those measured at amortised cost. Classification is made on initial recognition. Classification will depend on the business model the company uses to handle its financial instruments and the contractual cash flow characteristics of the instrument. The rules for financial liabilities are largely the same as under IAS 39. The most significant change in cases where financial liabilities are measured at fair value is that part of gains or losses in the fair value of these instruments attributable to changes in the company's own credit risk are to be presented in other comprehensive income, as opposed to in the income statement, as long as this does not result in accrual errors in the measurement of profit or loss. The Group intends to adopt IFRS 9 once the standard comes into force and has been approved by the EU. The standard comes into force for accounting periods starting on or after 1 January 2015. The Group will also examine the consequences of the remaining stages of IFRS 9 once these have been completed by the IASB. The Group has not yet assessed the full impact of IFRS 9.

IFRS 10 Consolidated Financial Statements
The standard is based on the existing principles defining control as the decisive factor in determining whether a company is to be included in the consolidated accounts of the parent company. The standard provides extensive guidance on determining whether control exists in difficult cases. The standard is not expected to have any significant consequences for the Group. The Group intends to apply the standard to accounting periods beginning on or after 1 January 2013, although the EU does not require its application until 1 January 2014.

IFRS 11 Joint Arrangements
The standard replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers". IFRS 11 has two main categories of joint arrangements: joint operations and joint ventures. The proportionate consolidation method is no longer permissible. The equity method of accounting must be used for interests in jointly controlled entities. For arrange- ments classified as joint operations, the parties recognise their share of the assets and liabilities in the collaboration. The classification of joint arrangements is determined by the nature and terms of the arrange- ment, as opposed to its formal structure. The standard is not expected to entail any significant changes for the Group. The Group intends to apply the standard to accounting periods beginning on or after 1 January 2013, although the EU does not require its application until 1 January 2014.

IFRS 12 Disclosure of Interests in Other Entities
The standard contains the disclosure requirements for financial interests in subsidiaries, jointly controlled entities, associates, special purpose entities (SPE) and other unconsolidated structured entities. The Group intends to apply the standard to accounting periods beginning on or after 1 January 2013, although the EU does not require its application until 1 January 2014.

IFRS 13 Fair Value Measurement
The standard provides a precise definition of fair value for use in IFRS, provides a single framework describing how to measure fair value in IFRS, and defines what additional information must be disclosed when fair value is used. The standard does not expand the area of application for the use of fair value; rather it provides guidance on how it should be applied when fair value measurement is already required or permitted by other IFRS. The Group measures certain assets and liabilities at fair value. The Group applies IFRS 13 to accounting periods beginning on or after 1 January 2013.

There are no other IFRS standards and IFRIC interpretations that have not yet come into effect that are expected to have a significant impact on the consolidated financial statements.

CONSOLIDATION PRINCIPLES

Subsidiaries

Subsidiaries are entities over which the Group exercises control of financial and operating policies, normally through ownership of more than half the voting rights. When deciding whether control exists, the effect of potential voting rights that can be exercised or converted on the balance sheet date is taken into consideration.

The Group also assesses whether there is control in entities over which it does not have more than 50 per cent of the voting rights, but in which it is nevertheless able to influence financial and operational guidelines in practice ("actual control"). Actual control can exist in situations where the other voting rights are spread over a large number of shareholders who are not realistically capable of organising their voting. In the assessment of whether the Group has actual control over a subsidiary, decisive importance is attached to whether the Group can choose the Board it wants.

Subsidiaries are consolidated from the date on which control is transferred to the Group, and are deconsolidated when control ceases.

The acquisition method is used to account for purchases of subsidiaries that constitute a business. The transferred consideration (cost of acquisition) is measured at the fair value of the transferred assets, the equity instruments that have been issued, liabilities assumed in transferring control and direct costs relating to the actual purchase. The cost of acquisition also includes the fair value of all assets or liabilities that are the result of an agreement on contingent consideration.

Identifiable purchased assets, assumed liabilities and contingent liabilities are recognised at fair value on the date of acquisition. The costs associated with the business combination are expensed when they are incurred.

If the aggregate of the consideration, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate is less than the company's net assets, the difference is immediately recognised in income.

Contingent consideration is recognised at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss or recognised as a change in other comprehensive income, if the contingent consideration is classified as an asset or a liability. Contingent consideration classified as equity is not remeasured, and subsequent settlement is recognised in equity.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as subsidiaries that only consist of a building, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the property. In such cases no provision is made for deferred tax (cf. exceptions in IAS 12).

Intragroup transactions, balances and unrealised gains are eliminated. Unrealised losses are eliminated, but are considered evidence of impairment in terms of writing down the value of the transferred asset. If necessary, the accounting policies at subsidiaries are changed in order to bring them into line with the Group's accounting policies.

Transactions with non-controlling interests
Transactions with non-controlling interests in subsidiaries are treated as equity transactions. If shares are acquired from a non-controlling interest, the difference between the payment and the proportion of the carrying amount of the subsidiary's net assets attributable to the shares is recognised in the equity of the parent company's owners. Gains and losses arising from the sale of shares to non-controlling interests are similarly recognised in equity.

If the Group loses control, any residual holding is remeasured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as an investment in an associate, in a jointly controlled entity or in a financial asset. Amounts previously included in comprehensive income that relate to the company are treated as if the Group had disposed of the underlying asset and liability. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement.

Jointly controlled entities
Jointly controlled entities are companies where the Group shares control with other parties, and where an agreement between the parties ensures that strategic decisions on financial and operating policies are unanimous. This applies to companies where a shareholder agreement ensures joint control of the business. The Group's interests in jointly controlled entities are measured using the equity method. If necessary, the accounting policies at jointly controlled entities are changed in order to bring them into line with the Group's accounting policies.

The proportion of any gains and losses on the sale of assets to jointly controlled entities that is attributable to other owners (outside the Group) of the jointly controlled entity is recognised in profit or loss. When assets are acquired from a jointly controlled entity, any gain or loss is only recognised in profit or loss when the asset is sold by the Group. A loss is recognised immediately if the transaction indicates that the value of the company's current or non-current assets has fallen.

Associates
Associates are companies over which the Group has significant influence but not control. Significant influence normally exists where the Group's investment represents between 20 and 50 per cent of the voting rights. Investments in associates are initially recognised on the acquisition date at the acquisition cost, and thereafter using the equity method. Investments in associates include any excess values and goodwill identified at the time of acquisition, less any subsequent impairment losses.

The Group's share of the profit and loss of associates is recognised and added to the carrying amount of the investments together with the portion of unrecognised equity changes. The Group's share of the comprehensive income of associates is recognised in the Group's comprehensive income and added to the carrying amount of the investments. The Group does not recognise its share of the loss if this would result in a negative carrying amount for the investment (including the entity's unsecured receivables), unless the Group has taken over obligations or made payments on behalf of the associate.

The Group's share of unrealised gains on transactions between the Group and its associates are eliminated. This also applies to unrealised losses, unless there is a permanent loss of value. Where necessary, the accounts of associates have been brought into line with the Group's accounting policies. Gains and losses arising from the dilution of ownership interests in associates are recognised in profit or loss.

If the Group no longer has significant influence, any residual holding is remeasured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as a financial asset. Amounts relating to the company that were previously recognised in comprehensive income are treated as if the associate had disposed of the underlying assets and liabilities. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement. If the Group reduces its shareholding but retains significant influence, a proportionate share of the amounts previously recognised in comprehensive income is reclassified to the income statement.

CURRENCY
The Group's presentation currency is NOK. This is also the functional currency of the parent company and all of its subsidiaries.

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the balance sheet date. Exchange rate fluctuations are recognised in profit or loss as they arise.

SEGMENT INFORMATION
Operating segments are reported in the same way as in internal reports to the company's highest decision-making authority. The company's highest decision-making authority, which is responsible for allocating resources and assessing the profitability of the operating segments, has been identified as the group management.

INVESTMENT PROPERTY
Investment property is owned with the aim of achieving a long-term return from rental income and increase in value. Properties used by the Group are valued separately under property, plant and equipment. Investment property is recognised at fair value, based on market values identified by independent valuers. Gains or losses as a result of changes in the market value of investment properties are recognised in profit or loss as they arise, and are presented on a separate line after income from property management.

Initial measurement also takes into consideration the property's cost price, which includes direct transaction costs such as document duty and other public duties, legal fees and due diligence costs. Transaction costs associated with properties acquired through business combinations (as defined in IFRS 3) are expensed.

Subsequent expenditure is added to the investment property's carrying amount, if it is probable that future financial benefits associated with the expenditure will flow to the Group and the expense can be measured reliably. Other maintenance costs are recorded through the income statement in the period in which they are incurred. When investment properties are disposed of, the difference between the net sales proceeds and carrying amount is recognised through profit or loss.

Investment property is valued at each reporting date. The value is estimated by independent valuers. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with individual risk-adjusted required rate of return.

The required rate of return for each property is defined as being a long-term risk-free interest plus a property-specific risk supplement. The latter is defined on the basis of the property segment to which the property belongs, its location, standard, occupancy rate, tenants' financial reliability and remaining lease term. Known market transactions with similar properties in the same geographical area are also taken into consideration.

Changes in fair value are recognised as "changes in the value of investment property".

For properties where the Group is involved in constructing and/or upgrading public infrastructure, and where the Group operates and maintains the infrastructure for an agreed period of time, the infrastructure itself is not included in the Group's accounts, but is instead treated as a financial or intangible asset, depending on whether the Group has a public liability to pay/guarantee cash flows. In those cases where the Group has a contractual right to receive a specific amount or other financial asset from the public sector, in return for constructing or upgrading and subsequently maintaining/operating the asset for an agreed period, the infrastructure is deemed a financial asset as defined in IAS 39. If the Group is entitled to charge users of a public asset that it has constructed/upgraded, and it is responsible for maintaining and operating it for an agreed period, the entitlement is deemed an intangible asset as defined in IAS 38. The total amount recognised in income varies depending on the use of the asset. The Group has three properties classified as financial assets under IFRIC 12.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are recognised at acquisition cost, less depreciation. The acquisition cost includes costs directly related to the acquisition of the asset. Buildings under construction that do not qualify as investment properties are recognised at historical cost, adjusted for write-downs. The acquisition cost includes costs directly related to the acquisition of the asset.

Subsequent expenditure is added to the asset's carrying amount or recognised separately, when it is probable that future financial benefits attributable to the expenditure will flow to the Group and the expense can be measured reliably. Amounts relating to replaced parts are recognised in the income statement. Other maintenance costs are recorded through the income statement in the period in which they are incurred.

Sites that are not considered to be investment properties (and buildings under construction) are not depreciated. Other assets are depreciated in a straight line over their anticipated remaining useful life.

The remaining useful life and residual value are reassessed on each balance sheet date and changed if necessary. If the carrying amount of an asset is higher than its recoverable amount, the value of the asset is written down to the recoverable amount.

Gains and losses on disposals are recognised through profit or loss, and are calculated as the difference between the sales price and the carrying amount at the time of disposal.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS
Non-current assets and groups of non-currents assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through their continuing use. This condition is regarded as met if the sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present condition. The management must be intending to sell the asset and must expect the sale to be completed within a year of the balance sheet date.

Non-current assets and groups of non-current assets and liabilities classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs. Investment properties classified as held for sale are measured at fair value in the same way as other investment properties.

HOUSING PROJECTS BEING DEVELOPED BY THE COMPANY FOR SALE
Housing projects involve the development and construction of residential housing, with individual units being handed over to the purchaser when they are completed. During their construction these projects are classified as current assets. When the homes are completed and handed over to the buyer, the sales price and cost of construction are recognised in the income statement.

BUILDINGS UNDER CONSTRUCTION
Sales of property projects are measured at cost and presented under inventories. The sales price is recognised in the income statement on handover. For construction contracts where the design and delivery schedule have been negotiated with the buyer, costs and revenues are recognised in the income statement in accordance with the percentage of completion method described in IAS 11.

Borrowing costs
The borrowing costs for capital used to finance buildings under construction is capitalised under the asset in question. When calculating the capitalised borrowing costs, the average interest rate on the company's debt portfolio over the course of the year is used, unless there is separate financing for the specific project. In such cases the specific borrowing cost for the loan in question is used. When calculating the average interest rate to be used for the capitalisation of borrowing costs, loans taken out for specific projects are not included.

INTANGIBLE ASSETS

Goodwill
Goodwill is the difference between the cost and the fair value of the Group's share of net identifiable assets in the entity on the acquisition date. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. For the purposes of impairment testing, goodwill is allocated to the relevant cash flow generating units. Goodwill is allocated to the cash flow generating units or groups of cash flow generating units that are expected to benefit from the acquisition from which the goodwill arose. Goodwill is tested for impairment annually and is recognised at cost less any impairment losses. Impairment of goodwill is not reversed. Gains and losses on the sale of an operation include the carrying amount of goodwill relating to the sold operation.

Goodwill arising from the purchase of shares in associates and jointly controlled entities is included under the investment in the associate or jointly controlled entity, and is tested for impairment as part of the carrying amount of the investment.

Software
Purchased software is recognised at cost (including expenditure on making programs operative) and is amortised over the expected useful life. Expenses directly associated with the development of identifiable and unique software owned by the Group and which is likely to generate net financial benefits for more than one year are capitalised as intangible assets, and are depreciated over the expected useful life. Expenses relating to the maintenance of software are expensed as incurred.

Development projects
Activities related to the application of knowledge to a plan or in relation to a concept or project prior to being taken into use/production, are classified as development activities which are capitalised as intangible assets when the Group considers it likely that the skills developed will generate net financial benefits. Expenses that are capitalised as development projects are directly attributable expenses relating to the development of the new skills.

Impairment of non-financial assets
Intangible assets with an uncertain useful life are not depreciated and are instead tested annually for impairment. Property, plant and equipment and intangible assets that are depreciated are also tested for impairment if there is any indication to suggest that future cash flows cannot justify the carrying amount of the asset. Write-downs are recorded through the income statement as the difference between the carrying amount and the recoverable amount. The recoverable amount is the utility value or fair value, whichever is the higher, less selling costs. When testing for impairment, non-current assets are grouped at the lowest possible level at which it is possible to identify independent cash flows (cash flow generating units). In conjunction with each financial report, the company assesses whether it is possible to reverse past write-downs of non-financial assets (except goodwill).

FINANCIAL INSTRUMENTS
A financial instrument is defined as being any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity. Financial instruments are recognised on the transaction date, i.e. the date on which the Group commits to buying or selling the asset.

Financial assets are classified in the following categories: at fair value through profit or loss, loans and receivables and available for sale. Financial assets at fair value through profit or loss are assets held for trading purposes, and include derivatives. Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments. Available-for-sale financial assets are assets designated as available for sale or assets that do not fall under any of the other categories, including minor shareholdings.

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities at fair value through profit or loss comprise loans designated at fair value upon initial recognition (fair value option) and derivatives. Financial liabilities at amortised cost consist of liabilities that do not fall under the category at fair value through profit or loss.

Financial assets and liabilities are classified upon initial recognition based on their characteristics and purposes. In order to avoid accounting mismatch, Entra has used the fair value option for the company's long-term borrowing at fixed interest rates used to finance the acquisition of investment properties measured at fair value. Liabilities designated at fair value through profit or loss are typically debt incurred to finance the acquisition of investment properties measured at fair value.

Trade receivables and other financial assets
Trade receivables and other financial assets are classified as loans and receivables and are measured at fair value upon initial recognition, and thereafter at amortised cost. Interest is ignored if it is insignificant. A provision for bad debts is recognised if there is objective evidence that the Group will not receive payment in accordance with the original conditions. Any subsequent payments received against accounts for which a provision has previously been made are recognised in the income statement. Trade receivables and other financial assets are classified as current assets, unless they are due more than twelve months after the balance sheet date. If so, they are classified as non-current assets.

Cash and cash equivalents
Cash and cash equivalents consist of bank deposits and other shortterm, highly liquid investments with an original term to maturity of no more than three months.

Derivatives
The Group uses derivatives to manage its interest rate risk. Derivatives are initially recognised at fair value on the date on which the contract was signed, and subsequently at fair value. Gains or losses on re-measurement at fair value are recognised in the income statement. Regular payments are presented as interest and other finance expenses. Changes in the value of the derivatives are presented "under adjustment to value of financial instruments".

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to redeem the contracts on the balance sheet date. This amount will depend on interest rates and the contracts' remaining term to maturity. The derivatives are classified on the balance sheet as current liabilities or non-current liabilities, depending on whether they are expected to be redeemed under or over 12 months from the balance sheet date.

Trade payables and other non-interest-bearing financial liabilities
Trade payables and other non-interest-bearing liabilities are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method. Interest is ignored if it is insignificant.

Interest-bearing liabilities
Interest-bearing liabilities that satisfy the criteria for using the fair value option under IAS 39 are classified in the category at fair value through profit or loss. Entra Holding uses the fair value option for interestbearing liabilities at fixed interest rates incurred to finance the acquisition of investment properties. Interest-bearing liabilities are recognised at fair value when the loan is received. Subsequently loans are measured at fair value through the income statement and are presented under net financial items. Ordinary interest expenses are presented on the income statement under net financial items.

Interest-bearing liabilities with variable interest rates are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method.

Interest-bearing liabilities are classified as current liabilities where the debt is due for repayment less than 12 months from the balance sheet date.

PENSIONS
The Group has pension schemes which are defined-benefit plans. A defined-benefit plan is a pension arrangement which defines the pension payment an employee will receive on retirement. The pension benefit payable is dependent on a number of factors, such as the employee's age, number of years of membership of the Norwegian Public Service Pension Fund and salary.

The recognised pension obligation relating to defined-benefit plans is the present value of the defined-benefit on the balance sheet date less the fair value of the plan assets, adjusted for unrecognised actuarial gains/losses and changes to pension plans relating to past service. The pension obligation is calculated annually by an independent actuary using the projected credit unit method. The present value of the defined-benefit is determined by discounting estimated future payments using a discount rate based on bonds with preference rights, which mature around the same time as the related pension obligations.

Changes to benefits payable under the pension plan are measured through profit or loss, unless the entitlements under the new pension plan are contingent upon the employee remaining at the company for a specific amount of time (the qualifying period). In such cases the cost associated with the change to the plan is amortised in a straight line over the qualifying period.

Actuarial gains/losses resulting from new information or changes to actuarial assumptions over and above the greater of 10 per cent of the value of plan assets and 10 per cent of pension obligations are recognised in the income statement over a period corresponding to the employees' average remaining service period.

Redundancy packages are payments made when a contract of employment is terminated by the Group before the normal retirement age or when an employee voluntarily agrees to leave in return for such a payment. The Group expenses redundancy packages when it has a proven obligation to either terminate the contract of current employees in accordance with a formal, detailed plan that cannot be withdrawn by the Group, or to make redundancy payments as a result of an offer made to encourage voluntary redundancy. Redundancy packages that are due for payment over 12 months after the balance sheet date are discounted to their present value.

TAX
The tax expense consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised directly in equity. In such cases, the tax is either recognised in comprehensive income or directly in equity.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and consolidated accounting values of assets and liabilities. Any deferred tax arising from the initial reporting of a liability or asset in a transaction which is not a business combination and which on the transaction date does not affect accounting or tax results is not recognised on the balance sheet. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised.

In the event of adjustments to the value of investment properties, deferred tax is calculated and adjusted at the nominal tax rate of 28 per cent. For investment properties acquired through the purchase of shares in property companies or not acquired through a business combination, in the event of an adjustment in value, deferred tax is calculated on the property's fiscal value.

Deferred tax asset is recognised to the extent that it is likely that future taxable profit will be available against which the temporary differences can be offset.

In principle, deferred tax is not calculated on temporary differences arising from investments in subsidiaries and associates. This does not apply in cases where the Group is not in control of when the temporary differences will be reversed, and it is probable that they will be reversed in the foreseeable future. Nor is a liability for deferred tax calculated upon initial recognition of assets or liabilities obtained through an acquisition of a subsidiary not classified as a business combination.

PROVISIONS
The Group recognises provisions for lease agreements and legal requirements when a present, legal or constructive obligation has arisen as a result of a past event, it is likely that an outflow of resources will be required to settle the obligation and its amount can be estimated reliably. There is no provision for future bad debts.

In cases where there are several obligations of the same nature, the likelihood of settlement is determined by assessing the group as a whole. A provision for the group is recognised even if there is little likelihood of settlement of the group's individual elements.

Provisions are measured at the present value of expected payments to settle an obligation. A discount rate before tax is used which reflects the present market situation. Any increase in an obligation as a result of a changed time value is reported under finance expense.

INCOME RECOGNITION
Operating revenue consists of rental income and other operating revenue. Gains on the sale of property are presented as part of the change in value. Rental income encompasses the fair value of the payments received for services that fall within the ordinary activities of the company. Rental income is presented net of VAT, rebates and discounts. Shared costs are capitalised alongside payments on account from tenants and therefore have no impact on the income statement. Shared costs are settled after the balance sheet date.

Rental income is recognised over the duration of the lease. If a rent exemption is agreed, or if the tenant receives an incentive in conjunction with the signing of the lease, the cost or loss of rent is spread over the duration of the lease, and the resulting net rent is recognised in equal instalments. The accrued loss of rent or costs are presented under other receivables.

Lease contracts that are terminated are valued on an individual basis. Payments relating to the termination of contracts are recognised in the period from the contract being entered into until the date of its termination.

LEASE CONTRACTS
Lease contracts where a significant proportion of the risks and benefits of ownership remain with the lessor are classified as operating leases. Rent payments for operating leases (less any financial incentives given by the lessor) are expensed in a straight line over the duration of the lease.

Lease contracts for property, plant and equipment where the Group has all of the risks and benefits of ownership are classified as finance leases. Finance leases are recognised at the start of the lease term at the lower of fair value and the present value of the minimum lease payments.

STATEMENT OF CASH FLOWS
The statement of cash flows is prepared using the indirect method. This means that the statement is based on the Group's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Dividends paid to shareholders and non-controlling interests are presented under financing activities.

DIVIDENDS
Dividend payments to the company's shareholders are classified as debt from the date on which the dividend is adopted by the Annual General Meeting.

NOTE 3 Critical accounting estimates and subjective judgements

Fair value of investment properties
Investment properties are measured at their fair value based on external, independent valuations.

Each quarter, all of Entra's properties are valued by two independent, external valuers. The valuations at 31 December 2012 were obtained from Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding the estimated residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenants' financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk of not finding a tenant and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the valuers receive comprehensive details of the lease contracts at the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and lease contracts are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The valuers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the lease contracts is also assessed for risk, along with any special clauses in the contracts. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc.).

The table below shows to what extent the value of the property portfolio is affected by inflation, market rents, discount rates (interest rates) and exit yields (market yields), assuming that all other factors are equal.

Change variable	Change in %	Value change (NOKm)*
Inflation	+ 1,00 %	249,2
Market rents	+ 10,00 %	1 895,8
Discount rate	+ 0,25 %	-535,0
Exit yield	+ 0,25 %	-381,7

** Estimates by DTZ Realkapital Verdivurdering AS in conjunction with valuations at 31 December 2012.*

Fair value of financial liabilities

The Group values liabilities with fixed interest rates and financial derivatives at fair value in the Group's balance sheet. The Group's interest-bearing debt is measured at fair value using valuation methods where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.

The fair value of both listed and unlisted bonds with fixed interest rates is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association, www.nfmf.no).

The fair value of commercial paper is estimated as its nominal value, due to the short term to maturity. For more information on how the Group values its financial assets and liabilities see note 4-2.

The carrying amount of financial liabilities classified at fair value through profit or loss will increase by NOK 316.1 million or decrease by NOK 336.5 million in the event of a parallel shift in market rates for NOK of +/- 1 percentage point.

Pensions

The present value of pension obligations is dependent on several different factors which are determined by a number of actuarial assumptions. The assumptions used to calculate net pension costs (revenue) include the discount rate. Any changes to these assumptions will affect the carrying amount of the pension obligations.

The Group determines the relevant discount rate at the end of each year. This is the interest rate used to calculate the present value of the future estimated outgoing cash flows required to fulfil the pension obligations. When determining the relevant discount rate, the Group looks at the interest rate for high-quality corporate bonds or bonds with preference rights, which mature around the same time as the related pension obliga- tions. At 31 December 2012, the discount rate was determined on the basis of bonds with preference rights. The effect of using this interest rate instead of using a discount rate based on government bonds results in a reduction of obligations of around NOK 30 million.

If a discount rate is used which deviates from the management estimates by +/- 0.5 per cent, the carrying amount of the pension obligations will be NOK 10.0 million lower or NOK 11.3 million higher.

See Note 18 for more details on pensions and estimates.

Uncertainty surrounding estimates pursuant to IFRIC 12

IFRIC 12 regulates the building of public infrastructure by private operators commissioned by public authorities. The infrastructure is also to be operated by the private sector for a period, although the public sector retains control of the residual value. Entra has three properties regulated by these rules.

The value of non-current receivables has been calculated using estimates to which uncertainty is attached. The uncertainty relates to future rent payments. There is also uncertainty surrounding the property-specific estimates of future ownership costs, investments and purchase options.

NOTE 4 Financial risk management
All amounts in NOK million

Governance structure, exposure and reporting

The Board of Entra Holding AS has defined limits for the financial exposure of the Group through the financial directive. The financial directive regulates the following:
• Allocation of responsibility for financial governance
• Overall limits for financial exposure, as well as policies for handling these
• Principles of borrowing
• Defines how financial risk is to be calculated and key controls that must be in place to ensure adequate risk management.
• Requirements for reporting and monitoring. The Group's overall financial risk exposure is reported regularly to the Board.

There is a responsibility and authority matrix for Finance, which defines authority for the day-to-day management of financial transactions within the overall framework of financial governance.

The Group must ensure that there is adequate operational risk management and internal control through clear areas of responsibility and segregation of duties. The procedures relate in particular to the management of financial exposure and the division of responsibility between the various roles in the treasury department and the department's financial systems. There are guidelines for managing financial exposure, which include checklists related to the control of current transactions.

Entra has established an internal finance committee which is a forum for updates on and discussion of the macroeconomic climate, as well as for discussing the company's financial risks and opportunities. Long-term projections are made of financial developments as a component of the Group's risk management, using a model with detailed assumptions concerning the Group's financial performance, cash flow and assets. The projections take into account cyclical developments in the economy, financial parameters and the property market. Scenarios and simulations are developed for various development life cycles. The simulations will provide good information for the Board and the executive management in their monitoring of developments in central key figures and cash flow.

The Group's finance strategy shall ensure that the Group has financial flexibility and that it achieves competitive financial terms. The Group is exposed to financial risk and has defined the following relevant risk areas:
• Liquidity/refinancing risk
• Capital management and solvency
• Interest rate risk
• Credit/counterparty risk
• Currency risk

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due and that financing will not be available at a reasonable price.

The company seeks to limit liquidity risk through:
• requirements for committed capital to cover refinancing requirements
• average credit period requirements
• the use of various credit markets and counterparties
• spread maturity structure for the Group's financing

Capital management and solvency

The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximise the value of the shares in the company, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the company. The Group has defined a target range for its equity ratio of 25–35 per cent over the economic cycle. This means that the Group will normally aim for the median value of the target range, i.e. an equity ratio of 30 per cent. There are covenants in the Group's loan agreements that specify requirements in relation to the company's financial strength.

Interest rate risk

Interest rate risk arises from the portfolio's exposure to debt instruments being affected by changes in the money market rates. Interest rate risk affects the company's cash flows and the market value of the company's liabilities. The main purpose of the company's strategy to manage interest rate risk is to ensure that the company achieves a balance between the desired interest expense and interest rate risk. The Group's interest rate risk is managed through the requirements for fixed interest rates for at least 60 per cent of the debt portfolio, an average duration in the range of 2–5 years and diversification of the maturity structure for fixed interest rates.

Credit and counterparty risk

Stable, predictable and long-term access to capital is critical to Entra Holding. Entra Holding considers that the ability of creditors to behave predictably over the long term is often dependent on their creditworthiness. For this reason, the Group wants the company's creditors to be of a good credit quality and has established credit rating limits for the company's creditors. The credit ratings of the company's financial counterparties are continuously monitored.

Currency risk
The company shall not incur any currency risk and at 31 December 2012, the Group has no currency exposure.

Financial covenants

There are covenants in the Group's bank loan agreements relating to the value-adjusted equity ratio (VEK), interest cover ratio (ICR) and the loan-to-value of property (LTV). At 31 December 2012, the Group was not in breach of any covenants.

There are no covenants in relation to the Group's bond or commercial paper loans.

Maturity structure of all financial liabilities

31.12.2012				REMAINING TERM					
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans – principal	-	2 000,0	-	2 795,0	295,0	-	195,0	507,0	5 792,0
Interest-bearing bank loans – estimated interest	41,6	125,9	116,8	184,3	50,7	38,4	27,9	47,2	632,8
Bonds – principal	-	-	1 425,0	1 200,0	1 600,0	500,0		1 100,0	5 825,0
Bonds – estimated interest	21,6	209,4	226,8	294,8	191,7	127,9	101,6	406,6	1 580,5
Commercial paper – principal	982,0	908,0	-	-	-	-	-	-	1 890,0
Commercial paper – estimated	31,6	27,0	-	-	-	-	-	-	58,7
Financial instruments - interest rate derivatives-estimated interest	27,5	178,5	160,9	292,8	197,3	98,3	11,2	-89,7	876,8
Trade payables	191,4								191,4
Other financial liabilities	80,0								80,0
Total	**1 375,7**	**3 448,9**	**1 929,5**	**4 766,9**	**2 334,7**	**764,6**	**335,8**	**1 971,1**	**16 927,1**

31.12.2011				REMAINING TERM					
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans – principal	-	-	3 385,0	100,0	1 750,0	-	100,0	519,0	5 854,0
Interest-bearing bank loans – estimated interest	54,4	163,1	173,1	173,3	97,7	46,8	44,5	94,5	847,3
Bonds – principal		670,0		1 425,0	500,0	325,0		1 100,0	4 020,0
Bonds – estimated interest	4,6	181,8	158,9	251,3	184,7	137,7	101,6	457,4	1 478,1
Commercial paper – principal	800,0	2 000,0	-	-	-	-	-	-	2 800,0
Commercial paper – estimated interest	26,6	68,3	-	-	-	-	-	-	94,9
Financial instruments - interest rate derivatives-estimated interest	62,0	80,6	138,2	200,7	153,6	89,7	36,0	-23,3	737,5
Trade payables	204,8	-	-	-	-	-	-	-	204,8
Other financial liabilities	46,1	-	-	-	-	-	-	-	46,1
Total	**1 198,4**	**3 163,9**	**3 855,2**	**2 150,2**	**2 686,0**	**599,2**	**282,2**	**2 147,6**	**16 082,7**

The table is based on undiscounted contractual cash flows. The maturity analysis is based on the earliest possible redemption for instruments where the counterparty has a choice as to when to redeem the instrument. Estimated interest is based on the interest rate on the individual loan/ instrument on the balance sheet date. In order to manage its liquidity risk, the Group has available, unused credit facilities with Norwegian and international banks, as well as available liquid assets.

Unused credit facilities

31.12.2012				TERM TO MATURITY					
	Under 3 months	4-12	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Parent company's unused credit facilities	-	-	-	1 500,0	2 455,0	-	-	-	3 955,0
Subsidiaries' unused credit facilities	-	-	-	60,0	-	-	65,0	-	125,0
Total unused credit facilities	**-**	**-**	**-**	**1 560,0**	**2 455,0**	**-**	**65,0**	**-**	**4 080,0**

Unused credit facilities

31.12.2011				TERM TO MATURITY					
	Under 3 months	4-12	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Parent company's unused credit facilities	-	1 000,0	-	900,0	1 200,0	1 000,0			4 100,0
Subsidiaries' unused credit facilities	-	-	270,0	-	-	-	160,0	-	430,0
Total unused credit facilities	**-**	**1 000,0**	**270,0**	**900,0**	**1 200,0**	**1 000,0**	**160,0**	**-**	**4 530,0**

At 31 December 2012, the Group had NOK 31.7 (NOK 17.1) million of available liquid assets. See Note 15.

Interest rate risk

The Group's liabilities are subject to fixed interest rates (62 per cent of liabilities). The Group uses a variety of derivatives to optimise its portfolio for its interest rate fixing structure. The choice of interest rate structure is based on an evaluation of the Group's financial strength and ability to generate long-term, stable cash flow.

At 31 December 2012, the weighted average duration was 3.2 (3.4) years. The average credit interest rate is 5.34 (5.28) per cent at 31 December 2012. This interest rate is calculated on a rolling four-quarter basis.

The table below shows the nominal value of outstanding current and non-current interest-bearing debt including derivatives.

Maturity structure of the Group's exposure to nominal interest rate risk

At 31 Dec 2012	31.12.2013	31.12.2014	31.12.2015	31.12.2018	31.12.2020	31.12.2022	31.12.2022+	Total
Term to maturity	**Up to 1 year**	**1-2 years**	**2-4 years**	**4-6 years**	**6-8 years**	**8-10 years**	**Over 10 years**	
Percentage	39 %	4 %	15 %	14 %	18 %	5 %	6 %	**100 %**
Amount	5 215,0	600,0	2 020,0	1 832,0	2 450,0	650,0	760,0	**13 527,0**

At 31 Dec 2011	31.12.2012	31.12.2013	31.12.2015	31.12.2017	31.12.2019	31.12.2021	31.12.2021+	Total
Term to maturity	**Up to 1 year**	**1-2 years**	**2-4 years**	**4-6 years**	**6-8 years**	**8-10 years**	**Over 10 years**	
Percentage	33 %	14 %	11 %	15 %	12 %	9 %	6 %	**100 %**
Amount	4 184,0	1 750,0	1 350,0	1 950,0	1 550,0	1 150,0	760,0	**12 694,0**

Sensitivity analysis for market interest rates

The table below shows the overall impact on the Group's financing costs of a parallel shift in market rates for NOK of +/- 1 percentage point, based on the Group's debt portfolio and interest rate derivatives on the balance sheet date. The figure quoted for the change in the fair value of debt and derivatives reflects what the market value of the portfolio would be on the balance sheet date if the yield curve were 1 per cent higher or lower, based on discounted future cash flows from the various instruments.

31.12.2012	Total change in profit/loss (after tax) *	Change in the Group's interest expense (annualised)	Change in the fair value of bonds and derivatives (after tax)
Market rates increase by 1 percentage point	**283,0**	**-33,1**	**316,1**
Interest-bearing debt	81,3	-62,0	143,4
Derivatives	201,7	29,0	172,7
Market rates fall by 1 percentage point	**-303,4**	**33,1**	**-336,5**
Interest-bearing debt	-81,3	62,0	-143,4
Derivatives	-222,1	-29,0	-193,2

31.12.2011	Total change in profit/loss (after tax) *	Change in the Group's interest expense (annualised)	Change in the fair value of bonds and derivatives (after tax)
Market rates increase by 1 percentage point	**281,8**	**-23,7**	**305,5**
Interest-bearing debt	89,8	-51,6	141,4
Derivatives	192,0	27,9	164,1
Market rates fall by 1 percentage point	**-323,5**	**23,7**	**-347,2**
Interest-bearing debt	-107,9	51,6	-159,5
Derivatives	-215,6	-27,9	-187,7

* A positive figure signifies an increase in profit after tax.

Key figures for the Group's financial instruments	2012	2011
Nominal value of interest rate derivatives on the balance sheet date**	14 087,0	13 230,0
of which		
- Fixed-to-variable swaps**	3 075,0	3 570,0
- Variable-to-variable swaps	700,0	700,0
- Variable-to-fixed swaps	8 612,0	7 260,0
- Options or option-related products	1 700,0	1 700,0
Range of fixed interest rates	From 2.94 % to 5.950 %	From 2.94 % to 6.195 %
Index for variable rate instruments	NIBOR	NIBOR
Average fixed rate excl. futures contracts	4,92 %	5,16 %
Average fixed rate excl. futures contracts	4,66 %	5,16 %
Fair value of derivatives on the balance sheet date (NOK million)	790,8	769,5
Change in fair value of bank loans over the year ***	-136,2	40,0
Change in fair value of bonds over the year	-98,2	-158,7
Change in fair value of interest rate derivatives over the year	-21,4	-71,9
Premiums/discounts, loan arrangements	-16,1	-17,4
Total change in fair value of financial instruments	**-272,0**	**-208,0**

** NOK 3,075 (NOK 3,570) million of swaps linked to the fixed-interest bonds issued by the Group are included in the volume of interest rate swaps. These bonds are swapped to a variable rate in order to ensure that the Group is in a position to manage its interest rate fixing independently of the bonds. The real volume used for interest rate fixing is therefore NOK 10,312 (NOK 8,960) million. NOK 8,612 (NOK 7,260) million of this consists of pure interest rate swaps, whilst NOK 1,700 (NOK 1,700) million
is interest rate options or option-related products. Option-related products are used either to put a ceiling on parts of the Group's future interest rate expenses, or to reduce the current interest rate on the portfolio by issuing options that expose the company to a limited amount of risk. The majority of the Group's option-related agreements are standard interest rate swaps where the bank has an option to extend the maturity date of the contracts.

*** Spreads on bank loans are included in market value calculations for 2011. The agreed spreads on bank loans were considered to be below the assumed market spreads on bank loans with an equivalent term to maturity and credit risk on the balance sheet date. The difference between the agreed interest rate spreads and market spreads has been discounted over the loan's term to maturity. This reduces the market value of the liability for 2011. In 2012, the recognition of liabilities with variable interest rates was adjusted, which resulted in liabilities with variable interest rates now being valued at nominal value. This change resulted in an accounting increase in liabilities of NOK 136.2 million.

NOTE 4-1 Categories of financial instruments

All amounts in NOK million

31.12.2012	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total		Financial Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
			Held for sale			Held for sale	Designated upon initial recognition		
Assets					**Liabilities**				
Financial investments									
- shares	-	0,4	-	**0,4**	Interest-bearing non-current liabilities	-	3 194,5	6 542,0	**9 736,5**
- other financial assets	1 129,1	-	-	**1 129,1**	Interest-bearing current liabilities	-	1 910,0	2 000,0	**3 910,0**
Derivatives	-	-	214,3		Derivatives	1 005,2	-	-	**1 005,2**
Trade receivables	20,1	-	-	**20,1**	Trade payables	-	-	191,4	**191,4**
Other current receivables	26,3	-	-	**26,3**	Other current liabilities	-	-	80,0	**80,0**
Cash and cash equivalents	64,8	-	-	**64,8**					
Total financial assets	**1 240,4**	**0,4**	**214,3**	**1 240,8**	**Total financial liabilities**	**1 005,2**	**5 104,5**	**8 813,4**	**14 923,1**

31.12.2011	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total		Financial Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
			Held for sale			Held for sale	Designated upon initial recognition		
Assets					**Liabilities**				
Financial investments									
- shares	-	0,4	-	**0,4**	non-current liabilities	-	9 086,3	-	**9 086,3**
- other financial assets	1 107,1	-	-	**1 107,1**	current liabilities	-	3 492,7	-	**3 492,7**
Trade receivables	34,5	-	-	**34,5**	Derivatives	769,5	-	-	**769,5**
Other current receivables	60,4	-	-	**60,4**	Trade payables	-	-	204,8	**204,8**
Cash and cash equivalents	48,3	-	-	**48,3**	Other current	-	-	46,1	**46,1**
Total financial assets	**1 250,3**	**0,4**	**-**	**1 250,7**	**Total financial liabilities**	**769,5**	**12 579,0**	**250,9**	**13 599,4**

NOTE 4-2 Information about fair value measurements

All amounts in NOK million

From 31 December 2012, the recognition of liabilities with variable interest rates was adjusted, which resulted in bank and bond loans with variable interest rates now being valued at amortised cost.

In 2011, the fair value of bank loans was calculated based on the difference between contractual cash flows and cash flows calculated using market credit spreads on the balance sheet date. The estimate of market credit spreads is based on the views of two different banks, and represents their estimate of the price that Entra would have to pay for credit with an equivalent structure to its existing loans.

The fair value of both listed and unlisted bonds with fixed interest rates is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association, www.nfmf.no).

The fair value of commercial paper is estimated as its amortised cost, due to the short term to maturity.

Financial derivatives are measured at fair value using valuation methods where the significant parameters are obtained from quoted market data.

The Group uses the following hierarchy to classify financial instruments, based on the valuation methods used to measure and disclose their fair value.
Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: Other techniques where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.
Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

Financial assets at fair value	31.12.2012	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
- Derivatives	214,3	-	214,3	-
Financial assets available for sale				
- Equity instruments	0,4	-	-	0,4
Total	**214,6**	**-**	**214,3**	**0,4**

Financial liabilities at fair value	31.12.2012	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss				
- Derivatives	1 005,2	-	1 005,2	-
- Bank loans	-	-	-	-
- Bonds	3 194,5	-	3 194,5	-
- Commercial paper	1 890,0	-	1 890,0	-
- Other	20,0	-	-	20,0
Total	**6 109,7**	**-**	**6 089,7**	**20,0**

Financial assets at fair value	31.12.2011	Level 1	Level 2	Level 3
Financial assets available for sale				
- Equity instruments	0,4	-	-	0,4
Total	**0,4**	**-**	**-**	**0,4**

Financial liabilities at fair value	31.12.2011	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss				
- Derivatives	769,5	-	769,5	-
- Bank loans	5 717,8	-	-	5 717,8
- Bonds	4 041,2	-	4 041,2	-
- Commercial paper	2 800,0	-	2 800,0	-
- Other	20,0	-	-	20,0
Total	**13 348,5**	**-**	**7 610,7**	**5 737,8**

Information about the fair value of financial assets measured at amortised cost

	2012 Fair value	2012 Carrying amount	2011 Fair value	2011 Carrying amount
Loans to associates	6,7	6,7	14,2	14,2
Financial assets – service concession arrangements (IFRIC 12)	1 296,7	1 122,6	1 318,7	1 106,6
Trade receivables	20,1	20,1	34,5	34,5
Closing balance	**1 323,5**	**1 149,5**	**1 367,4**	**1 155,4**

The fair value is the same as the carrying amount for jointly controlled entities and associates, as the interest rate is adjusted continuously and no changes in credit margins have been identified. Trade receivables have a short anticipated term, so the fair value is the same as the carrying amount. For service concession arrangements, fair value has been set as the average of two external valuers' estimates of the fair values of the properties in question; see Note 3.

Information about the fair value of financial liabilities measured at amortised cost
The difference between the fair value and the amortised cost of interest-bearing liabilities with variable interest rates is described in note 20. Other financial liabilities are short term and the difference between the fair value and the amortised cost is marginal.

NOTE 4-3 Financial items

All amounts in NOK million

	2012	2011
Interest income*	98,2	112,6
Other finance income	0,0	2,0
Total interest and other finance income	**98,2**	**114,7**
Interest expenses	688,8	644,0
- of which capitalised loan arrangement fees	-43,9	-29,2
Other finance expense**	43,4	91,2
Total interest and other finance expense	**688,3**	**706,0**
Average interest on capitalised loan arrangement fees	5,5 %	5,4 %

* Interest income includes the impact of IFRIC 12 on financial assets where the Group's counterparty is the state. The effective interest rate based on the asset's cash flow is used to calculate the finance income for the period.
** Other finance expense in 2011 includes the impact of the write-down of the IFRIC 12 assets totalling NOK 87.5 million before tax.

NOTE 5 Segment information

The Group's senior managers look at performance by geographical region. The geographical regions share similar characteristics, so the Group considers that under IFRS 8 it has only one reportable segment.

NOTE 6 Major transactions

There were no major transactions in 2012 or 2011.

NOTE 7 Intangible assets

All amounts in NOK million

2012	Concept develop-ment	Options	Other intangible assets*	Total
Acquisition cost at 1 Jan 2012	-	3,5	40,1	43,6
Acquisitions	79,1	-	12,2	91,3
Disposals	-63,6	-	-9,1	-72,7
Acquisition cost at 31 Dec 2012	15,5	3,5	43,2	62,2
Accumulated depreciation and write-downs at 1 Jan 2012	-	-	27,1	27,1
Depreciation and write-downs	25,4	-	7,8	33,2
Disposals	-25,4	-	-9,1	-34,5
Accumulated depreciation and write-downs at 31 Dec 2012	-	-	25,9	25,9
Carrying amount at 31 Dec 2012	**15,5**	**3,5**	**17,3**	**36,3**
Anticipated useful life			5 years	
Depreciations schedule			Straight-line	

2011	Options	Other intangible assets*	Total
Acquisition cost at 1 Jan 2011	3,5	30,5	34,0
Acquisitions	-	9,6	9,6
Acquisition cost at 31 Dec 2011	3,5	40,1	43,6
Accumulated depreciation and write-downs at 1 Jan 2011		21,5	21,5
Depreciation	-	5,7	5,7
Accumulated depreciation and write-downs at 31 Dec 2011	-	27,1	27,1
Carrying amount at 31 Dec 2011	**3,5**	**13,0**	**16,5**
Anticipated useful life		5 years	
Depreciations schedule		Straight-line	

* Other intangible assets relate to software.

NOTE 8 Investment properties

All amounts in NOK million

Value of investment properties	**2012**	**2011**
Opening balance at 1 Jan	21 880,4	20 024,1
Net change in fair value recognised in the income statement	129,0	629,2
Adjustment to value of investment property	**129,0**	**629,2**
Other movements		
New acquisitions	412,8	127,4
Improvements	984,0	1 110,1
Capitalised loan arrangement fees	43,9	29,2
Disposals	-420,7	-39,6
Reclassified as housing units for sale	-92,8	-
Closing balance at 31 Dec	**22 936,7**	**21 880,4**
Of which investment properties held for sale	734,2	36,5
Investment properties	**22 202,5**	**21 843,9**

Investment properties held for sale comprise 7 (2) investment properties for which the sales process had started, but not been completed, on the balance sheet date. Assuming that acceptable offers are received, the properties are expected to be sold within 12 months. In 2012, the Group has identified seven new investment properties held for sale.

For information about valuations and fair value calculations for investment properties, see Note 3 "Critical accounting estimates and subjective judgements".

NOTE 9 Housing units for sale

The design and construction of housing units for sale began in 2012. Until the units are completed and transferred to buyers, they are treated as current assets. Their total carrying amount was NOK 120.2 million at 31 December 2012.

NOTE 10 Other property, plant and equipment

All amounts in NOK million

2012	Property used by owner	Other property, plant and equipment	Total
Acquisition cost at 1 Jan 2012	7,5	60,7	68,2
Acquisitions	-	13,3	13,3
Disposals	-	-6,0	-6,0
Acquisition cost at 31 Dec 2012	7,5	68,0	75,5
Accumulated depreciation and write-downs at 1 Jan 2012	1,5	35,3	36,8
Depreciation	0,2	6,8	7,0
Disposals	-	-0,3	-0,3
Accumulated depreciation and write-downs at 31 Dec 2012	1,8	41,8	43,5
Carrying amount at 31 Dec 2012	**5,8**	**26,2**	**32,0**
Anticipated useful life	20-50 years	1-5 years	
Depreciations schedule	Straight-line	Straight-line	

2011	Property used by owner	Other property, plant and equipment	Total
Acquisition cost at 1 Jan 2011	7,5	69,2	76,7
Acquisitions	-	14,2	14,2
Disposals	-	-22,6	-22,6
Acquisition cost at 31 Dec 2011	7,5	60,7	68,2
Accumulated depreciation and write-downs at 1 Jan 2011	1,3	29,0	30,3
Depreciation	0,2	6,3	6,6
Accumulated depreciation and write-downs at 31 Dec 2011	1,5	35,3	36,8
Carrying amount at 31 Dec 2011	**6,0**	**25,4**	**31,4**
Anticipated useful life	20-50 years	1-5 years	
Depreciations schedule	Straight-line	Straight-line	

NOTE 11 Subsidiaries

Subsidiary	Acquisition date	Business office	Shareholding /voting rights
Entra Eiendom AS	01.07.2000	Oslo	100 %
Oslo Z AS	20.09.2000	Oslo	100 %
Biskop Gunnerusgt. 14 AS	26.03.2001	Oslo	100 %
Universitetsgaten 2 AS	03.09.2001	Oslo	100 %
Kunnskapsveien 55 AS	17.12.2001	Oslo	100 %
Entra Kultur 1 AS	28.02.2002	Oslo	100 %
Kristian Augustsgate 23 AS	01.02.2003	Oslo	100 %
Nonnen Utbygging AS	10.02.2003	Oslo	100 %
Langkaia 1 AS	21.11.2003	Oslo	100 %
Kjørboparken AS	21.12.2005	Oslo	100 %
Brattørkaia AS*	31.01.2006	Oslo	100 %
Ribekk AS	02.10.2006	Oslo	100 %
Bispen AS	24.10.2007	Oslo	100 %
Pilestredet 28 AS	07.05.2008	Oslo	100 %
Hagegata 24 AS	01.10.2008	Oslo	100 %
Hagegata 23 AS	29.03.2010	Oslo	100 %
Holtermanns veg 1-13 AS	24.09.2010	Oslo	100 %
Karoline Kristiansen vei 2 AS	15.02.2011	Oslo	100 %
Youngskvartalet AS	30.03.2011	Oslo	100 %
Brødrene Sundt Verktøimaskinfabrik AS	01.10.2011	Oslo	100 %
Tullinkvartalet AS	21.11.2011	Oslo	100 %
Universitetsgaten 7 AS	01.04.2012	Oslo	100 %
Greenfield Datacenter AS	10.04.2012	Oslo	100 %
Wexelsplass Garasje AS	11.06.2012	Oslo	100 %
Kristian Augustsgate 19 AS	04.05.2012	Oslo	100 %
Papirbredden Eiendom AS	10.01.2005	Oslo	60 %
Grønland 51 AS	04.02.2005	Drammen	100 %
Grønland 56 AS	12.01.2011	Drammen	100 %
Grønland 58 AS	12.01.2011	Drammen	100 %
Grønland 60 AS	12.01.2011	Drammen	100 %
Kreftingsgate 33 AS	30.12.2010	Drammen	100 %
Brattørkaia 14 AS	31.01.2006	Trondheim	100 %
Brattørkaia 15AB-16 AS	31.01.2006	Trondheim	100 %
Brattørkaia 17A AS	31.01.2006	Trondheim	100 %
Brattørkaia 17B AS	31.01.2006	Trondheim	100 %
Brattørkaia Energi AS	03.02.2012	Trondheim	100 %
Ringstabekk AS	30.06.2006	Oslo	100 %

* Entra Eiendom AS increased its shareholding from 52 per cent to 100 per cent of the shares in Brattørkaia AS on 24 October 2012.

NOTE 12 Associates

All amounts in NOK million

Investments in associates are recognised using the equity method.

31.12.2012	Acquisition date	Business office	Share-holding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS
Associates						
Ullandhaug Energi AS	07.07.2009	Stavanger	44,00 %	6,6	0,5	0,0
Tverrforbindelsen AS	24.04.2009	Trondheim	33,33 %	0,2	-0,1	0,0
Greenfield Property AS**	26.09.2011	Oslo	33,00 %	0,0	-12,6	0,0
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21,26 %	0,0	-0,1	0,0
Total associates				**6,7**	**-12,3**	**0,0**

31.12.2011	Acquisition date	Business office	Share-holding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS
Associates						
Ullandhaug Energi AS	07.07.2009	Stavanger	44,00 %	6,1	0,6	0,0
Kunnskapsbyen Eiendom AS	31.12.2004	Oslo	33,75 %	5,7	-2,8	-1,6
Tverrforbindelsen AS	24.04.2009	Trondheim	33,33 %	0,3	0,0	0,0
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21,26 %	0,1	0,0	0,0
Total associates				**12,2**	**-2,2**	**-1,6**

* Changes in value under IFRS consists of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.
** Entra Eiendom AS has sold off some of its shareholding in Greenfield Property AS, with Lefdal Gruve Drift AS buying 67 per cent of the company.

Movement in carrying amount of associates

	Carrying amount at 31 Dec 2011	Share of profit/ loss for 201	Dividend 2012	Capital injection/ reduction	Carrying amount at 31 Dec 2012
Associates					
Ullandhaug Energi AS	6,1	0,5	-	-	6,6
Tverrforbindelsen AS	0,3	-0,1	-	-	0,2
Greenfield Property AS	0,0	-12,6	-	12,6	-
Kunnskapsbyen Eiendom AS	5,7	0,0	-	-5,7	-
Youngstorget Parkeringshus AS	0,1	-0,1	-	-	0,0
Total associates	**12,2**	**-12,3**	**0,0**	**6,9**	**6,7**

Aggregate financial information about associates
(Figures stated refer to Entra Holding's ownership interest)

	2012	2011
Operating revenue	3,7	8,7
Profit after tax	-12,3	-2,2
Total comprehensive income	-12,3	-2,2
Total assets	28,8	94,4
Equity	6,7	12,2
Total liabilities	22,0	82,2

NOTE 13 Jointly controlled entities

All amounts in NOK million

Investments in jointly controlled entities are measured using the equity method.

31.12.2012	Acquisition date	Business office	Share-holding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS	04.07.2005	Kristiansand	51,00 %	4,3	-5,7	-7,4
UP Entra AS	31.12.2003	Hamar	50,00 %	113,1	-11,6	-14,5
Entra OPF Utvikling AS	21.04.2012	Oslo	50,00 %	403,3	15,8	-0,3
Oslo S Utvikling AS	01.07.2004	Oslo	33,34 %	572,8	522,6	-11,4
Total jointly controlled entities				**1 093,5**	**521,1**	**-33,6**

31.12.2011	Acquisition date	Business office	Share-holding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS**	04.07.2005	Kristiansand	51,00 %	10,0	-0,3	0,2
UP Entra AS	31.12.2003	Hamar	50,00 %	107,3	1,8	-1,9
Oslo S Utvikling AS	01.07.2004	Oslo	33,34 %	372,5	-27,8	-3,0
Total jointly controlled entities				**489,8**	**-26,2**	**-4,6**

* Changes in value under IFRS consist of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.
** In 2011, Sørlandet Kunnskapspark Eiendom AS was reclassified from subsidiary to joint venture, in keeping with a new interpretation of the shareholder agreement. According to the shareholder agreement, strategic and operational decisions must be unanimous among the shareholders. It also requires proportional representation on the Board and rotation of the role of the chair of the board among the shareholders.

Movement in carrying amount of jointly controlled entities

	Carrying amount at 31 Dec 2011	Share of profit/ loss for 2012	Dividend 2012	Capital injection/reduction	Carrying amount at 31 Dec 2012
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS	10,0	-5,7	-	-	4,3
UP Entra AS	107,3	-11,6	-	17,5	113,1
Entra OPF Utvikling AS	-	15,8	-	387,5	403,3
Oslo S Utvikling AS	372,5	522,6	-322,3	-	572,8
Total jointly controlled entities	**489,8**	**521,1**	**-322,3**	**405,0**	**1 093,5**

Aggregate financial information about jointly controlled entities
(Figures stated refer to Entra Holding's ownership interest)

	2012	2011
Operating revenue	1 670,2	76,9
Profit after tax	532,4	-14,3
Total comprehensive income	532,4	-14,3
Total assets	1 898,9	1 779,8
Equity	1 031,5	419,7
Total liabilities	867,4	1 360,1

The Group owns 33.33 per cent of Oslo S Utvikling AS, which represents a significant asset to the Group.

There has not been any change in the share of ownership or voting rights in this jointly controlled company in 2012.

The Group received NOK 291.6 (NOK 95.3) million in dividends from OSU in 2012. The Group has also received the repayment of paid-in capital of NOK 30.7 million, after reduction of the share premium at OSU in 2012.

Summary of significant accounting items in the consolidated financial statements of Oslo S Utvikling AS after IFRS adjustments for 2012 and 2011 (100 per cent)

	2012	2011
Balance sheet:		
Current assets	2 761,9	3 727,6
of which cash and cash equivalents	32,0	75,4
Non-current assets	227,1	185,7
Current liabilities	434,0	400,0
of which current financial liabilities other than accounts payable and provisions	325,8	216,5
Non-current liabilities	1 020,7	2 614,0
of which non-current financial liabilities other than accounts payable and provisions	1 020,7	2 614,0
Income statement:		
Operating revenue	3 720,4	127,6
Operating expenses	-2 094,2	-80,4
of which depreciation and write-downs	-0,8	-0,7
Net financial items	-88,0	-163,5
of which interest income	2,6	3,4
of which interest expenses	-36,2	-21,3
Profit before tax	1 538,1	-116,2
Tax expense	63,8	54,7
Profit after tax	1 601,9	-61,5
Total comprehensive income	1 601,9	-61,5

Reconciliation of carrying amount

	Shareholding	2012	2011
Net assets	100 %	1 534,4	899,3
Group's shareholding in the company	33,33 %	511,4	299,7
Added value	33,33 %	61,4	72,7
Carrying amount of Group's shareholding	33,33 %	572,8	372,5

INFORMATION ABOUT MAJOR PROJECTS THROUGH OSLO S. UTVIKLING AS (OSU)

Oslo S. Utvikling AS (OSU) is a property development company established for the purpose of developing properties at Bjørvika, Oslo. OSU is jointly controlled by the Group, and is accounted for using the equity method. Sales of property projects are measured at cost and presented under inventories. The sales price is recognised in the income statement on handover.

At 31 December 2012, OSU was on course to develop approx. 300,000 square metres, which is around one-third of the total area being developed at Bjørvika. OSU's most important projects are described below.

Projects completed in 2012 and 2011
2011 saw the completion of the Visma building, which was sold in February 2006 (forward contract) for a gross price of NOK 920 million (value of property). The gain on the sale, taking into account the seller's future commitments, was recognised in 2011.

The office section of two of the DNB buildings was completed and delivered to both the tenant and buyer in 2012. The gain on the sale, taking into account the seller's future commitments, was recognised in 2012.

Current projects under development
At 31 December 2012, roughly 90 per cent of the Deloitte Building (total floor space of approx. 16,000 square metres) has been leased and Deloitte has rented the entire office section. At 31 December 2012, purchase contracts have been signed for approx. 90 per cent of the project. In early 2013, the façade work on the building was agreed. Completion is scheduled for late 2013.

Of the DNB buildings, two were completed in 2012. The third building, where the entire office section is leased to DNB, will be completed by the end of 2013. An agreement has been concluded for the sale of the office section of the building, with delivery on completion.

Barcode Basement AS, a subsidiary of OSU, is a separate company that owns, and which is developing and building, all of the underground areas in the Barcode zone (gross area of 70,000 square metres, just over 50 per cent of which Basement will be responsible for), and the business will lease out storage, parking spaces and plant/plant rooms for the buildings above. At year-end 2012, the areas from the western limit (under the PwC Building) and east as far the DNB buildings have been completed and for the most part leased. The remaining areas will be completed over the period 2013–2015.

Infrastructure projects
OSU owns 34 per cent of Bjørvika Utvikling/Bjørvika Infrastruktur. These companies are mainly involved in building infrastructure at Bjørvika, with an estimated cost of NOK 2,000–2,500 million. The costs are covered by developers, who pay a fixed amount per square metre of develop- ment, as well as by a contribution of NOK 300 million from the City of Oslo. Payments are due at certain milestones, with 30 per cent due when work above ground level starts, 50 per cent on completion of the buildings' structures and 20 on their completion. The infrastructure contribu- tions have been incorporated into the cost estimates for the various buildings. All infrastructure is to be transferred to the City of Oslo free of charge.

Contractual obligations
All contractual obligations on the balance sheet date that have not been capitalised are included in the table below.

Contractual obligations	2012	2011
Property, plant and equipment	269	1 492
Total contractual obligations	**269**	**1 492**

NOTE 14 Other non-current receivables

All amounts in NOK million

	2012	2011
Financial assets – service concession arrangements (IFRIC 12)	1 122,6	1 106,6
Other non-current receivables	6,8	0,8
Total other non-current receivables	**1 129,5**	**1 107,5**

NOTE 15 Current receivables

All amounts in NOK million

	2012	2011
Trade receivables	23,0	40,7
Provisions for bad debts	-2,9	-6,2
Net trade receivables	20,1	34,5
Other current receivables	49,9	105,6
Total current receivables	**70,0**	**140,1**

At 31 December 2012, NOK 20.1 (NOK 24.9) million in trade receivables were overdue. Provisions for a loss of NOK 2.9 (NOK 6.2) million have been made for overdue trade receivables. Trade receivables relate to various customers who historically have not had problems with meeting their obligations. The age analysis of these trade receivables is as follows:

Trade receivables	2012	2011
Up to 3 months	3,5	7,7
Over 3 months	16,6	17,3
Total overdue	**20,1**	**24,9**

Other current receivables	2012	2011
Shared costs to be distributed amongst tenants	4,6	-
Advance payments and accruals	31,1	51,5
VAT owed	0,0	10,3
Accrued interest	2,6	22,6
Other current receivables	11,6	21,2
Total other current receivables	**49,9**	**105,6**

NOTE 16 Bank deposits
All amounts in NOK million

	2012	2011
Bank deposits	31,7	17,1
Tied bank deposits	33,1	31,2
Total bank deposits	**64,8**	**48,3**

Tied bank deposits relates to the withholding tax account and guarantees for loans.

NOTE 17 Share capital and shareholder information

The Group has paid-in equity of NOK 2,145.9 million, consisting of NOK 142.2 million in share capital and NOK 2,003.7 in share premium reserve. There have been no equity transactions with the shareholders in the parent company in 2012.

The share capital of NOK 142,194,000 consists of 142,194 shares with a face value of NOK 1,000. All shares enjoy equal rights. All of the shares are owned by the Norwegian Ministry of Trade and Industry.

No provision is made for dividends in the consolidated accounts until the Annual General Meeting has been held and the dividend has been decided. In 2012, Entra Holding AS paid the adopted dividend for 2011 of NOK 137 million (NOK 963.50 per ordinary share).

NOTE 18 Pension liabilities
All amounts in NOK million

The Group has pension schemes that cover a total of 166 (153) current employees and 48 (43) pensioners. The schemes provide an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

The Group also has a contractual early-retirement scheme (AFP). At 31 December 2012, 11 (11) former employees had chosen to make use of the AFP scheme.

Entra Eiendom AS's employees are members of the Norwegian Public Service Pension Fund. This is a defined-benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level ensures a defined pension benefit. The guarantee means that employees will receive at least 66 per cent of their pension qualifying salary. Any income over and above 12 times the National Insurance Scheme's basic amount is not included in the qualifying salary. The pension benefit payable is based on the employee's salary, average percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension). The company's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions.

Entra operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 per cent of a full-time position. Between the ages of 62 and 65, pensions are calculated in accordance with the National Insurance Scheme's stipulations. On reaching the age of 65, the pension is calculated using either the National Insurance Scheme's rules or the Norwegian Public Service Pension Fund's rules, depending on which is better for the member. At 31 December 2012, the net pension liabilities associated with the AFP scheme amounted to NOK 7.0 (NOK 17.8) million, which is included under total pension liabilities in the table below.Employees are also insured against incapacity and death.

The former Chief Executive Officer, Kyrre Olaf Johansen, had a separate pension scheme with a minimum qualifying period requirement. At the date of his departure in April 2012, the qualifying period requirement had not been met, and company's commitment of NOK 8.1 million will not therefore be paid. The company's commitment thus ceased from the same date.

The balance sheet liabilities have been calculated as follows

	2012	2011
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts.	148,3	176,3
Fair value of pension scheme assets	-97,8	-85,8
Unrecognised costs relating to pension liabilities accrued in previous periods	31,0	-17,3
Employers' NICs accrued	6,1	11,6
Net pension liabilities on the balance sheet at 31 Dec	**87,5**	**84,9**

Change in defined-benefit pension liabilities over the year

	2012	2011
Pension liabilities at 1 Jan	176,3	134,8
Present value of pensions earned this year	19,2	20,3
Interest expense	4,3	4,7
Actuarial losses/(gains)	-47,2	20,8
Pension benefits paid	-4,4	-4,3
Pension liabilities at 31 Dec	**148,3**	**176,3**

Change in fair value of pension scheme assets

	2012	2011
Pension scheme assets at 1 Jan	85,8	74,4
Anticipated return on pension scheme assets	3,8	4,4
Actuarial (gains)/losses	-4,9	-2,8
Contributions from employer	17,5	14,1
Pension benefits paid	-4,4	-4,3
Pension scheme funds at 31 Dec	**97,8**	**85,8**

Total cost recognised in the income statement

	2012	2011
Cost of pension benefits accrued during current period	19,2	20,3
Interest expense	4,3	4,7
Anticipated return on pension scheme assets	-3,8	-4,4
Actuarial gains and losses, etc.	0,0	0,0
Administrative expenses	0,3	0,3
Employers' National Insurance contributions	2,9	2,5
Total	**23,0**	**23,3**
2 per cent employee pension contributions	-1,9	-1,8
Expenses related to separate defined contribution scheme for employees at subsidiaries	0,0	0,1
Total expenses, included under payroll costs	**21,1**	**21,6**

The actual return on pension scheme assets was NOK -1.1 (NOK 1.6) million.

The following economic assumptions have been used

	2012	2011
Discount rate	3,90 %	2,60 %
Anticipated return on pension scheme assets	4,00 %	4,10 %
Annual wage growth	3,50 %	3,50 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	3,25 %	3,25 %
Annual adjustment of pensions	2,50 %	2,50 %
Mortality rates	K2005	K2005
Disability rates	200% * K63	200% K1963
Proportion of entitled employees making use of AFP	20 %	40 %

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors.

Percentage distribution of the pension scheme assets by investment category at 31 Dec

	2012	2011
Government bonds	100 %	100 %
Corporate bonds	0 %	0 %
Shares	0 %	0 %
Property	0 %	0 %
Other	0 %	0 %
Total	**100 %**	**100 %**

Amounts for the current year and for the four previous years

	2012	2011	2010	2009	2008
Gross defined-benefit pension scheme liabilities	148,3	176,3	134,8	133,4	121,4
Fair value of pension funds at 31 Dec	-97,8	-85,8	-74,4	-66,5	-59,8
Net defined-benefit pension scheme liabilities	**50,4**	**90,5**	**60,4**	**66,9**	**61,6**

Sensitivity analysis for the assumptions used to calculate pension assets and liabilities

Discount rate		**Impact on liabilities**	**Impact as a percentage**
0.5 percentage point reduction	3,40 %	11,3	8,0 %
Discount rate at 31 Dec 2012	3,90 %	-	-
0.5 percentage point increase	4,40 %	-10,0	-7,1 %

Wage growth		**Impact on liabilities**	**Impact as a percentage**
0.5 percentage point reduction	3,00 %	-5,7	-4,0 %
Expected wage growth at 31 Dec 2012	3,50 %	-	-
0.5 percentage point increase	4,00 %	5,5	3,9 %

Expected payment to the defined-benefit pension plan for the period 1 Jan 2013 to 31 Dec 2013 is NOK 20.0 million.

NOTE 19 Other liabilities
All amounts in NOK million

	2012	2011
Prepayments from customers	101,0	-
Provisions for non-current liabilities	25,5	34,6
Other non-current liabilities	-	29,2
Total other liabilities	**126,5**	**63,8**

Movements in provisions for non-current liabilities

2012	**Provision for rent payments/ loss-making contracts**	**Provision for maintenance – service concession arrange-ments (IFRIC 12)**	**Other provisions**	**Total**
Movements in provisions				
Opening balance at 1 Jan 2012	15,6	18,8	0,3	34,6
Additional provisions during the year	-	5,2	3,7	8,9
Provisions used during the year	-3,7	-	-0,3	-4,0
Unused provisions reversed during the year	-7,7	-	-2,1	-9,7
Discounting of provisions	0,5	-	-	0,5
Transferred to current	-4,7	-	-	-4,7
Closing balance at 31 Dec 2012	**0,0**	**23,9**	**1,6**	**25,5**

2011	**Provision for rent payments/ loss-making contracts**	**Provision for maintenance – service concession arrange-ments (IFRIC 12)**	**Other provisions**	**Total**
Movements in provisions				
Opening balance at 1 Jan 2011	22,7	23,4	0,4	46,4
Additional provisions during the year	0,9	5,4	-	6,2
Provisions used during the year	-	-	-0,1	-0,1
Unused provisions reversed during the year	-8,8	-9,9	-	-18,8
Discounting of provisions	0,9	-	-	0,9
Closing balance at 31 Dec 2011	**15,6**	**18,8**	**0,3**	**34,6**

Details of provisions for properties leased by Entra
At 31 December 2012, Entra Eiendom had made provisions for rent payments for Akersgata 55 and Dronningensgate 10–14 in Oslo. These rent obligations are current at 31 December 2012 and are included in note 22.

An assessment is made of the relationship between the rent paid by Entra Eiendom and the rental income that can be achieved by leasing out these premises. This assessment is based on the rental cost and rental income specified in current leases, as well as an evaluation of future rental income for vacant premises and for contracts that are expiring.

For properties leased by Entra, the company calculates the net cash flow over the duration of the lease contract. The present value of future cash flows is calculated using a discount rate of six per cent.

In the accounts, a provision is made at 31 Dec equal to the estimated present value. Changes in the present value compare to the previous year are recorded through the income

More detailed explanation of the provision for maintenance under IFRIC 12
The contracts that the Group has signed with Vøyenenga school, Borgarting Court of Appeal and the National Library specify that the Group undertakes to maintain the buildings. A regular provision is therefore made in accordance with IAS 37 to cover future maintenance requirements.

NOTE 20 Interest-bearing liabilities and accrued interest

All amounts in NOK million

Non-current interest-bearing liabilities	Nominal value 2012	Market value 2012	Carrying amount 2012	Nominal value 2011	Market value 2011	Carrying amount 2011
Bank loans	3 792,0	3 684,3	3 792,0	5 854,0	5 717,8	5 717,8
Bonds	5 825,0	5 936,2	5 944,5	3 350,0	3 368,5	3 368,5
Total non-current interest-bearing liabilities		**9 620,5**	**9 736,5**		**9 086,3**	**9 086,3**

Current interest-bearing liabilities	Nominal value 2012	Market value 2012	Carrying amount 2012	Nominal value 2011	Market value 2011	Carrying amount 2011
Bank loans	2 000,0	1 992,9	2 000,0	-	-	-
Bonds	-	-	-	670,0	672,7	672,7
Commercial paper	1 890,0	1 890,0	1 890,0	2 800,0	2 800,0	2 800,0
Other liabilities	20,0	20,0	20,0	20,0	20,0	20,0
Total current interest-bearing liabilities		**3 902,9**	**3 910,0**		**3 492,7**	**3 492,7**

The average risk premium on the Group's loans at 31 Dec 2012 was 0.86 (0.50) per cent.

The Group's bonds and commercial paper are subject to the following terms

The Group's bonds at 31 Dec 2012

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Re-purchased*	Net balance*
NO0010552458	1 500,0	4,95 %	25.11.2014	975,0	-	975,0
NO0010552441	1 500,0	3M Nibor+0,80%	25.11.2014	450,0	-	450,0
NO0010662869	1 500,0	3M Nibor+1,22%	09.11.2015	1 200,0	-	1 200,0
NO0010592363	1 500,0	4,70 %	06.12.2017	500,0	-	500,0
NO0010641806	1 500,0	3M Nibor+1,25%	10.04.2017	1 100,0	-	1 100,0
NO0010552466	1 500,0	5,55 %	25.11.2019	500,0	-	500,0
NO0010282031	1 100,0	4,62 %	29.05.2030	1 100,0	-	1 100,0
						5 825,0

The Group's commercial papers at 31 Dec 2012

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Re-purchased*	Net balance*
NO0010637473	400,0	3,40 %	10.01.2013	400	23,0	377,0
NO0010638232	400,0	3,35 %	11.02.2013	400	135,0	265,0
NO0010642093	400,0	3,05 %	11.03.2013	400	60,0	340,0
NO0010649627	400,0	3,20 %	10.04.2013	400	-	400,0
NO0010656424	400,0	2,93 %	10.05.2013	400	222,0	178,0
NO0010656416	400,0	2,93 %	10.07.2013	300	170,0	130,0
NO0010659683	400,0	2,68 %	12.08.2013	200	-	200,0
						1 890,0

* face value

The Group's bonds at 31 Dec 2011

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Re-purchased*	Net balance*
NO0010273386	1 500,0	4,10 %	22.06.2012	670,0	-	670,0
NO0010552441	1 500,0	3M Nibor+0,80%	25.11.2014	450,0	-	450,0
NO0010552458	1 500,0	4,95 %	25.11.2014	975,0	-	975,0
NO0010592363	1 500,0	4,70 %	06.12.2017	500,0	-	500,0
NO0010552466	1 500,0	5,55 %	25.11.2019	325,0	-	325,0
NO0010282031	1 100,0	4,62 %	29.05.2030	1 100,0	-	1 100,0
						4 020,0

The Group's commercial papers at 31 Dec 2011

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Re-purchased*	Net balance*
NO0010607195	400,0	3,26 %	10.02.2012	400,0	-	400,0
NO0010604895	400,0	3,30 %	09.03.2012	400,0	-	400,0
NO0010607229	400,0	3,35 %	10.04.2012	400,0	-	400,0
NO0010614266	400,0	3,41 %	10.05.2012	400,0	-	400,0
NO0010623325	400,0	3,66 %	08.06.2012	400,0	-	400,0
NO0010626799	400,0	3,35 %	10.08.2012	400,0	-	400,0
NO0010628779	400,0	3,35 %	10.09.2012	400,0	-	400,0
						2 800,0

* face value

Mortgages

In general the Group's financing is based on the parent company borrowing from external parties using negative pledge clauses. Wholly-owned subsidiaries are generally financed using intra-group loans.

For projects/properties with special characteristics, separate mortgage-based financing can be arranged. At 31 December 2012, a long-term bond of NOK 1,100 million is secured against the National Library and associated buildings, located at Henrik Ibsens gate 110 in Oslo. The lender also has a mortgage on the rental income from the property.

For subsidiaries that are not wholly-owned by Entra Eiendom AS, separate financing is generally arranged without any guarantee from the shareholders. This kind of financing is generally secured through a mortgage.

	2012	2011
Carrying amount of liabilities secured through mortgages	2 675,6	2 290,7
Carrying amount of mortgaged assets		
Buildings and sites	3 482,3	3 074,6

NOTE 21 Trade payables and other liabilities

All amounts in NOK million

	2012	2011
Trade payables	191,4	204,8
Holiday pay owed	13,5	11,8
Unpaid government taxes and duties	20,2	9,5
Shared costs for buildings, owed to tenants	37,1	20,4
Interest accrued	107,8	123,8
Other liabilities	9,3	4,5
Total trade payables and other liabilities	**379,2**	**374,7**

NOTE 22 Prepayments and provisions

All amounts in NOK million

	2012	2011
Prepayments from customers	54,8	105,8
Provisions for current liabilities	25,2	19,1
Total prepayments and provisions	**80,1**	**124,9**

Movements in provisions for current liabilities

2012	Provisions for salaries and fees	Other	Total
Movements in provisions			
Opening balance at 1 Jan 2012	19,1	-	19,1
Additional provisions during the year	21,3	2,6	23,9
Provisions used during the year	-21,7	0,0	-21,7
Unused provisions reversed during the year	-0,5	-0,3	-0,8
Transferred from non-current	0,0	4,7	4,69
Closing balance at 31 Dec 2012	**18,2**	**7,0**	**25,2**

2011			
Movements in provisions			
Opening balance at 1 Jan 2011	11,3	13,6	24,9
Additional provisions during the year	22,7	0,0	22,7
Provisions used during the year	-14,9	-13,6	-28,5
Unused provisions reversed during the year	-	-	-
Closing balance at 31 Dec 2011	**19,1**	**-**	**19,1**

NOTE 23 Lease contracts

All amounts in NOK million

The Group mainly enters into contracts with a fixed rent for the lease of property.

The Group's future accumulated rent from non-terminable operational lease contracts at 31 December

	2012	2011
≤ 1 year	1 557,0	1 540,9
1 year ≤ 5 years	5 128,9	5 083,6
≥ 5 years	8 081,8	8 628,1
Total**	**14 767,7**	**15 252,6**

The Group's lease contracts at 31 December have the following maturity structure measured in annual rent*

Remaining term	2012			2011		
	No. of contracts	Contract rent	Contract rent, per cent	No. of contracts	Contract rent	Contract rent, per cent
≤ 1 year	104	104,9	7 %	92	90,3	6 %
1 year ≤ 5 years	236	366,4	24 %	240	422,8	27 %
5 years ≤ 10 years	110	525,4	34 %	102	475,8	31 %
≥ 10 years	49	560,3	36 %	67	552,0	36 %
Total**	**499**	**1 557,0**	**100 %**	**501**	**1 540,9**	**100 %**

The table above shows the remaining non-terminable contractual rent for current lease contracts without taking into account the impact of any options.
* The rent is stated as the annualised contractual rent, and is therefore not reconcilable with the rental income for the year for accounting purposes.
** Rent includes rent from IFRIC 12 properties classified under net finance in the income statement.

Other parameters relating to the Group's contract portfolio

	31.12.2012	31.12.2011
Vacancy rate of the management portfolio*	4,2 %	3,7 %
Share of public sector tenants	79,0 %	80,0 %
Weighted average remaining contract term	9.5 years	9.9 years

* In 2012 and 2011, the economic vacancy rate is stated in accordance with EPRA standards.

On account of the high occupancy rate, the high proportion of public sector tenants and the relatively long average remaining contract term, the risk to the Group's cash flow is considered low.

NOTE 24 Other operating revenue

All amounts in NOK million

	2012	2011
Sales of maintenance services to tenants	10,4	11,4
Administrative mark-ups	8,8	8,4
Sale of services*	0,0	1,9
Service concession arrangements (IFRIC 12) recognised in the income statement	7,1	8,6
Other operating revenue	6,1	2,9
Total other operating revenue	**32,4**	**33,1**

* The sale of services relates to property development and project management in Optimo Prosjekt AS. The company was part of the Group until 25 May 2011.

NOTE 25 Personnel costs

All amounts in NOK million

Personnel costs	2012	2011
Salaries, performance-related pay and other taxable benefits*	128,7	120,9
Employers' National Insurance contributions	18,8	16,2
Pension expenses	21,1	21,6
Other personnel costs	9,3	9,5
Total personnel costs	**177,9**	**168,2**
Of which capitalised as projects under development	-15,7	-7,5
Of which shared costs to be distributed amongst tenants	-39,4	-41,6
Of which related to the ongoing operation of properties	-13,8	-6,2
Total salary and personnel costs	**109,1**	**112,9**

Number of employees/full-time equivalents	2012	2011
Number of employees at 31 Dec	163	155
Number of full-time equivalents at 31 Dec	161	152
Average number of employees	159	160

** Salaries, performance-related pay and other taxable benefits includes a NOK 13.8 (NOK 15.3) million provision for performance-related pay for all employees in 2012, which has not yet been paid out.

STATEMENT ON THE DETERMINATION OF SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES:

The Board of Directors' statement on the determination of salaries and other remuneration of senior executives is presented to the Annual General Meeting. The statement is structured as follows:

- General guidelines on the compensation of senior executives
- The board's follow-up of senior executives' pay
- Explanation of the compensation of senior executives
- Determination of salaries and other remuneration in 2013
- Overview of total remuneration to senior executives in 2012

General guidelines on the compensation of senior executives

The Norwegian Government has laid down guidelines for terms of employment for senior executives in state-owned enterprises and companies, cf. Report no. 13 (2010–2011) to the Storting, Appendix 1. These guidelines form the basis for the Board's pay policy at Entra Eiendom and provide guidance concerning recruitment and employment processes and in connection with the annual review of the salaries of the Group's senior management team and the CEO.

Compensation of senior executives is based on the Group's general HR strategy and pay policy. Entra Eiendom wants to be an attractive employer that attracts the best candidates and is able to retain and develop professional employees. To this end, Entra needs to be able to offer good pay packages, including competitive salaries, to ensure the company can recruit and retain attractive expertise. The Board is, however, currently occupied with moderating salary trends for senior executives. The guidelines on remuneration stress in particular that the overall compensation shall be competitive, but not above those of other similar companies in Norway. The principal element of the compensation package should be a fixed basic salary and the total remuneration shall be considered together as a whole. To the extent that performance-related pay schemes are used, the targets shall be objective, measurable and identifiable, and there must be a clear correlation between the company's targets and the targets in the performance-related pay scheme.

The Board's follow-up of senior executives' pay

The Board has established a compensation committee consisting of two representatives from the current Board of Directors to follow up on the remuneration of the Group's senior executives The compensation committee is chaired by the Chair of the Board. The compensation committee monitors the remuneration of senior executives in relation to the Government's guidelines for terms of employment for senior executives in state- owned enterprises and companies. The committee evaluates the company's performance reward schemes and recommends guidelines for determin- ing salaries prior to final determination by the Board. The Board determines the Chief Executive Officer's salary on an annual basis in light of a recommendation from the Board's compensation committee. The CEO consults the compensation committee in connection with determining the salaries of the Group's members of the senior executives.

Explanation of the compensation of senior executives

The fixed basic salary is the principal element in the remuneration of the Group's senior executives and the Chief Executive Officer. Up to and including 2012, in addition to the basic salary, the CEO had a performance-related pay scheme with an upper limit of 50 per cent of his/her annual salary. From 2013, the CEO has no performance-related pay scheme. The total performance-related pay for other members of the Group's senior management team cannot exceed 25 per cent of their annual salary. For the Group's senior management team, performance-related pay in 2012 is based on targets defined at company and business level, as well as predefined personal targets. Examples of performance-related pay targets include return on equity, owner costs, achieved rents, occupancy rate, customer satisfaction and energy consumption. The performance-related pay applies until the Board decides on changes to this. Group management, excluding the CEO have a defined benefit pension limited to 12 x the National Insurance basic amount ("12G"), in line with the other employees. With the exception of the CEO, none of the group's senior management team have a final salary arrangement as a part of their employment agreement.

There are no share option schemes for senior executives.

Senior executives have company car or mileage agreements. The company also covers other benefits to the management team in line with the benefits offered to the other employees at Entra and in accordance with standard practice at Norwegian companies.

The Chief Executive Officer and the rest of the management group have a number of internal directorships. They do not receive special remunera- tion for these directorships.

In 2012, salary and severance pay were paid to former CEO Kyrre Olaf Johansen, who stepped down from his post in mid-April 2012. The former CEO had a notice period of six months and during this period receives ordinary pensionable salary payments and other benefits. Kyrre Olaf Johansen also receives severance pay for 12 months, subject to certain conditions. Kyrre Olaf Johansen does not receive any performance-related pay for 2012.

Former Director of Communications and Corporate Social Responsibility, Ingrid Schiefloe, left her post at Entra on 30 June 2012. An agreement was concluded for the payment of severance pay for seven months, subject to certain conditions. The severance pay is based on the corresponding salary at the time of departure. Ingrid Schiefloe does not receive any performance-related pay for 2012.

Rune Olsø was Acting CEO for six months in 2012 and CEO for a short period, until he left his post on 17 October 2012. Rune Olsø receives ordinary pensionable salary and other benefits during the notice period of six months based on an annual salary of NOK 2.85 million. In addition, he is paid three months' severance pay based on the aforementioned salary. Rune Olsø does not receive any performance-related pay for 2012.

Determination of salaries and other remuneration in 2013

The new CEO of Entra Eiendom AS, Klaus-Anders Nysteen, took office in January 2013. In 2013, Nysteen has a fixed salary of NOK 2.85 million and has a personal pension agreement for a defined-contribution pension of 30 per cent of the fixed salary above 12G, which is in accordance with the government guidelines on senior executive remuneration. The CEO is not covered by the company's performance-related pay scheme. The CEO is entitled to six months' salary after termination based on the basic salary at the time the Board takes the initiative to terminate the employment. The Board has been occupied with moderating the conditions adopted for a new CEO.

If the owner decides that the company is to be listed, and such a process is initiated, the Board will recommend to the Annual General Meeting the establishment of a long-term incentive scheme linked to shares and/or bonuses for senior executives in accordance with the prevailing government guidelines on senior executive remuneration.

The Board will in principle use the same guidelines for compensation of senior executives in 2013 as it did in 2012. The targets for the performance-related pay scheme of the Group's senior executives are expanded to include all the company targets according to the scorecard for 2013 approved by the Board. Individual targets are also set. The Board determines the CEO's salary, and the compensation committee is consulted in connection with determining the salaries of the other members of the senior management team. The annual determination of pay for senior executives is based on assessment of the individual employee.

Overview of total remuneration to senior executives

Payments to senior executives in 2012 All amounts in NOK thousand	Salaries	Performance-related pay**	Benefits in kind	Commuting costs ***	Estimated pension costs	Total remuneration 2012
Key employees						
Kyrre Olaf Johansen, CEO, left the company 17 Apr 2012*	3 496	611	204	-	131	4 442
Rune Olsø, Deputy CEO, Acting CEO and CEO, left the company 17 Oct 2012*	2 810	497	166	330	158	3 961
Anne Harris, CFO and Acting CEO from 17 Oct 2012	2 684	512	115	-	158	3 469
Nils Fredrik Skau, Technical Director	1 503	280	114	171	158	2 226
Bjørn Holm, Director of Projects and Development	1 655	346	144	-	158	2 303
Anders Solaas, Director Customers and Markets	1 524	287	172	-	158	2 141
Ingrid Schiefloe, Dir. Comm. and CSR, left the company 30 Jun 2012*	1 132	149	70	-	78	1 429
Total	**14 803**	**2 682**	**985**	**502**	**999**	**19 971**

The Group appointed a temporary Director of Communications and Corporate Social Responsibility in 2012.

* Salaries and other remuneration during the notice period, as well as severance pay paid in 2013 are not included in the table above.
** Performance-related pay is based on targets met in 2011, which was paid in 2012.
*** Costs associated with established commuting arrangements did not previously form part of the overview of payments to senior executives, but are included in the overview from the 2012 financial year.

Payments to senior executives in 2011

Key employees All amounts in NOK thousand	Salaries	Performance-related pay**	Benefits in kind	Estimated pension costs	Total remuneration 2011
Ledende ansatte					
Kyrre Olaf Johansen, CEO	3 135	885	239	1 017	5 275
Rune Olsø, Deputy CEO since 10 May 2010	2 531	540	145	147	3 362
Anne Harris, CFO, joined the company 1 Oct 2010	2 536	-	120	147	2 803
Sverre Vågan, Director of Human Resources, left the company 28 Feb 2011	378	161	26	24	588
Nils Fredrik Skau, Technical Director	1 430	298	112	147	1 987
Bjørn Holm, Director of Projects and Development	1 531	326	138	147	2 143
Ingrid Schiefloe, Director of Communication and Corporate Social Responsibility	1 110	242	142	147	1 641
Anders Solaas, Director Customers and Markets, joined the company 16 Aug 2010	1 416	13	174	147	1 749
Total	**14 066**	**2 465**	**1 096**	**1 921**	**19 548**

Overview of total remuneration to the Board of Directors	Board fees	Committee fees	Total remuneration 2012	Total remuneration 2011
The Board of Directors				
Grace Reksten Skaugen, Chair	373	40	413	405
Martin Mæland, Vice-chair	187	23	210	205
Finn Berg Jacobsen, Board member	187	56	243	238
Ida Helliesen, Board member (up until 15 Oct 12)*	267	46	313	-
Ottar Brage Guttelvik, Board member (up until 15 Oct 12)*	267	32	299	205
Ketil Fjerdingen, Board member (up until 15 Oct 12)*	267	56	323	-
Åse Koll Lunde, (up until 29 Dec 2011)	94	20	113	222
Tore Benediktsen, employee representative**	187	-	187	183
Mari Fjærbu Åmdal, employee representative**	187	-	187	183
Frode Halvorsen, employee representative (half period)**	94	-	94	-
Total*	**2 108**	**272**	**2 380**	**1 640**

The overview of the remuneration of the Board of Directors shows remuneration paid in 2012 for the period between the dates of the Annual General Meetings in 2011 and 2012.
The Board and committee members received no other compensation than what is set out in the table.
The above amounts are subject to National Insurance contributions of 14.1 per cent

* Total remuneration paid for the period between the Annual General Meeting in 2011 and the Annual General Meeting in 2012, as well as for the period up to the date when the Board members left the Board in the period from 2012 to 2013.
** Does not include ordinary salary.

The Group has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the Group, customer satisfaction and individual goals.

Auditor's fee All amounts in NOK thousand	2012	2011
Statutory audit	1 490	1 450
Tax advice	9	63
Other services not related to auditing	138	295
Other auditing services	45	259
Total auditor's fee (excl. VAT)	**1 682**	**2 067**

NOTE 26 Operating expenses

All amounts in NOK million

	2012	2011
Operating expenses		
Administrative costs	41,7	38,5
Payroll and personnel expenses	13,8	6,2
Operating expenses	22,1	31,9
Other operating costs	9,2	11,9
Total operating expenses	**86,9**	**88,6**

* A total of NOK 1.7 (NOK 2.2) million of the total operating expenses are related to properties that do not generate any income.

NOTE 27 Other property costs

All amounts in NOK million

	2012	2011
Other property costs		
Rent paid by Entra Eiendom	44,6	59,3
Project operating expenses	32,7	32,7
Development costs	-0,1	23,0
Depreciation and write-downs	40,0	12,3
Total other property costs	**117,1**	**127,2**

NOTE 28 Administrative owner costs

All amounts in NOK million

	2012	2011
Administrative expenses		
Payroll and personnel expenses	109,1	112,9
Office expenses, furnishings and equipment	26,3	22,3
Consultancy fees	39,9	33,5
Other administrative owner costs	19,7	17,2
Total administrative owner costs	**195,1**	**186,0**

NOTE 29 Tax

All amounts in NOK million

Deferred tax is stated net if the Group has a legal right to offset deferred tax assets against the deferred tax on the balance sheet, and if the deferred tax is owed to the same tax authority. The following net value was recognised:

	2012	2011
Deferred tax	2 855,9	2 887,2
Deferred tax assets	391,4	534,7
Net deferred tax	**2 464,5**	**2 352,5**

Change in deferred tax (+)/ deferred tax assets (-)

	Non-current assets*	Financial instruments	Current assets	Gains/ losses account	Provisions	Loss carried forward	Total
01.01.2011	**2 444,8**	**-123,5**	**-0,3**	**50,0**	**-28,4**	**-218,4**	**2 124,3**
Recognised in profit or loss	415,1	-52,3	-2,1	-16,8	0,0	-109,7	234,2
Acquisition/disposal of subsidiaries	-5,9	-	-	-	-	-	-5,9
31.12.2011	**2 854,0**	**-175,8**	**-2,4**	**33,2**	**-28,4**	**-328,1**	**2 352,5**
Recognised in profit or loss	-161,3	231,1	20,3	49,1	-2,7	-32,3	104,2
Acquisition/disposal of subsidiaries	7,8	-	-	-	-		7,8
31.12.2012	**2 700,5**	**55,3**	**17,8**	**82,3**	**-31,0**	**-360,4**	**2 464,5**

* The Group has applied the main rule for recognition of deferred tax in connection with the purchase of shares in property companies that are not acquired through a business combination. This means that deferred tax is recognised as the difference between the tax value and consolidated accounting value of investment properties. Deferred tax linked to the retrospective accumulated change in the value of investment properties at 31 December 2012 is NOK 2,078.7 (NOK 2,243.2) million.

Tax payable is calculated as follows

	2012	2011
Profit before tax	843,1	805,6
Share of profit/loss at associates and jointly controlled entities	-508,7	28,4
Other permanent differences	37,6	6,2
Corrections to previous years	0,0	-4,1
Changes in loss carryforwards	115,4	391,8
Changes in temporary differences*	-487,4	-1 227,8
Profit for tax purposes	**0,0**	**0,0**
Tax payable on the balance sheet	-	-
Tax payable on the balance sheet	-	-

The tax expense for the year is calculated as follows	**2012**	**2011**
Tax payable	-	-
Correction of deferred tax	-	-7,5
Change in deferred tax	104,2	234,1
Tax expense for the year	**104,2**	**226,5**

Tax rate of 28 per cent applied.

Reconciliation of tax expense with profit multiplied by nominal tax rate	**2012**	**%**	**2011**	**%**
Profit for accounting purposes multiplied by nominal tax rate	236,1	28,0 %	225,6	28,0 %
Tax on share of profit/loss at associates and jointly controlled entities	-142,4	-16,9 %	8,0	0,1 %
Tax on permanent differences	10,5	1,3 %	1,7	0,0 %
Corrections to previous years	-	0,0 %	-8,7	-0,1 %
Tax expense for accounting purposes	**104,2**	**12,4 %**	**226,6**	**28,0 %**

NOTE 30 Related parties

All amounts in NOK million

Entra Holding is owned by the Norwegian government through the Ministry of Trade and Industry. Most of the company's premises are leased to public-sector tenants. Lease contracts are signed on commercial terms. NOK 1,192 million of the Group's annual rental income is generated by leases where the state is the customer, through various ministries.

In 2012, the Group's transactions and balances with associates and jointly controlled entities mainly related to loans and interest payments on loans. The aggregate figures are shown in the table below.

	2012	2011
Interest income		
Jointly controlled entities	0,0	2,3
Associates	0,3	1,0
Total interest income	**0,3**	**3,3**
Receivables		
Jointly controlled entities	-	-
Associates	6,7	14,2
Total receivables	**6,7**	**14,2**

NOTE 31 Earnings per share

Earnings per share are calculated as the profit for the year attributable to the shareholder of NOK 704.4 (NOK 564.8) million divided by the weighted average number of outstanding ordinary shares over the course of the financial year, which was 142,194 (142,194).

There are no dilution effects, so the diluted earnings per share are the same as the earnings per share.

	2012	2011
Total comprehensive income for the year attributable to shareholders of the parent company (NOK million)	704,4	564,8
Average number of outstanding shares (Note 17)	142 194	142 194
Earnings per share (NOK)	4 953,7	3 972,0

NOTE 32 Cash flows from operating activities

All amounts in NOK million

	2012	2011
Profit before tax	843,1	805,6
Net expensed interest on loans from financial institutions	683,0	636,7
Accrued, not paid interest income	-0,2	-4,0
Share of profit from associates and jointly controlled entities	-508,7	28,4
Ordinary depreciation	14,8	12,3
Write-downs of non-current assets	47,8	0,0
Non-cash impact of IFRIC 12	-10,9	56,5
Change in value of investment property	-129,0	-629,2
Changes in the market value of financial derivatives	272,0	208,0
Changes in trade receivables	16,0	-36,6
Changes in trade payables	28,1	89,5
Difference between pension expense and payments into/out of pension schemes	2,7	-3,3
Change in other accruals	107,4	-10,8
Total cash flows from operating activities	**1 366,1**	**1 153,1**

Entra Holding AS

INCOME STATEMENT 20.12. - 31.12.

(All amounts in NOK)

	Note	2012
Operating revenue		
Other operating revenue		0
Total operating revenue		0
Operating expenses		
Other operating expenses		0
Total operating expenses		0
Operating result		0
Financial income and expenses		
Other finance income and expenses		0
Net financial items		0
Profit before tax		0
Tax expense	5	0
Profit for the year		0

Entra Holding AS

BALANCE SHEET AT 31.12

(All amounts in NOK)

	Note	2012
Assets		
Financial non-current assets		
Investment in subsidiary	3	1 729 579 686
Total financial non-current assets		1 729 579 686
Total non-current assets		1 729 579 686
Current assets		
Receivables		
Receivables on group companies	4	416 600 000
Total receivables		416 600 000
Total current assets		416 600 000
Total assets		2 146 179 686
Equity		
Paid-in equity		
Share capital	2	142 194 000
Share premium reserve	2	2 003 735 686
Total paid-in equity		2 145 929 686
Total equity		2 145 929 686
Liabilities		
Current liabilities		
Other current liabilities	6	250 000
Total current liabilities		250 000
Total liabilities		250 000
Total equity and liabilities		2 146 179 686

Oslo 22 March 2013
Board of Directors of Entra Holding AS

Siri Hatlen
Chair of the Board

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Tore Benediktsen
Board member

Birthe Smedsrud Skeie
Board member

Klaus-Anders Nysteen
Chief Executive Officer

Entra Holding AS

CASH FLOW STATEMENT

(All amounts in NOK)

	2012
Cash flows from operating activities	
Result before tax	0
Net cash flows from operating activities	0
Cash flows from investing activities	
Payments for share purchase	0
Net cash flows from investing activities	0
Cash flows from financing activities	
Proceeds from payment of equity	0
Net cash flows from financing activities	0
Net change in cash and cash equivalents	0
Cash and cash equivalents at the start of the period	0
Cash and cash equivalents at the end of the period	0

NOTE 1 - ACCOUNTING PRINCIPLES

The annual financial statements have been prepared in accordance with the Accounting Act and good accounting practice.

The company was incorporated on 20 December 2012.

Main rule for valuation and classification of assets and liabilities

Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that will be paid within one year are classified as current assets. Corresponding criteria are applied in classifying current assets and current liabilities.

Current assets are valued at the lower of acquisition cost and fair value

Non-current assets are valued at acquisition cost but are written down to the recoverable amount if this is lower than book value and the fall in value is not expected to be temporary.

Current liabilities are valued at the nominal amount.

Subsidiaries

Investments in subsidiaries are valued using the cost method in the company's financial statements. Investments are written down to fair value if the fall in value is not temporary and it must be considered necessary in accordance with good accounting practice.

Dividends and group contributions from subsidiaries are recognised as income from the investment in the subsidiary in the same year as the allocations are made in the subsidiaries. Dividends and group contributions from subsidiaries that exceed retained earnings in the ownership period are treated as repayment of the acquisition cost.

Tax

The tax expense in the income statement includes both tax payable for the period and the change in deferred tax. Deferred tax is calculated at 28 per cent on the basis of the temporary differences that exist between accounting and tax values, together with the tax loss carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences that reverse or may reverse in the same period are set off. The net deferred tax asset is capitalised to the extent that it is likely that it can be utilised.

Group

Entra Holding AS is the parent company in a group. The consolidated financial statements can be obtained on application to Entra Eiendom AS, PO Box 52, Økern, 0508 Oslo.

NOTE 2 - EQUITY

(All amounts in NOK)

	Share capital	Share premium	Total
Foundation 20.12.2012	142 194 000	2 003 735 686	2 145 929 686
Result for the year	-	-	-
Equity at 31.12.2013	**142 194 000**	**2 003 735 686**	**2 145 929 686**

The share capital of NOK 142 194 000 consists of 142 194 shares of NOK 1 000. All shares have equal rights. All the shares are owned by the state acting through the Ministry of Trade and Industry.

NOTE 3 - SUBSIDIARIES

(All amounts in NOK)

Investments in the subsidiaries are accounted for using the cost method.

Subsidiary	Acquisition date	Business office	Ownership and voting interest	Book value
Entra Eiendom AS	20.12.2012	Oslo	100 %	1 729 579 686
				1 729 579 686

NOTE 4 - INTRA-GROUP ITEMS

(All amounts in NOK)

Receivables	**2012**
Dividend receivable from subsidiary	416 600 000
Total receivables	**416 600 000**

NOTE 6 - TAX

(All amounts in NOK)

The year's tax expense is made up as follows	**2012**
Change in deferred tax	-
Total tax expense	-

Calculation of the year's tax base	
Profit before tax	-
Change in temporary differences	-
Year's tax base	-

The company has no temporary differences

NOTE 6 - OTHER SHORT TERM DEBT

(All amounts in NOK)

	2012
Provision for founding costs	250 000
Total other short term debt	**250 000**

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Entra Holding AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Entra Holding AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at December 31, 2012, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the statement of financial position as at December 31, 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway for the company accounts and in accordance with International Financial Reporting Standards as adopted by EU for the group accounts, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Opinion on the financial statements for the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Entra Holding AS as at December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements for the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group Entra Holding AS as at December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 March 2013
Deloitte AS

Aase Aa. Lundgaard (signed)
State Authorised Public Accountant (Norway)

[Translation has been made for information purposes only]

Directors' report

***Solid and efficient operations* throughout 2011 led to the Group *achieving a profit from property* management of over one billion *kroner. The pre-tax profit for 2011 came to NOK 805.6 (947.1) million, a* decline that is largely due to higher net *financial expenses and reduced* contributions from partly owned subsidiaries.**

The market value of the property portfolio as a whole rose by NOK 1.6 billion to NOK 23.1 billion. The Group has worked on planning of major development projects throughout the year, and there has generally been good progress in the project portfolio. At year-end, the Group manages over one million square metres of floor space, including the project portfolio.
The economic vacancy rate for property in the management portfolio was 3.7 per cent.

About Entra Eiendom

Entra is engaged in the development, letting, management, operation, sale and purchase of real estate in Norway. Entra is one of Norway's leading property companies, and is owned by the Norwegian Government through the Ministry of Trade and Industry.

Entra's main purpose is to provide premises to meet central government needs, and to operate on commercial principles similar to those of private enterprises in the industry. The Group has both public and private sector customers, with a main focus on commercial property. The largest customer group is public-sector tenants, who make up 80 per cent of the Group's customers.

The Group's business concept is to create value by developing, letting and operating attractive, environmentally efficient premises. The company's vision is to enhance the efficiency and reputation of its customers. Entra's business goals are to be best in terms of customer-perceived quality, to achieve profitable growth, and to be industry leader in the area of environmental efficiency. As part of its operations, Entra works to find innovative solutions to save energy and improve the environmental efficiency of its properties.

Entra is organised into four regions: Central Oslo, Greater Oslo, Southern and Western Norway, and Central and Northern Norway. The head office is in Oslo, and the regional offices are located in Bergen and Trondheim.

Operations in 2011

Strategy

In 2011 the Board reviewed the Group's strategy, including the targets for profitable growth, customer perceived quality and environmental efficiency. Entra continuously assesses the opportunities in the property market, particularly in terms of our priority areas and property segments. The Board has also reviewed Entra's plans for the Tullinkvartalet neighbourhood in Oslo, and the opportunities to develop an environment-friendly, secure datacenter through the Greenfield Datacenter project.

The transaction market

The growing uncertainty about future developments in the Norwegian and international economy has affected the Norwegian interest rate and credit market in 2011 and has impacted the transaction market. Commercial property worth approx. NOK 30-35 billion changed hands in Norway in 2011, representing a slight downturn from 2010. Demand was highest for properties in good locations with a reliable cash flow.

In keeping with its market strategy, Entra has bought and sold properties in 2011. In autumn 2011, Entra acquired the development property Lakkegata 55/Heimdalsgata 13 in Oslo

Directors' report (cont.)

through takeover of the shares in Brødrene Sundt Verktøimaskinfabrik AS. Through purchase of the shares in Karoline Kristiansens vei 2 AS, Entra took over a section of the Fyrstikktorget precinct in Helsfyr in Oslo. Entra has also signed a contract to buy Universitetsgaten 7-9 in Oslo, with handover in 2012. All these properties are in areas where Entra already has several properties and where the company wants to grow.

The company has continued to sell properties that no longer fall within the Group's main priority areas, with three transactions being completed in 2011: Langbrygga 1 in Skien, Storgaten 51 in Tønsberg and Gamle Kragerøvei 9 in Kragerø.

In the second quarter, Entra's wholly owned subsidiary Ribekk AS (formerly Optimo AS), sold its 58.3 per cent holding in Optimo Prosjekt AS.

In December Entra Eiendom AS accepted an offer on its 33.75 per cent shareholding in Kunnskapsbyen Eiendom AS, with transfer of the shares to the new owner in the first quarter of 2012.

Rental market

The general trend in rents in Central Oslo has been a slight, gradual increase over the year, whereas rents in the office markets outside the city centre have remained flat. Rental activity is somewhat lower than in 2010, but activity started to pick up again in the last quarter of 2011. The office vacancy rate is roughly 7 per cent.

Rents in Bergen have remained relatively stable throughout the year. Demand is good for modern office premises. The office vacancy rate was roughly 6.25 per cent in 2011 and is expected to rise slightly as a result of completion of a number of new-build projects.

Growth in the oil industry and the low supply of new buildings has contributed to a good rental market in the Stavanger area with rising prices. The office vacancy rate is down to almost 4 per cent.

In Trondheim, rents for high-standard offices in attractive locations have increased slightly over the year. Activity in the rental market has remained stable at a good level. The rise in the supply of new office space is expected to lead to an increase in vacancy in the future.

In 2011, Entra achieved a positive trend in rents in connection with renegotiations and the signing of new contracts. In keeping with the general developments in the market, the trend in achieved rents was most positive in and around Oslo.

The proportion of vacant space in Entra's portfolio remained stable throughout the year, and the Group had an economic vacancy rate of 3.7 (4.9[1]) per cent at 31 December. Vacancy was highest in the Greater Oslo region (Helsfyr-Bryn, Drammen, Bærum, Skedsmo and Østfold), with an economic vacancy rate of 6.5 per cent, and lowest at 2.1 per cent in the region Southern and Western Norway (Kristiansand, Stavanger and Bergen). The Central and Northern Norway region (Trondheim, Bodø and Tromsø) had an economic vacancy rate of 2.5 per cent, and Central Oslo had 3.1 per cent vacancy at the end of 2011.

At the close of 2011, the Group controlled 976,000 square metres spread across 106 properties. The average remaining contract term is 9.9 (10.6) years. In 2011 Entra signed lease contracts corresponding to a total annual rent of NOK 118.2 million and 79,000 square metres, with the most important individual contracts being:

- Kristiansand Municipal Authority, Kongsgård Allé, Kristiansand, 12,174 square metres
- Bærum Municipal Authority, Øvre Torv 1, Bærum, 10,500 square metres
- The Norwegian Public Roads Authority, Spelhaugen, Bergen, 9,100 square metres
- NAV National Office for Social Insurance Abroad, Hagegata 23, Oslo, 6,012 square metres
- Oslo Cancer Cluster, Cort Adelersgt. 30, Oslo, 4,802 square metres
- The Norwegian Hydrographic Service, Lervigsveien 36, Stavanger, 4,792 square metres
- Vestre Viken Hospital Health Authority, Konggata 51, Drammen, 3,542 square metres

Customer satisfaction

One of Entra's main business objectives is to be best in terms of customer-perceived quality. A high degree of customer satisfaction promotes greater stability in the customer base. In 2011, the Norwegian Tenant Satisfaction Index was used for the first time to measure customer satisfaction. Entra achieved an overall score (CSS) of 70, against the national average of 66 in the industry. It is good to know that the customers perceive Entra as

[1] The vacancy rate in 2010 is based on area, corresponding to 4.8 per cent at the end of 2011.

clearly better than average on customer focus and environmental performance.

Projects under development
In 2011 the company invested NOK 1,139 million in new-builds and renovation projects, and the following major projects were completed:

- Professor Olav Hanssens vei 10 (second construction phase), Stavanger
- Middelthunsgate 29, Oslo
- Hagegata 23, Oslo
- Malmskriverveien 4, Sandvika
- Pilestredet 28, Oslo
- Konggata 51, Drammen

At the close of 2011, Entra had 12 properties in its project portfolio, with a combined area of 110,000 square metres. Renovation has started of some 32,000 square metres in Fredrik Selmers vei 4 in Oslo. The building is due for handover to the Directorate of Taxes in 2013, and will meet the requirements of energy efficiency class A. In Stavanger, work has started on the third phase of Professor Olav Hanssens vei 10, and on the project in Lervigsveien 36. Both projects will be completed in 2012.

Environment and urban development
As part of its corporate social responsibility, Entra has further developed and increased its work on the environment and urban development in 2011.

In 2011, Entra joined the Powerhouse Alliance, which is a collaboration between the construction company Skanska, Snøhetta architects, the environmental organisation ZERO, the aluminium company Hydro, and Entra Eiendom. In June, the Powerhouse Alliance launched its plans to build Norway's first – and the world's northernmost – energy-positive new-build at Brattørkaia in Trondheim, and the work on designs and solutions has come a long way. Powerhouse is also planning to remodel two office buildings from 1980 at Kjørbo in Sandvika. The ambition is that the office blocks will be the northernmost energy-positive renovated office buildings in the world and will produce more energy than they consume.

Entra has significantly stepped up its environmental efforts in 2011. Entra wants to be perceived as the industry leader in environmental efficiency by its customers, suppliers and partners. The environmental strategy is well integrated at all levels in the Group, and the environmental targets are monitored through the balanced scorecard system. Entra's environmental strategy also provides a framework in relation to the Group's market positioning and business development. In contrast to traditional "economising" strategies in business, environmental thinking means looking ahead to the future and adopting a wider, more long-term life-cycle perspective. Through its development and renovation projects, as well as in the ongoing operation of its properties, Entra seeks to influence the market's conditions and requirements regarding the environmental efficiency of buildings. From 2010 to 2011, Entra reduced the specific energy consumption of its properties by 6 per cent, equivalent to 7.65 GWh per year. The Group had an average energy consumption, adjusted for temperature variations,

of 202 kWh per square metre in 2011, compared with its target of 206 kWh. This corresponds to an 11 per cent reduction in carbon emissions compared with 2010.

In autumn 2011 Entra was the first property company in Norway to introduce special green "win–win" agreements. The agreements commit the tenant and Entra to a binding cooperation on measures to enhance the environmental performance of the premises. Entra's role is to identify and fund appropriate measures. The tenant will enjoy lower waste management and energy costs and pays for the measures through the rent. The County Governor of Hordaland was the first customer to enter into a green win–win agreement with Entra. A total of 15 green win–win agreements were signed in 2011.

Entra's involvement in Sandvika, where it is developing a new learning centre at Øvre Torg, is an important part of the "Kunnskapsbyen Sandvika" project to develop Sandvika as a centre of learning and education and will help revitalise the old Sandvika town centre. The renovated building will be eco-friendly and energy efficient with additional insulation of existing façades and roofs, low-energy windows and new technical installations.

Part-owned subsidiaries
Brattørkaia AS (52 per cent) is developing and building Brattørkaia in Trondheim. The company had a busy year in 2011. Building work has started on Brattørkaia 15, with the construction of 14,000 square metres of environmentally friendly office premises that meet the requirements of energy efficiency class A for the Norwegian Directorate for Nature Management.

Through the Powerhouse Alliance, work has started on an outline proposal for the property Brattørkaia 17A, where the Alliance is planning to build Norway's first energy-positive commercial building.

An important measure to further enhance the attractiveness of the Brattørkaia area is the construction of a bridge over the railway area, linking the quayside to the city centre. Work on construction of the Tverrforbindelsen bridge started in 2011.

The development projects in Drammen are continuing through Papirbredden Eiendom AS (60 per cent). Work on Phase II, Building 1, of the Papirbredden project has been ongoing throughout 2011, and the 9,000 square metre building was virtually fully leased at year-end. The tenants include the Norwegian Labour Inspection Authority, the pharmaceutical company MSD AS, Buskerud University College and Telemark University College. Papirbredden II is the first construction project in Norway designed from the outset to participate in the FutureBuilt programme. FutureBuilt aims to promote climate-friendly architecture and urban development. Papirbredden Eiendom AS also owns Kreftings gate 33, Drammen Science Park, the old lighthouse Fyrhuset, and Union Scene in Drammen. Drammen Science Park "Kunnskapsparken" is primarily leased to higher education institutions and a library. Union Scene is a modern cultural centre with stages, theatres and offices for Drammen Town Council's culture department.

Jointly controlled entities
Sørlandet Kunnskapspark Eiendom AS (51 per cent) owns the science park Sørlandet Kunnskapspark. The property is home to

large tenants such as Agder Research, Høyskoleforlaget and the Sørlandet Resource Centre, as well as a number of small companies that want to be part of a research-driven environment.

UP Entra AS (50 per cent) develops and manages approximately 80,000 square metres of property in the Hamar region. In 2011 the company completed a new building linked to Statens Hus that has been leased to the South-Eastern Norway Regional Health Authority (Helse Sør-Øst).

Oslo S Utvikling AS (33.33 per cent) is playing a major role in the development of the Bjørvika harbour area in Oslo. In the Opera Quarter, the company is building a total of approximately 200,000 square metres above ground level and a joint cellar area comprising 75,000 square metres. In 2011 OSU completed and handed over the Visma Building to the buyer.

The company develops properties for sale, meaning that the properties are not recognised at fair value in the accounts, but at historical cost. The company is accounted for in the consolidated financial statements using the equity method and is recognised at a value of NOK 372.5 million at 31 December.

The market value of the properties and projects in OSU is estimated to approximately NOK 6.4 billion (100 per cent). Entra's 33.33 per cent ownership interest yields a market value of NOK 2.1 billion. This estimate has been calculated using the same principles as for other valuations of Entra's investment properties. Entra's share of value-adjusted equity was NOK 1.8 billion at 31 December 2011. Entra's share of value-adjusted equity, taking into account 10 per cent deferred tax was NOK 1.7 billion at 31 December 2011.

In 2012, OSU signed an agreement to sell all the buildings in the DNB project. The transaction is based on a property value of just under NOK 4.8 billion. Each of the buildings will be transferred on completion, and the first building, Midtbygget, is going to be handed over on 1 July 2012. The exact accrual schedule for the recognition of revenue from the DNB transaction in OSU has not yet been finally decided.

Income statement and balance sheet, financial matters and liquidity

General

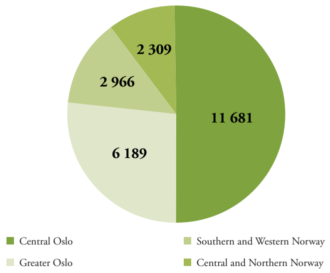
The annual report has been filed on the assumption of the business being a going concern. The Board's assessment is that this is an accurate assumption. The company is in a healthy financial position, and has good liquidity. There have been no events since 31 December 2011 that affect the financial statements.

Income statement and cash flow

The Group's rental income in 2011 amounted to NOK 1,434.7 (1,421.6) million. The increase is mainly due to annual rent increases, but also reflects the loss of rent from divested properties and ongoing renovations, and new rent from recently acquired properties and completed projects. Other operating revenues amounted to NOK 33.1 (80.2) million. The decline was primarily due to the loss of income linked to Ribekk AS's housing project in Brekkeveien, and the cessation of income from the sale of project management in Optimo Project AS, which was sold in the second quarter of 2011. The Group's total operating revenues amounted to NOK 1,467.8 (1,501.8) million.

Total operating expenses in 2011 came to NOK 463.7 (503.1) million. The decline was mainly due to the fact that there were no longer any expenses related to Optimo's housing project in Brekkeveien. Entra's profit from property management amounted to NOK 1,004.1 (998.7) million.

Geographical distribution by market value (NOK millions)



Changes in the value of investment properties totalled NOK 632.6 (526.6) million in 2011. Attractive properties, primarily in Oslo and Trondheim, rented to reliable tenants on long leases and close to public transport have had a lower required rate of return (yield) in 2011, contributing to the increase in value. At 31 December 2011, the Group's net yield based on contract rents was 6.2 per cent (6.3 per cent). Changes in the risk assessment for certain major project properties, combined with renegotiation and signing of new contracts, have also had a positive impact on the change in value. Market rents increased gradually over the course of the year. This has a particularly big impact on the values of properties with leases with a short remaining term.

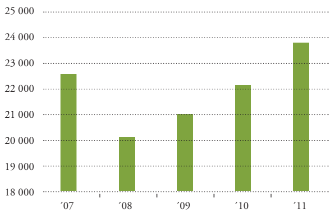
The Group's share of profit from associates and jointly controlled entities amounted to NOK -28.4 (42.2) million. The decline is primarily due to a negative change in the value of financial instruments in Oslo S Utvikling AS (OSU). Last year, OSU had a positive result, largely as a result of gains from the sale of residential property.

The Group's operating profit was NOK 1,604.8 (1,549.4) million.

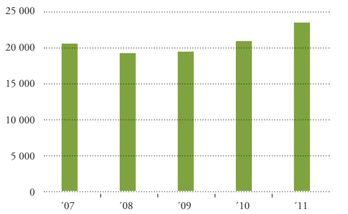
Net financial items totalled NOK -799.3 (-602.2) million. Net realised financial items came to NOK -591.3 (-488.8) million in 2011. The Group's interest expense was NOK 614.8 (596.6) million. The item other finance expense includes a write-down of NOK -87.5 million, due to changes in the basis of calculation for IFRIC 12 properties. Net unrealised changes in the value of financial instruments amounted to NOK -208.0 (-113.4) million. The change was due to falling market interest rates that had a negative impact on the value of derivatives, plus the fact that the market value of the Group's interest-bearing loans has almost reached nominal value.

The Group's profit before tax in 2011 was NOK 805.6 (947.1) million. The tax charge for the year totalled NOK 226.6 (248.5) million. The Entra Eiendom Group's profit after tax was NOK 579.0 (698.7) million before non-controlling interests, and NOK 564.8 (NOK 737.2) million after non-controlling interests. Deferred tax is reported at the nominal tax rate.

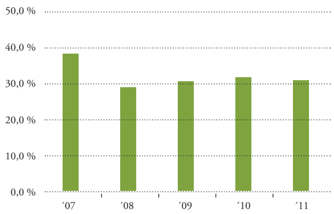
Total assets (NOK millions)



Market value of the property portfolio (NOK millions)



Equity ratio



The Group's net cash flow from operating activities totalled NOK 517.2 (517.0) million. This is at the same level as last year, reflecting the stability of the profit from property management. The difference between net cash flow from operating activities and the operating profit is mainly explained by the change in the value of investment properties and the interest and fees for loans to financial institutions.

Net cash flow from investment activities came to NOK -1,052.5 (-762.6) million. The biggest investments in 2011 related to the renovation projects at Fredrik Selmers vei 4 and Tvetenveien 22 in Oslo, Malmskriverveien 4 in Bærum, the new-build projects Grønland 51 in Drammen, Brattørkaia 15A and B in Trondheim, and the renovation and extension of the Norwegian Petroleum Directorate's premises at Professor Olav Hanssens vei 10 in Stavanger. Repayment of loans and dividends from associates and jointly controlled entities have increased net cash flow from investment activities by NOK 217.7 million.

In 2011 net cash flow from financing activities totalled NOK 434.6 (166.8) million. For 2011 this mainly relates to net new borrowing to finance ongoing projects. The total net change in liquid assets for the year was NOK -100.8 (-78.7) million.

Balance

The Group's book assets at the close of the year totalled NOK 23,740.3 (22,225.6) million. The carrying amount of the Group's investment properties and investment properties held for sale rose by NOK 1,856.3 million in 2011 to NOK 21,880.4. Investment properties are valued at fair value, based on the average of two external, independent valuations. Properties valued in accordance with the IFRIC 12 rules amounted to NOK 1,318.7 million. The Group's net interest-bearing debt increased by NOK 799.2 million in 2011.

The Group's equity at 31 December 2011 was NOK 7,391.4 (6,952.4) million. Deferred tax is calculated as the difference between the tax value and the market value of the Group's investment properties, at a nominal rate of 28 per cent, and at 31 December 2011 was NOK 2,352.5 million.

The Group had an equity ratio of 31.1 (31.3) per cent at the close of the year.

The Board considers the Group's financial position to be satisfactory.

Financial matters

The financial markets were volatile in 2011. The first half of the year was marked by a general sense of optimism and the positive developments in most markets. The second half of 2011 was characterised by a clear slowdown in economic activities. This trend is primarily due to increasing sovereign debt problems in the eurozone, widespread uncertainty regarding the solvency of the European banking sector, and the focus on the rising national debt in the United States.

In the past six months, fears of a new global recession and concern over the sovereign debt crisis in the eurozone have impacted the financial markets, resulting in falling equity markets, sharp falls in market interest rates, and limited availability and high cost of credit.

The Group has chosen a cautious finance strategy with an adequate equity ratio that will allow financial flexibility over the economic cycle. Entra has defined a target range for its equity ratio of 25-35 per cent over the economic cycle. This means that the company will normally aim for the median value of the target range, i.e. an equity ratio of 30 per cent.

Entra is exposed to the performance of the financial markets and in 2011 experienced gradually rising rates in the credit markets for new credit. The market for commercial paper remained very liquid throughout the year. During the year, Entra established new credit facilities with its banks to secure its financing needs in 2012.

At 31 December 2011, 67 per cent of the Group's total interest-bearing debt was subject to fixed interest rates. At the same date, the effective term to maturity of the Group's interest rate hedging instruments was 3.4 years.

The Group is financed through a variety of bank and capital market instruments. The loans have a spread-out maturity structure. At 31 December 2011, the Group's liquid assets amounted to NOK 48.3 (149.1) million. In addition the company had committed, undrawn credit facilities with Norwegian banks totalling NOK 4.5 (4.4) billion. The Group's liabilities at 31 December 2011 totalled NOK 16,348.9 (15,273.2) million. The Group's nominal interest-bearing debt totalled NOK 12,694 (12,135) million at year-end, equivalent to 53.5 (54.6 per cent) of the total equity.

HSE and organisation

Entra is responsible for ensuring the safety of its customers, suppliers, employees and guests. Entra's goal of being a zero-harm workplace underpins all the Group's health, safety and environmental work. The main HSE requirements are specified in the Group's HSE policy.

Risk analysis is a key element in Entra's HSE work and is central to all Entra's projects and the day-to-day operation of the properties. Risk analysis shall also contribute to continuous improvements by ensuring priority is given to the most important HSE measures and that effective action plans are established. Good reporting routines, combined with recording and follow-up of all types of injuries and adverse events, are an important part of the Group's improvement work.

Entra's LTI rate (the number of work-related injuries resulting in absence per million work-hours) was 6.3 in 2011, compared with 7.4 in 2010. Two of the accidents were of a serious nature, although there was limited damage. The events have been followed up as prescribed by the company's procedures, and corrective measures have been implemented for similar work processes. There were no fatal accidents associated with the Group's activities in 2011.

At the close of 2011, the Group had 155 employees in total, corresponding to 152 full-time equivalents. Staff turnover at Entra Eiendom AS was 9.5 per cent in 2011, which was 1.7 percentage point higher than in 2010. Adjusted for natural wastage (retirement), turnover was 8.5 per cent, which is 3.2 percentage points higher than in 2010.

Sickness absence at Entra Eiendom AS was 4.5 per cent, up by 1.1 percentage points compared with 2010. The company works systematically to prevent sickness absence, and monitors the progress of staff on sick leave closely.

In 2011, Entra Eiendom AS reviewed its organisational structure with a view to ensuring the Group has the best organisation to meet its business goals. A new organisational structure was established, with different division into regions and clarification of the mandates for roles within the Group's various business areas and positions.

In 2011 Entra Eiendom AS participated in the employee satisfaction survey "Great Place to Work" for the third time. This important survey provides a basis for comparing employee satisfaction both within the organisation and in relation to other companies. This year's survey revealed a slight decline in employee satisfaction. Employee satisfaction has remained stable in the period 2009-2011. The company is working on concrete plans to increase employee satisfaction in 2012.

In addition, a new HR strategy has been adopted in 2011 with new management principles. The new management principles are firmly rooted in Entra's core values and are useful both to set the standard for management and to indicate to the employees what to expect. The management principles will also define the course for the further development of management at Entra.

Cooperation with employee organisations was good and constructive during 2011, and made a positive contribution to the running of the company.

Equality and diversity

At 31 December 2011, 28 (28.6) per cent of the Group's employees were women. Around 56 per cent of the positions at the company are in the operations and maintenance department, and most of these jobs are related to the actual operation of the company's properties, which is an area where there tend to be very few female applicants. At the close of 2011, 8 per cent of the workers in the operations and maintenance department were women, and there are ongoing efforts to increase the proportion of women in this area of the business. Elsewhere in the company, 51 per cent of the employees are women. Entra aims to increase the number of women working at the company, and this goal has been incorporated into the company's recruitment procedures. In 2001, over 40 per cent of the Board members were women. [1]

Employee benefits, such as flexible working hours and full pay during sickness and parental leave, regardless of the National Insurance Scheme's limits, are regarded as important tools in ensuring equal opportunities.

Reducing sickness absence, as stipulated in the agreement on inclusive working life, is a priority at Entra. The company has established a seniors policy. The company believes in the benefits of diversity, and this goal has been incorporated into the company's recruitment procedures. The company's recruitment processes encourage all qualified candidates to apply, regardless of their age, gender, ethnic background or any disabilities.

[1] At the end of the year, one female board member left the Board. She has not yet been replaced, meaning the percentage of women on the Board was under 40 per cent at the time of signing.

4.8 per cent of the workforce at Entra works part-time, and 25 per cent of the part-time staff are women. They have all chosen to work part time.

The company's impact on the environment

Entra's environmental strategy shall serve to reduce the company's negative impact on the environment. The Group has achieved significant energy savings through target-oriented work over several years to reduce energy consumption. The Group had an average energy consumption adjusted for temperature variations of 202 kWh per square metre in 2011, and new goals have been set for further reductions in 2012. Energy consumption is reduced by means of good control systems, continuous training of operating personnel, and investments in energy-saving measures at the properties. Using online tools, the operative staff continuously monitor energy consumption, water consumption, waste volumes and source sorting at all properties. The findings are presented at customer meetings with a view to motivating tenants to work for a better environment. The Group's total carbon emissions in 2011 amounted to 51,201,000 (57,775,000) kg, of which carbon emissions from oil and gas heating account for only 39,000 (47,000) kg.

Entra was the first property company in Norway to introduce energy labelling of all its properties. The very process of working on energy labelling also revealed new opportunities to further reduce energy consumption.

Entra is also actively involved in environmental issues outside its own business areas. Key members of staff have roles on the

boards of the Norwegian Green Building Council and the Green Building Alliance.

Enova projects

In total, 713,400 square metres of the Group's property portfolio is covered by energy-saving projects started in 2006 and 2007 with the support of Enova. The aim of the Enova projects is to reduce energy consumption in the buildings by approximately 19 GWh per year relative to their energy consumption at the time the projects were started. By 2011, energy consumption had been cut by 24.9 GWh per year, equivalent to a reduction of 15.5 per cent. The specific energy consumption of the properties covered by Enova projects was 195 kWh per square metre in 2011. This is significantly lower than at other comparable buildings, and reflects the hard work of the company's operations department and close co-operation with the customers.

Of the four Enova projects started in 2006 and 2007, the project in Eastern Norway was completed in spring 2011. The project achieved energy savings of 12.8 GWh per year and has also converted 12.8 GWh per year into renewable heat. Entra has chosen energy-optimal solutions that meet the passive house or low energy standards in all its new-build and upgrade projects, qualifying the projects for grants from Enova.

The Enova projects have been incorporated into Entra's environmental project, to allow more systematic analysis of the energy consumption at each property and, not least, to see how the operation of the building's technical installations can be optimised.

Features of historic value
All features of historic value in the company's buildings are carefully safeguarded in line with current laws and regulations. When disposing of properties comprising buildings constructed before 1950, the company follows the provisions contained in the fourth paragraph of section 2.1 of the "Order on the disposal of real estate belonging to the state, etc." (Royal Decree of 19 December 1997), which was also referred to in Report no. 29 (2008-2009) to the Norwegian parliament (the Storting).

Corporate governance
Corporate governance at Entra is based on the principles set out by the Norwegian Corporate Governance Committee (NUES) in its Norwegian Code of Practice for Corporate Governance.

In 2011 there were seven Board meetings. At the 2011 AGM, the Board was expanded to include two more shareholder-elected members: Ketil Fjerdingen and Ida Helliesen. Åse Koll Lunde left the Board at the end of 2011, as a result of a change in employment. At the time of writing, the AGM had not elected a replacement Board member.

The Group has established a set of values and ethical guidelines that underpin its operations. Defined overall objectives and strategies highlight Entra's ambitions, strategic choices and long-term goals. Guidelines, routines and authorisation structures have been drawn up to reinforce and operationalise the strategy and overall objectives.

See the chapter of this report on corporate governance for a more detailed discussion of the corporate governance principles and reporting pursuant to Section 3-3 of the Norwegian Accounting Act.

Shareholder information
The Norwegian Government, through the Ministry of Trade and Industry, owns 100 per cent of the shares in Entra Eiendom AS. The owner cannot dispose of the shares in the company without special authorisation from the Storting.

In the Government's Ownership Report, Report no. 13 (2010-2011) to the Storting, the Government indicates that it may permit the company to finance its equity capital needs in the private market. This may entail a government sell-off as part of a structural transaction and/or initial public offering. The Government therefore requested authorisation from the Storting to list and/or sell up to two-thirds of the shares in Entra Eiendom AS.

On 9 June the Storting adopted a resolution to authorise the Government to reduce the government ownership interest in Entra Eiendom AS down to 33.4 per cent in connection with a sell-off and/or initial public listing of the company. Before any sell-off and/or initial public offering takes place, the Government will review whether individual buildings in Entra's portfolio should be taken over by Statsbygg on commercial terms.

Dividend policy
The shareholder has adopted a dividend policy for Entra Eiendom AS. The annual dividend shall constitute 50 per cent of the Group's profit after tax and non-controlling interests as calculated under the Norwegian Accounting Act and generally accepted accounting principles, or be equivalent to at least two per cent of book equity after non-controlling interests under IFRS at the start of the financial year. The expected dividend from Entra Eiendom AS is presented each year in the national budget.

The national budget for 2012 anticipates a dividend of NOK 137 million from Entra Eiendom AS for the 2011 financial year.

Profit for the year and allocations
In 2011 Entra Eiendom AS made a profit after tax of NOK 143.9 (72.1) million, as set out in the financial statements prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

The Board proposes that Entra Eiendom AS's profit for the year be appropriated as follows:

Transferred to other equity	NOK 6.9 million
Proposed dividends	NOK 137.0 million

The company's distributable reserves totalled NOK 507.6 million at 31 December 2011.

Risks associated with Entra's business
The Group is exposed to financial risk through the liabilities on its balance sheet. The management of its financing activities is regulated by the limits set in the Group's finance policy. Changes in interest rates will have an impact on the Group's cash flows. The company manages this risk by actively using various interest-rate hedging instruments. Refinancing risk is reduced by entering into long-term loan agreements and by having a spread-out maturity structure. Entra does not expose itself

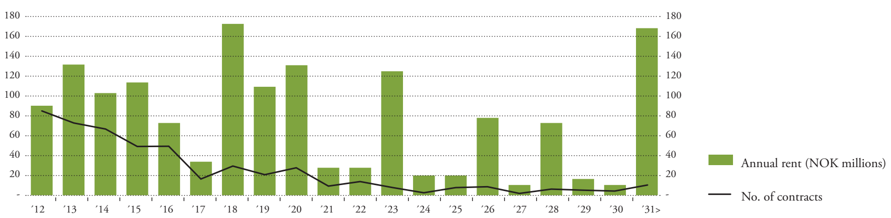
to currency risk. The high proportion of public-sector tenants means that credit and counterparty risk is limited. The creditworthiness of other customers is continuously checked. Any lack of financial strength is compensated for by satisfactory security being demanded.

The Group is exposed to project risk in conjunction with the construction and renovation of properties. The company takes this type of risk into account in its investment analysis prior to deciding to start work on a project, and project risk is subsequently continuously monitored throughout the project period. When calculating profitability, a risk premium is added to allow for things like cost increases over the construction period, delays and contractual disputes. When making investment decisions, market risk is also taken into account when analysing cash flow and the required rate of return.

The Group is exposed to changes in market rents in the form of economic downturns. This risk is reduced by ensuring the Group has an even expiry structure and a maximum of 11.1 per cent of Entra's contract portfolio, in value terms, expires in any given year. There is also risk associated with negotiation and renegotiation of lease contracts. This risk is monitored in an ongoing process by keeping track of when contracts expire and planning market activities. 80 per cent of the Group's customers are in the public sector, and changes in the prerequisites and efficiency improvements in the public sector may affect the company's risk exposure. The market value of the company's property portfolio is affected by cyclical fluctuations in the economy. A decrease in the market value will reduce the Group's equity ratio.

The graph below shows the maturity structure of the Group's contract portfolio.

Expiry structure of the contract portfolio



Outlook and future development

General

Entra is constantly developing new projects and new business areas, in support of the company's business concept of adding value by developing, leasing and operating attractive and highly eco-friendly premises. The Group's growth ambitions are largely associated with Greater Oslo, Drammen, Bergen and Trondheim in order to meet the needs of existing and new customers.

After about two years of intense work, at the start of 2012 Entra published development plans for the Greenfield Datacenter project and its vision for the redevelopment of the Tullinkvartalet quarter in Oslo.

It is essential for Entra to have the trust of its customers, owners, employees and of society as a whole. Entra will continue to build on the company's strong position in the rental market for commercial property. In order to achieve this, it will be important to focus on the company's corporate social responsibility, including the company's environmental goals, and on integrating that responsibility into day-to-day operations and development projects.

Market development

Although the economic situation is still unsettled, the negative trends we saw in the second half of 2011 appear to have stabilised. The Norwegian economy is in a solid position, and the mainland economy is expected to achieve a slightly positive result in 2012.

The rental market has performed well in several places in Norway, with prices rising for centrally located premises of a high standard. By contrast, the transaction market has been dominated by the turmoil in the financial markets during the year.

Demand for office space appears to be somewhat lower ahead than previously projected. Economic growth and the rise in employment are expected to be moderate. The office vacancy rate is expected to rise slightly in 2012, as a result of the completion of a number of office buildings. Rents for modern, centrally located premises are expected to increase somewhat in 2012. Rents for less central and less efficient premises are expected to remain unchanged or decrease slightly. Going forward, Entra will continue to gain a competitive advantage from having centrally located properties close to public transport hubs, with modern, environmentally sustainable, flexible solutions in addition to efficient operation of the properties.

In the investor market, there was high demand for properties in good locations and with a reliable cash flow in 2011. This is expected to continue into 2012. A transaction volume of around NOK 40 billion is expected in 2012. Yields are expected to remain unchanged or increase slightly in 2012, with continued high yield spread between good and bad properties.

Financial development

Entra's equity ratio has remained stable, and the Group has long-term loan agreements. Transactions during 2011 showed that there is a willingness to lend money to Entra, even at times when the financing markets are volatile and challenging.
It is the view of the Board that Entra's strong cash flow and balance sheet provide a solid financial platform. The Board will continue its conservative financial risk profile. Entra will use its strong position to continue growing profitably in accordance with the Group's strategy. Entra is involved in several major development projects.

The Board is of the opinion that the Group has good foundations for further growth and development.

Oslo, 28 March 2012
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen Chair of the Board	**Martin Mæland** Vice-chair	**Ketil Fjerdingen** Board member
Finn Berg Jacobsen Board member	**Ottar Brage Guttelvik** Board member	**Ida Helliesen** Board member
Mari Fjærbu Åmdal Board member	**Frode Halvorsen** Board member	**Tore Benediktsen** Board member

Kyrre Olaf Johansen
Chief Executive Officer

Declaration by the
Board of Directors and CEO

Declaration by the Board of Directors and CEO
We declare that, to the best of our knowledge, the consolidated financial statements for the year 2011 have been prepared in accordance with IFRS, as stipulated by the EU, including the additional information required by the Norwegian Accounting Act, and that the parent company's financial statements for 2011 have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles, and that the information contained therein provides a true and fair picture of the assets, liabilities, financial position and results of the company and the Group. We also declare that, to the best of our knowledge, the annual report gives a true and fair picture of the performance, results and financial position of the company and the Group, as well as describing the most important areas of risk and uncertainty faced by the business.

Oslo, 28 March 2012
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen Chair of the Board	**Martin Mæland** Vice-chair	**Ketil Fjerdingen** Board member
Finn Berg Jacobsen Board member	**Ottar Brage Guttelvik** Board member	**Ida Helliesen** Board member
Mari Fjærbu Åmdal Board member	**Frode Halvorsen** Board member	**Tore Benediktsen** Board member

Kyrre Olaf Johansen
Chief Executive Officer

Consolidated financial statements

Statement of comprehensive income
1 Jan.-31 Dec.

All amounts in NOK millions

	Note	2011	2010
Rental income	22	1 434.7	1 421.6
Other operating revenue	23	33.1	80.2
Total operating revenue		**1 467.8**	**1 501.8**
Maintenance		61.9	69.8
Operating expenses	25	88.6	112.2
Other property costs	7. 10. 26	127.2	133.9
Administrative owner costs	24. 27	186.0	187.2
Total operating expenses		**463.7**	**503.1**
Net income from property management		**1 004.1**	**998.7**
Unrealised changes in value of investment properties	8	632.6	526.6
Share of profit from associates and jointly controlled entities	12	-28.4	42.2
Profit/loss on the sale of non-current assets		-3.5	-18.1
Operating profit		**1 604.8**	**1 549.4**
Interest and other finance income	3-3	114.7	109.0
Interest and other finance expense	3-3	-706.0	-597.9
Net realised financial items		**-591.3**	**-488.8**
Unrealised changes in value of financial instruments	3	-208.0	-113.4
Net financial items		**-799.3**	**-602.2**
Profit before tax		**805.6**	**947.1**
Tax expense	28	-226.6	-248.5
Profit/loss for the year		**579.0**	**698.7**
Total comprehensive income for the year		**579.0**	**698.7**
Profit for the year attributable to			
Shareholders in the parent company		564.8	737.2
Non-controlling interests		14.2	-38.6
Total comprehensive income for the year attributable to			
Shareholders in the parent company		564.8	737.2
Non-controlling interests		14.2	-38.6
Earnings per share (NOK)			
Continuing operations			
Ordinary = Diluted	31	3 972.0	5 184.7

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Balance sheet at 31 Dec. - Assets

All amounts in NOK millions

	Note	31 Dec. 2011	31 Dec. 2010	1 Jan. 2010
NON-CURRENT ASSETS				
Goodwill	7	-	-	15.7
Other intangible assets	7	16.5	12.6	7.0
Total intangible assets		**16.5**	**12.6**	**22.7**
Investment properties	4, 8	21 843.9	19 955.6	18 346.7
Property used by owner	10	6.0	6.2	6.5
Other property, plant and equipment	10	25.4	40.2	21.7
Total property, plant and equipment		**21 875.3**	**20 002.0**	**18 374.8**
Investments in associates and jointly controlled entities	12	502.0	623.1	304.9
Loans to associates and jointly controlled entities	29	14.2	135.6	385.5
Other non-current receivables	13	1 107.5	1 168.5	1 130.1
Total non-current financial assets		**1 623.6**	**1 927.3**	**1 820.5**
Total non-current assets		**23 515.4**	**21 941.9**	**20 218.0**
CURRENT ASSETS				
Stock	9	-	-	104.3
Trade receivables	14	34.5	24.6	21.0
Other receivables	14	105.6	41.5	93.1
Total current receivables		**140.1**	**66.1**	**218.4**
Cash and bank deposits	15	48.3	149.1	227.8
Total current assets		**188.4**	**215.2**	**446.2**
Investment properties held for sale	8	36.5	68.5	404.7
TOTAL ASSETS		**23 740.3**	**22 225.6**	**21 068.9**

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Balance sheet at 31 Dec.
-Equity and liabilities

All amounts in NOK millions

	Note	31 Dec. 2011	31 Dec. 2010	1 Jan. 2010
EQUITY				
Paid-in equity	16	1 414.2	1 414.2	1 414.2
Retained earnings	16	5 858.0	5 418.1	4 782.8
Non-controlling interests		119.2	120.1	259.0
Total equity		**7 391.4**	**6 952.4**	**6 456.1**
LIABILITIES				
Interest-bearing liabilities	19	9 086.3	8 491.3	9 345.5
Pension liabilities	17	84.9	77.9	77.0
Deferred tax	28	2 352.5	2 124.3	1 877.8
Financial derivatives	3-2	769.5	697.5	629.1
Other liabilities	18	63.8	74.5	35.0
Total non-current liabilities		**12 356.9**	**11 465.5**	**11 964.4**
Trade payables and other payables	20	250.6	175.1	270.2
Interest-bearing liabilities	19	3 616.5	3 513.2	2 306.5
Prepayments and provisions	21	124.9	119.5	71.7
Total current liabilities		**3 992.0**	**3 807.7**	**2 648.4**
Total liabilities		**16 348.9**	**15 273.2**	**14 612.8**
TOTAL EQUITY AND LIABILITIES		**23 740.3**	**22 225.6**	**21 068.9**

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Oslo, 28 March 2012
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen
Chair of the Board

Martin Mæland
Vice-chair

Ketil Fjerdingen
Board member

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Ida Helliesen
Board member

Mari Fjærbu Åmdal
Board member

Frode Halvorsen
Board member

Tore Benediktsen
Board member

Kyrre Olaf Johansen
Chief Executive Officer

Consolidated statement of changes in equity

All amounts in NOK millions

	Paid-in equity	Retained earnings	Total majority	Non-controlling interests	Total equity
Equity at 1 Jan. 2010	**1 414.2**	**4 782.8**	**6 197.0**	**259.0**	**6 456.1**
Comprehensive income		737.2	737.2	-38.6	698.7
Dividend paid		-114.5	-114.5		-114.5
Buy-out of non-controlling interests		12.6	12.6	-100.4	-87.9
Equity at 31 Dec. 2010	**1 414.2**	**5 418.1**	**6 832.3**	**120.1**	**6 952.4**
Comprehensive income		564.8	564.8	14.2	579.0
Dividend paid		-124.6	-124.6		-124.6
Change in non-controlling interests		-0.4	-0.4	-15.0	-15.4
Equity at 31 Dec. 2011	**1 414.2**	**5 858.0**	**7 272.2**	**119.2**	**7 391.4**

Notes 1 through to 32 form an integral part of the consolidated financial statements.

Consolidated
cash flow statement

All amounts in NOK millions

	Note	2011	2010
Cash flow from operating activities	32	1 153.1	1 145.9
Interest paid on loans from financial institutions		-618.6	-628.9
Payment of loan fees		-17.3	-
Net cash flow from operating activities		**517.2**	**517.0**
Proceeds from sales of property, plant and equipment		47.6	260.6
Sales of operations, net liquidity	11	-40.8	56.0
Purchase of investment properties	8	-127.4	-244.5
Cost of upgrades to investment properties	8	-1 135.1	-735.5
Net cost of purchase of limited companies		-	-51.4
Purchase of intangible assets and other property, plant and equipment	7. 10	-12.0	-10.8
Purchase of shares and other investments		-2.6	-1.3
In-/outflow on loans to associates and jointly controlled entities	29	122.4	-35.6
Dividends from associates and jointly controlled entities	12	95.3	-
Net cash flow from investment activities		**-1 052.5**	**-762.6**
New non-current liabilities	19	2 597.0	2 568.7
New current liabilities	19	4 144.0	3 515.0
Repayment of non-current liabilities	19	-2 188.0	-2 663.5
Repayment of current liabilities	19	-3 994.0	-3 050.0
Equity injection by non-controlling interests		0.2	-
Purchase of non-controlling interests		-	-87.9
Dividends paid	16	-124.6	-115.4
Net cash flow from financing activities		**434.6**	**166.8**
		-	-
Net change in cash and cash equivalents		-100.8	-78.7
Cash and cash equivalents at the start of the year		149.1	227.8
Cash and cash equivalents at the end of the year	**15**	**48.3**	**149.1**

Notes 1 through to 32 form an integral part of the consolidated financial statements.

NOTE 1 General information

Entra Eiendom was established on1 July 2000. Entra Eiendom is engaged in the development, letting, management, operation, sale and purchase of real estate in Norway. The company is one of Norway's largest property companies, with a total property portfolio of 1,214,181 square metres and 975,951 square metres under management, of which 9,314 square metres is vacant at 31 December 2011. Entra Eiendom's head office is situated in Oslo. The company is organised into four regions: Central Oslo, Greater Oslo, Southern and Western Norway, and Central and Northern Norway. The regional offices are located in Bergen and Trondheim.

All of the shares in the company are owned by the Norwegian Government through the Ministry of Trade and Industry. The Board consists of six shareholder-elected members and three employee representatives. Entra Eiendom AS operates in direct competition with private players on a commercial basis. The company is fully financed in the private markets.

The company mainly has public-sector tenants, and at 31 December 2011 the proportion of public-sector tenants was 80 (79) per cent.

The consolidated financial statements were adopted by the Board of Directors on 28 March 2012.

NOTE 2 Accounting principles

ACCOUNTING POLICIES

The most important accounting policies used to prepare the annual financial statements are described below. These policies are used in the same way for all periods presented, unless otherwise indicated in the description.

BASIC PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Reporting Standards (IFRS) and interpretations by the IFRS Interpretation Committee (IFRIC), as endorsed by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act.

The consolidated financial statements have been prepared on a historical cost basis, with the following modifications: investment properties as well as financial assets and financial liabilities have been measured at fair value. Financial instruments measured at fair value include the Group's non-current borrowings, derivatives and investment shares.

Presenting the accounts under IFRS requires the management to make certain assessments and assumptions. The application of the company's accounting policies also requires management to exercise judgement. Estimates and subjective judgements are based on past experience and other factors that are considered relevant. Actual results may deviate from these estimates.

The estimates and underlying assumptions are continuously reassessed. Changes in accounting estimates are recognised in the period in which the changes occur if they only apply to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods. Note 4 details items in the accounts that are based on a significant amount of subjective judgement.

The consolidated financial statements have been filed on the assumption of the business being a going concern.

The Group has started using the following new and amended standards in 2011

No new IFRS or IFRS standards and interpretations came into effect for 2011 year ends that are considered to have or expected to have a significant impact on the consolidated financial statements.

Standards, amendments to existing standards and interpretations that have not yet come into force, and which the Group has not chosen to apply early

The following standards, amendments to existing standards and interpretations of existing standards have been published and will be mandatory for the consolidated financial statements for periods starting on or after 1 January 2013, and which the Group has chosen not to adopt early with effect for the 2011 financial statements.

IAS 19 Employee benefits

This standard was amended in June 2011. The amendments entail that all actuarial gains and losses are recognised in comprehensive income as they arise (eliminating the "corridor"), immediate recognition of all costs relating to pension liabilities accrued in previous periods, and replacement of interest expenses and anticipated return on pension assets with a net interest amount, calculated by applying the discount rate to the net pension liability or asset. Unrecognised actuarial gains/losses at 31 December 2011 are presented in Note 17 – Pensions. The Group has not yet completed its analysis of the impact of the amendments to IAS 19. The Group will implement the revised standard as of the 2013 financial year.

IFRS 9 Financial instruments

Revised versions of IFRS 9 were published in November 2009 and October 2010, replacing the rules in IAS 39 on recognition, classification and measurement of financial instruments. Under IFRS 9, financial assets are divided into two categories depending on how they are measured: those measured at fair value and those measured at amortised cost. Classification is made on initial recognition. Classification will depend on the business model the company uses to handle its financial instruments and the contractual cash flow characteristics of the instrument. The rules for financial liabilities are largely the same as under IAS 39. The most significant change in cases where financial liabilities are measured at fair value is that that part of gains or losses in the fair value of these instruments attributable to changes in the company's own credit risk are to be presented in other comprehensive income and costs, as opposed to in the income statement, as long as this does not result in accrual errors in the measurement of profit or loss. The Group intends to adopt IFRS 9 once the standard comes into force and has been approved by the EU. The revised standard comes into force for accounting periods starting on or after 1 January 2013, but the IASB has published for public comment a proposal to defer the mandatory effective date of IFRS 9 to periods beginning on or after 1 January 2015. The Group has not yet assessed the full impact of IFRS 9. However, a preliminary assessment indicates that the standard will not have a significant impact on the Group's accounts, apart from effects due to changes in fair value attributable to changes in the company's own credit risk, as mentioned above.

IFRS 10 Consolidated accounts

The standard is based on the existing principles defining control as the decisive factor in determining whether a company is to be included in the consolidated accounts of the parent company. The standard provides extensive guidance on determining whether control exists in difficult

NOTE 2 Accounting principles (cont.)

cases. The Group has not yet assessed all the possible consequences of IFRS 10. The Group intends to apply the standard in accounting periods beginning on or after 1 January 2013.

IFRS 11 Joint arrangements
The standard replaces IAS 31 "Interests in joint ventures" and SIC-13 "Jointly-controlled entities – Non-monetary contributions by venturers". IFRS 11 has two main categories of joint arrangements: joint operations and joint ventures. The proportionate consolidation method is no longer permissible. The equity method of accounting must be used for interests in jointly controlled entities. For arrangements classified as joint operations, the parties recognise their share of the assets and liabilities in the collaboration. The classification of joint arrangements is determined by the nature and terms of the arrangement, as opposed to its formal structure. The standard is not expected to entail any significant changes for the Group.

IFRS 12 Disclosure of interests in other entities
The standard contains the disclosure requirements for financial interests in subsidiaries, jointly controlled entities, associates, special purpose entities and other unconsolidated structured entities. The Group has not yet assessed the full impact of IFRS 12. The Group intends to apply the standard in accounting periods beginning on or after 1 January 2013.

IFRS 13 Fair value measurement
The standard provides a precise definition of fair value for use in IFRS, provides a single framework describing how to measure fair value in IFRS, and defines what additional information must be disclosed when fair value is used. The standard does not expand the area of application for the use of fair value; rather it provides guidance on how it should be applied when fair value measurement is already required or permitted by other IFRSs. The Group measures certain assets and liabilities at fair value. The Group has not yet assessed the full impact of IFRS 13. The Group is planning to apply IFRS 13 in accounting periods beginning on or after 1 January 2012.

There are no other IFRS standards and interpretations that have not yet come into effect that are expected to have a significant impact on the consolidated financial statements.

CONSOLIDATION PRINCIPLES
Subsidiaries
Subsidiaries are entities over which the Group exercises control of financial and operating policies, normally through ownership of more than half the voting power. When deciding whether control exists, the effect of potential voting rights that can be exercised or converted on the balance sheet date is taken into consideration.

The Group also assesses whether there is control in entities over which it does not have more than 50 per cent of the voting rights, but in which it is nevertheless able to influence financial and operational guidelines in practice ("actual control"). Actual control can exist in situations where the other voting rights are spread over a large number of shareholders who are not realistically capable of organising their voting. In the assessment of whether the Group has actual control over a subsidiary, decisive importance is attached to whether the Group can choose the Board it wants.

Subsidiaries are consolidated from the date on which control is transferred to the Group, and are deconsolidated when control ceases.

The acquisition method is used to account for purchases of subsidiaries that constitute a business. The transferred consideration (cost of acquisition) is measured at fair value of the transferred assets, the equity instruments that have been issued, obligations incurred in transferring control and direct costs relating to the actual purchase. The cost of acquisition also includes the fair value of all assets or liabilities that are the result of an agreement on contingent consideration.

Identifiable purchased assets, assumed liabilities and contingent liabilities are recognised at fair value on the date of acquisition. The costs associated with the business combination are expensed when they are incurred.

If the aggregate of the consideration, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate is less than the company's net assets, the difference is immediately recognised in profit.

Contingent consideration is recognised at fair value on the date of acquisition. Subsequent changes in fair value of the contingent consideration are recognised in profit or loss or recognised as a change in other comprehensive income, if the contingent consideration is classified as an asset or a liability. Contingent consideration classified as equity is not remeasured, and subsequent settlement is recognised in equity.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as subsidiaries that only consist of a building, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the property. In such cases no provision is made for deferred tax (cf. exceptions in IAS 12).

Intragroup transactions, balances and unrealised gains are eliminated. Unrealised losses are eliminated, but are considered evidence of impairment in terms of writing down the value of the transferred asset. If necessary, the accounting principles at subsidiaries are changed in order to bring them into line with the Group's accounting principles.

Transactions with non-controlling interests
Transactions with non-controlling interests in subsidiaries are treated as equity transactions. If shares are acquired from a non-controlling interest, the difference between the remuneration and the proportion of the carrying amount of the subsidiary's net assets attributable to the shares is recognised in the equity of the parent company's owners. Gains and losses arising from the sale of shares to non-controlling interests are similarly recognised in equity.

If the Group loses control, any residual holding is remeasured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as an investment in an associate, in a jointly controlled entity or in a financial asset. Amounts previously included in comprehensive income that relate to the company are treated as if the Group had disposed of the underlying asset and liability. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement.

Jointly controlled entities
Jointly controlled entities are companies where the Group shares control with other parties, and where an agreement between the parties ensures that strategic decisions on financial and operating policies are

NOTE 2 Accounting principles (cont.)

unanimous. This applies to companies where a shareholder agreement ensures joint control of the business. The Group's interests in jointly controlled entities are measured using the equity method. If necessary, the accounting principles at jointly controlled entities are changed in order to bring them into line with the Group's accounting principles.

The proportion of any gains and losses on the sale of assets to jointly controlled entities that is attributable to other owners (outside the Group) of the jointly controlled entity is recognised in profit or loss. When assets are acquired from a jointly controlled entity, any gain or loss is only recognised in profit or loss when the asset is sold by the Group. A loss is recognised immediately if the transaction indicates that the value of the company's current or non-current assets has fallen.

Associates
Associates are companies over which the Group has significant influence but not control. Significant influence normally exists where the Group's investment represents between 20 and 50 per cent of the voting power. Investments in associates are initially recognised on the acquisition date at the acquisition cost, and thereafter using the equity method. Investments in associates include any excess values and goodwill identified at the time of acquisition, less any subsequent impairment losses.

The Group's share of the profit and loss of associates is recognised and added to the carrying amount of the investments together with the portion of unrecognised equity changes. The Group's share of the comprehensive income of associates is recognised in the Group's comprehensive income and added to the carrying amount of the investments. The Group does not recognise its share of the loss if this would result in a negative carrying amount for the investment (including the entity's uncollectible receivables), unless the Group has taken over obligations or made payments on behalf of the associate.

The Group's share of unrealised gains on transactions between the Group and its associates are eliminated. This also applies to unrealised losses, unless there is a permanent fall in value. Where necessary, the accounts of associates have been brought into line with the Group's accounting principles. Gains and losses arising from the dilution of ownership interests in associates are recognised in profit or loss.

If the Group no longer has significant influence, any residual holding is remeasured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as a financial asset. Amounts relating to the company that were previously recognised in comprehensive income are treated as if the associate had disposed of the underlying assets and liabilities. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement. If the Group reduces its shareholding but retains significant influence, a proportionate share of the amounts previously recognised in comprehensive income is reclassified to the income statement.

FOREIGN CURRENCY
The Group's presentation currency is NOK. This is also the functional currency of the parent company and all of its subsidiaries.

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the balance sheet date. Exchange rate fluctuations are recognised in profit or loss as they arise.

SEGMENT INFORMATION
Operating segments are reported in the same way as in internal reports to the company's highest decision-making authority. The company's highest decision-making authority, which is responsible for allocating resources and assessing the profitability of the operating segments, has been identified as the group management.

INVESTMENT PROPERTY
Investment property is owned with the aim of achieving a long-term return from rental income. Properties used by the Group are valued separately under property, plant and equipment. Investment property is recognised at fair value, based on market values identified by independent valuers. Gains or losses as a result of changes in the market value of investment properties are recognised in profit or loss as they arise, and are presented on a separate line after income from property management.

Initial measurement also takes into consideration the property's acquisition cost, which includes direct transaction costs such as document duty and other public duties, legal fees and due diligence costs. Transaction costs associated with properties acquired through business combinations (as defined in IFRS 3) are expensed.

Subsequent expenditure is added to the investment property's carrying value, if it is probable that future financial benefits associated with the expenditure will flow to the Group and the expense can be measured reliably. Other maintenance costs are recorded through the income statement in the period in which they are incurred. When investment properties are disposed of, the difference between the net sales proceeds and carrying amount is recognised through profit or loss.

Investment property is valued at each reporting date. The value is estimated by independent valuers. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with individual risk-adjusted required rate of return.

The required rate of return for each property is defined as being a long-term risk-free interest plus a property-specific risk supplement. The latter is defined on the basis of the property segment to which the property belongs, its situation, standard, occupancy rate, tenants' financial reliability and remaining lease term. Known market transactions with similar properties in the same geographical area are also taken into consideration.

Changes in fair value are recognised as "changes in the value of investment property".

For properties where the Group is involved in constructing and/or upgrading public infrastructure, and where the Group operates and maintains the infrastructure for an agreed period of time, the infrastructure itself is not included in the Group's accounts, but is instead treated as a financial or intangible asset, depending on whether the Group has a public liability to pay/guarantee cash flows. In those cases where the Group has a contractual right to receive a specific amount or other financial asset from the public sector, in return for constructing or upgrading and subsequently maintaining/operating the asset for an agreed period, the infrastructure is deemed a financial asset as defined in IAS 39. If the Group is entitled to charge users of a public asset that it has constructed/upgraded, and it is responsible for maintaining and operating it for an agreed period, the entitlement is deemed an intangible asset as defined in IAS 38. The total amount recognised in income varies depending on the use of the asset. The Group has three properties classified as financial assets under IFRIC 12.

Property, plant and equipment
Property, plant and equipment are recognised at cost, less depreciation. The acquisition cost includes costs directly related to acquisition of the asset. Buildings under construction that do not qualify as investment properties are recognised at historical cost, adjusted for write-downs. The acquisition cost includes costs directly related to acquisition of the asset. Subsequent expenditure is added to the asset's carrying amount or recognised separately, when it is probable that future financial benefits attributable to the expenditure will flow to the Group and the expense can be measured reliably. Amounts relating to replaced parts are recognised in the income statement. Other maintenance costs are recorded through the income statement in the period in which they are incurred.

Sites that are not considered to be investment properties (and buildings under construction) are not depreciated. Other assets are depreciated in a straight line over their anticipated remaining useful life.

The remaining useful life, and residual value, is reassessed on each balance sheet date and changed if necessary. If the carrying amount of an asset is higher than its recoverable amount, the value of the asset is written down to the recoverable amount.

Gains and losses on disposals are recognised through profit or loss, and are calculated as the difference between the sales price and the carrying amount at the time of disposal.

Non-current assets held for sale and discontinued operations
Non-current assets and groups of non-currents assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through their continuing use. This condition is regarded as met if the sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present condition. The management must be intending to sell the asset and must expect the sale to be completed within a year of the balance sheet date.

Non-current assets and groups of non-current assets and liabilities classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Investments properties classified as held for sale are measured at fair value in the same way as other investment properties.

Housing units being developed by the company for sale
Housing projects involve the development and construction of residential housing, with individual units being handed over to the purchaser when they are completed. During their construction these projects are classified as current assets. When the homes are completed and handed over to the buyer, the sales price and cost of construction are recognised in the income statement.

Buildings under construction
For construction contracts where the design and delivery schedule have been negotiated with the buyer, costs and revenues should be recognised in the income statement in accordance with the percentage of completion method described in IAS 11. Sales of other property projects are measured at cost and presented under stock. The sales price is recognised in the income statement on handover.

Borrowing costs
The borrowing costs for capital used to finance buildings under construction is capitalised under the asset in question. When calculating the capitalised borrowing costs, the average interest rate on the company's debt portfolio over the course of the year is used, unless there is separate financing for the specific project. In such cases the specific borrowing cost for the loan in question is used. When calculating the average interest rate to be used for the capitalisation of borrowing costs, loans taken out for specific projects are not included.

INTANGIBLE ASSETS
Goodwill
Goodwill is the difference between cost and the fair value of the Group's share of net identifiable assets in the entity on the acquisition date. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. For the purpose of impairment testing, goodwill is allocated to the relevant cash flow generating units. Goodwill is allocated to the cash flow generating units or groups of cash flow generating units that are expected to benefit from the acquisition from which the goodwill arose. Goodwill is tested for impairment annually and is recognised at cost less any impairment losses. Impairment of goodwill is not reversed. Gains and losses on the sale of an operation include the carrying amount of goodwill relating to the sold operation.

Goodwill arising from the purchase of shares in associates and jointly controlled entities is included under the investment in the associate or jointly controlled entity, and is tested for impairment as part of the carrying amount of the investment.

Software
Purchased software is recognised at cost (including expenditure on making programs operative) and is amortised over the expected useful life. Expenses directly associated with the development of identifiable and unique software owned by the Group and which is likely to generate net financial benefits for more than one year are capitalised as intangible assets, and are depreciated over the expected useful life. Expenses relating to the maintenance of software are expensed as incurred.

Impairment of non-financial assets
Intangible assets with an uncertain useful life are not depreciated, and are instead tested annually for impairment. Property, plant and equipment and intangible assets that are depreciated are also tested for impairment if there is any indication to suggest that future cash flows cannot justify the book value of the asset. Write-downs are recorded through the income statement as the difference between the carrying amount and the recoverable amount. The recoverable amount is the utility value or fair value, whichever is the higher, less costs to sell. When testing for impairment, non-current assets are grouped at the lowest possible level at which it is possible to find independent cash flows (cash flow generating units). In conjunction with each financial report, the company assesses whether it is possible to reverse past write-downs of non-financial assets (except goodwill).

FINANCIAL INSTRUMENTS
A financial instrument is defined as being any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity. Financial instruments are recognised on the transaction day, i.e. the day the Group commits to buying or selling the asset.

Financial assets are classified in the following categories: at fair value through profit or loss, loans and receivables and available for sale.

Financial assets at fair value through profit or loss are assets held for trading purposes, and include derivatives. Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments. Financial assets available for sale are assets designated as available for sale or assets that do not fit in any of the other categories, including minor shareholdings.

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities at fair value through profit or loss comprise loans designated at fair value upon initial recognition (fair value option) and derivatives. Financial liabilities at amortised cost consist of liabilities that do not fit in the category at fair value through profit or loss.

Financial assets and liabilities are classified upon initial recognition based on their characteristics and purposes. In order to avoid accounting mismatch, Entra Eiendom has used the fair value option for the company's long-term debt used to finance the acquisition of investment properties measured at fair value. Liabilities designated at fair value through profit or loss are typically debt incurred to finance the acquisition of investment properties measured at fair value.

Trade receivables and other financial assets
Trade receivables and other financial assets are classified as loans and receivables and are measured at fair value upon initial recognition, and thereafter at amortised cost. Interest is ignored if it is insignificant. A provision for bad debts is recognised if there is objective evidence that the Group will not receive payment in accordance with the original conditions. Any subsequent payments received against accounts for which a provision has previously been made are recognised in the income statement. Trade receivables and other financial assets are classified as current assets, unless they are due more than twelve months after the balance sheet date. If so, they are classified as non-current assets.

Shares
Investment shares are measured at fair value on the balance sheet date and are classified as available for sale. Changes in the value of shares are recognised under other comprehensive income, unless the asset is written down or sold. When shares that are available for sale are sold or written down, the total adjustment in value that has been recognised in comprehensive income is reclassified through profit or loss. Previous write-downs of shares are not subsequently reversed in the income statement. Each balance sheet date, the Group assesses whether there is objective evidence of a fall in the value of the investment shares. Write-downs may be considered if there is an indication that the value of the asset is likely to fall. Dividends and other distributions received in relation to investment shares are recognised under other finance income when the entitlement to receive a dividend arises (normally when the dividend is adopted by the AGM).

Cash and cash equivalents
Cash and cash equivalents consist of bank deposits and other short-term, highly liquid investments with an original term to maturity of no more than three months.

Derivatives
The Group uses derivatives to manage its interest rate risk. Derivatives are initially recognised at cost price on the date on which the contract was signed, and subsequently at fair value. Gains or losses on re-measurement at fair value are recognised in the income statement. Regular payments are presented as interest and other finance expenses. Changes in the value of the derivatives are presented under "adjustment to value of financial instruments".

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to redeem the agreements on the balance sheet date. This amount will depend on interest rates and the agreements' remaining term to maturity. The derivatives are classified on the balance sheet as other current liabilities or on a separate line as financial derivatives under other non-current liabilities, depending on whether they are expected to be redeemed under or over 12 months from the balance sheet date.

Trade payables and other non-interest-bearing financial liabilities
Trade payables and other non-interest-bearing liabilities are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method. Interest is ignored if it is insignificant.

Interest-bearing liabilities
Interest-bearing liabilities that satisfy the criteria for using the fair value option under IAS 39 are classified in the category at fair value through profit or loss. Entra Eiendom uses the fair value option for interest-bearing liabilities incurred to finance the acquisition of investment properties. Interest-bearing liabilities are recognised at fair value when the loan is received. Subsequently loans are measured at fair value through the income statement and are presented under net financial items. Ordinary interest expenses are presented on the income statement under net financial items. Interest-bearing liabilities are classified as current liabilities unless there exists an unconditional right to delay repayment of the debt for more than 12 months from the balance sheet date. Accrued interest that is due for payment within 12 months of the balance sheet date is included in the fair value of loans on the balance sheet.

PENSIONS
The Group has pension schemes which are defined benefit plans. A defined benefit plan is a pension arrangement which defines the pension payment an employee will receive on retirement. The pension benefit payable is dependent on a number of factors, such as the employee's age, number of years of membership of the Norwegian Public Service Pension Fund and salary.

The recognised pension obligation relating to defined benefit plans is the present value of the defined benefit on the balance sheet date less the fair value of the plan assets, adjusted for unrecognised actuarial gains/losses and changes to pension plans relating to past service. The pension obligation is calculated annually by an independent actuary using the projected credit unit method. The present value of the defined benefit is determined by discounting estimated future payments using a discount rate based on a 10-year government bond, plus consideration of the relevant duration of the obligations.

Changes to benefits payable under the pension plan are measured through profit or loss, unless the entitlements under the new pension plan are contingent upon the employee remaining at the company for a specific amount of time (the qualifying period). In such cases the cost associated with the change to the plan is amortised in a straight line over the qualifying period.

Actuarial gains/losses resulting from new information or changes to actuarial assumptions over and above the greater of 10 per cent of the value of plan assets and 10 per cent of pension obligations are recognised in the income statement over a period corresponding to the employees' average remaining service period.

NOTE 2 Accounting principles (cont.)

Redundancy packages are payments made when a contract of employment is terminated by the Group before the normal retirement age or when an employee voluntarily agrees to leave in return for such a payment. The Group expenses redundancy packages when it has a proven obligation to either terminate the contract of current employees in accordance with a formal, detailed plan that cannot be withdrawn by the Group, or to make redundancy payments as a result of an offer made to encourage voluntary redundancy.

Redundancy packages that are due for payment over 12 months after the balance sheet date are discounted to their present value.

TAX
The tax expense consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised directly in equity. In such cases, the tax is either recognised in comprehensive income or directly in equity.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and consolidated accounting values of assets and liabilities. Any deferred tax arising from the initial reporting of a liability or asset in a transaction which is not a business combination and which on the transaction date does not affect accounting or tax results is not recognised in the balance sheet. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised.

In the event of adjustments to the value of investment properties, deferred tax is calculated and adjusted at the nominal tax rate of 28 per cent. For investment properties acquired through the purchase of shares in property companies or not acquired through a business combination, in the event of an adjustment in value, deferred tax is calculated on the property's fiscal value.

Deferred tax asset is recognised to the extent that it is likely that future taxable profit will be available against which the temporary differences can be offset.

In principle deferred tax is not calculated on temporary differences arising from investments in subsidiaries and associates. This does not apply in cases where the Group is not in control of when the temporary differences will be reversed, and it is probable that they will be reversed in the foreseeable future. Nor is a liability for deferred tax calculated upon initial recognition of assets or liabilities obtained through an acquisition of a subsidiary not classified as a business combination.

PROVISIONS
The Group recognises provisions for lease agreements and legal requirements when a present, legal or constructive, obligation has arisen as a result of a past event, it is likely that an outflow of resources will be required to settle the obligation and its amount can be estimated reliably. There is no provision for future bad debts.

In cases where there are several obligations of the same nature, the likelihood of settlement is determined by assessing the group as a whole. A provision for the group is recognised even if there is little likelihood of settlement of the group's individual elements.

Provisions are measured at the present value of expected payments to settle an obligation. A discount rate before tax is used which reflects the present market situation. Any increase in an obligation as a result of a changed time value is reported under finance expense.

INCOME RECOGNITION
Operating revenue consists of rental income and other operating revenue. Gains on the sale of properties are presented on a separate line. Rental income encompasses the fair value of the payments received for services that fall within the ordinary activities of the company. Rental income is presented net of VAT, rebates and discounts. Shared costs are capitalised alongside payments on account from tenants and therefore have no impact on the income statement. Shared costs are settled after the balance sheet date.

Rental income is recognised over the duration of the lease. If a rent exemption is agreed, or if the tenant receives an incentive in conjunction with the signing of the lease, the cost or loss of rent is spread over the duration of the lease, and the resulting net rent is recognised in equal instalments. The accrued loss of rent or costs are presented under other receivables.

Income from the termination of lease contracts is recognised when the lease contract ends.

LEASE CONTRACTS
Lease contracts where a significant proportion of the risks and benefits of ownership remain with the lessor are classified as operating leases. Rent payments for operating leases (less any financial incentives given by the lessor) are expensed in a straight line over the duration of the lease.

Lease contracts for property, plant and equipment where the Group has all of the risks and benefits of ownership are classified as finance leases. Finance leases are recognised at the start of the lease term at the lower of fair value and the present value of the minimum lease payments.

DIVIDENDS
Dividend payments to the company's shareholders are classified as debt from the date on which the dividend is adopted by the AGM.

CORRECTIONS TO PREVIOUS YEARS
Deferred tax has been wrong by NOK 30 million in previous years. This error increases deferred tax and reduces equity at 1 January 2010, in accordance with IAS 8.

CHANGES TO CLASSIFICATION
In 2011, Sørlandet Kunnskapspark Eiendom AS (previously Kristiansand Kunnskapspark Eiendom AS) was reclassified from subsidiary to joint venture, in keeping with a new interpretation of the shareholder agreement. The change has been implemented with retrospective effect. In accordance with IAS 1, all comparable figures have been restated, and the adjusted balance sheet at 1 January 2010 has been presented in the annual report. The balance sheet at 31 December 2010 has been reduced by NOK 102.1 million, and net deferred tax assets have been reduced by NOK 4.0 million as a result of the reclassification. The pre-tax profit was changed by NOK 1 million.

The Group has made a number of changes to the financial statements compared with previous years. The most significant change is:
- Adjustment to the value of investment property and profit from associates and jointly controlled entities are now included in the Group's operating profit.

The comparative figures have been restated accordingly.

NOTE 3 Financial risk management
All amounts in NOK millions

The Group's finance strategy shall ensure that the Group has financial flexibility and that it achieves competitive financial terms. The Group is exposed to various types of financial risk. The Group's finance policy, which is adopted by the Board of Entra Eiendom AS, provides a framework for financial management at the Entra Eiendom Group. The parent company has operational responsibility for the Group's financing activities. Entra's exposure to risk is supposed to be limited, balanced and in line with the Group's activities. Entra has established an internal finance committee which is a forum for updates on and discussion of the macroeconomic climate, as well as for discussing the company's financial risks and opportunities. Long-term projections are made of financial developments as a component in the Group's risk management, using a model with detailed assumptions concerning the Group's financial performance, cash flow and assets. The projections take into account cyclical developments in the economy, financial parameters and the property market. Simulations are drawn up for different development scenarios. The simulations provide good information for the Board and the executive management in their monitoring of developments in central balance sheet figures and cash flow.

Liquidity risk
Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due. This includes the risk that financing will not be available at a reasonable price. The Group aims to limit liquidity risk by obtaining capital from a wide range of sources, including various capital markets and several different lenders. It also aims to maintain a financial buffer by having committed credit facilities covering 100 per cent of the Group's capital requirements over the next 12 months. The Group has arranged several long-term credit facilities, as described below. At 31 December 2011, the average weighted remaining term to maturity of the Group's loans and credit facilities was 4.2 years (4.7 years).

The Group issues commercial paper in the market as part of the Group's short-term and long-term financing. By definition, commercial paper has a maximum term to maturity of 12 months, and is therefore classified as a current liability. To protect itself against the liquidity risk associated with its use of commercial paper, the Group has set up credit facilities with its banks. These facilities ensure that the Group will still be in a position to refinance its debt even if the market for commercial paper becomes unattractive, or if investors do not have available liquidity.

Maturity structure of all financial liabilities

At 31 Dec. 2011	REMAINING TERM								
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans									
- principal	-	-	3 385.0	100.0	1 750.0	-	100.0	519.0	5 854.0
- estimated interest	54.4	163.1	173.1	173.3	97.7	46.8	44.5	94.5	847.3
Bonds									
- principal	-	670.0	-	1 425.0	500.0	325.0	-	1 100.0	4 020.0
- estimated interest	4.6	181.8	158.9	251.3	184.7	137.7	101.6	457.4	1 478.1
Commercial paper									
- principal	800.0	2 000.0	-	-	-	-	-	-	2 800.0
- estimated interest	26.6	68.3	-	-	-	-	-	-	94.9
Financial instruments									
- interest rate derivatives-estimated interest	62.0	80.6	138.2	200.7	153.6	89.7	36.0	-23.3	737.5
Trade payables	204.8	-	-	-	-	-	-	-	204.8
Other financial liabilities	45.9	-	-	-	-	-	-	-	45.9
Total	**1 198.2**	**3 163.9**	**3 855.2**	**2 150.2**	**2 686.0**	**599.2**	**282.2**	**2 147.6**	**16 082.4**

All amounts in NOK millions

At 31 Dec. 2010				REMAINING TERM					
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans									
- principal	-	1 200.0	505.0	2 030.0	1 200.0	-	-	510.0	5 445.0
- estimated interest	42.7	128.1	123.9	157.4	103.3	29.2	29.2	87.5	701.2
Bonds									
- principal	-	-	670.0	1 425.0	-	500.0	325.0	1 100.0	4 020.0
- estimated interest	3.7	179.2	182.9	310.9	184.7	161.2	119.7	508.2	1 650.4
Commercial paper									
- principal	1 900.0	750.0	-	-	-	-	-	-	2 650.0
- estimated interest	13.4	53.4	-	-	-	-	-	-	66.8
Financial instruments									
- interest rate derivatives-estimated interest	81.4	105.6	174.2	288.4	200.2	117.7	50.4	-52.0	965.9
Trade payables	140.9	-	-	-	-	-	-	-	140.9
Other financial liabilities	34.2	-	-	-	-	-	-	-	34.2
Total	**2 216.2**	**2 416.3**	**1 656.0**	**4 211.6**	**1 688.2**	**808.1**	**524.3**	**2 153.7**	**15 674.4**

The table is based on undiscounted contractual cash flows. The maturity analysis is based on the earliest possible redemption for instruments where the counterparty has a choice as to when to redeem the instrument. Estimated interest is based on the interest rate on the individual loan/instrument on the balance sheet date. In order to manage its liquidity risk, the Group has available, undrawn credit facilities with Norwegian and international banks, as well as available liquid assets.

Undrawn credit facilities

At 31 Dec. 2011				TERM TO MATURITY					
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Parent company's undrawn credit facilities	-	1 000.0	-	900.0	1 200.0	1 000.0	-	-	4 100.0
Subsidiaries' undrawn credit facilities	-	-	270.0	-	-	-	160.0	-	430.0
Total undrawn credit facilities	**-**	**1 000.0**	**270.0**	**900.0**	**1 200.0**	**1 000.0**	**160.0**	**-**	**4 530.0**

Undrawn credit facilities

At 31 Dec. 2010				TERM TO MATURITY					
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Parent company's undrawn credit facilities	-	700.0	1 000.0	720.0	1 000.0	1 000.0	-	-	4 420.0
Subsidiaries' undrawn credit facilities	-	-	-	-	-	-	-	21.0	21.0
Total undrawn credit facilities	**-**	**700.0**	**1 000.0**	**720.0**	**1 000.0**	**1 000.0**	**-**	**21.0**	**4 441.0**

At 31 December 2011, the Group had NOK 17.1 (118.0) million of available liquid assets. See Note 15.

All amounts in NOK millions

Interest rate risk

Interest rate risk arises from the value of the portfolio's fixed interest debt being affected by changes in the market interest rates. Interest rate risk can affect the company's cash flows and the market value of the company's liabilities. The main purpose of the Group's strategy to manage interest rate risk is to ensure stable and predictable interest payments. A large proportion of the Group's liabilities are subject to fixed interest rates (67 per cent). The Group uses a variety of derivatives to optimise its portfolio for its interest rate fixing structure. The choice of interest rate structure is based on an evaluation of the Group's financial strength and ability to generate long-term, stable cash flow.

At 31 December 2011, the effective term to maturity of the Group's interest rate hedging instruments was 3.4 (3.6) years. Nominal average interest rate has remained stable and was 5.16 (5.15) per cent at year-end.

The table below shows the nominal value of outstanding current and non-current interest-bearing debt including derivatives.

Maturity structure of the Group's exposure to nominal interest rate risk

At 31 Dec. 2011	31 Dec. 2012	31 Dec. 2013	31 Dec. 2015	31 Dec. 2017	31 Dec. 2019	31 Dec. 2021	31 Dec. 2021+	Total
Term to maturity	**Up to 1 year**	**1-2 years**	**2-4 years**	**4-6 years**	**6-8 years**	**8-10 years**	**Over 10 years**	
Percentage	33 %	14 %	11 %	15 %	12 %	9 %	6 %	100 %
Amount	4 184.0	1 750.0	1 350.0	1 950.0	1 550.0	1 150.0	760.0	12 694.0

At 31 Dec. 2010	31 Dec. 2011	31 Dec. 2012	31 Dec. 2014	31 Dec. 2016	31 Dec. 2018	31 Dec. 2020	31 Dec. 2020+	Total
Term to maturity	**Up to 1 year**	**1-2 years**	**2-4 years**	**4-6 years**	**6-8 years**	**8-10 years**	**Over 10 years**	
Percentage	30 %	8 %	15 %	19 %	8 %	11 %	9 %	100 %
Amount	3 685.0	970.0	1 750.0	2 320.0	1 000.0	1 350.0	1 060.0	12 135.0

NOTE 3 Financial risk management (cont.)
All amounts in NOK millions

Sensitivity analysis for market interest rates

The table below shows the overall impact on the Group's financing costs of a parallel shift in market rates for NOK of +/- 1 percentage point, based on the Group's debt portfolio and interest rate derivatives on the balance sheet date. The figures quoted for the change in the fair value of debt and derivatives reflect what the market value of the portfolio would be on the balance sheet date if the yield curve were 1 percentage point higher or lower, based on discounted future cash flows from the various instruments.

	Total change in profit/loss (after tax)*	Change in the Group's interest expense (annualised)	Change in the fair value of bonds and derivatives (after tax)
At 31 Dec. 2011			
Market rates increase by 1 percentage point	**426.0**	**-23.7**	**449.7**
Interest-bearing debt	89.8	-51.6	141.4
Derivatives	336.2	27.9	308.3
Market rates decline by 1 percentage point	**-467.7**	**23.7**	**-491.4**
Interest-bearing debt	-107.9	51.6	-159.5
Derivatives	-359.8	-27.9	-332.0
At 31 Dec. 2010			
Market rates increase by 1 percentage point	**388.8**	**-26.7**	**415.5**
Interest-bearing debt	94.7	-47.3	142.0
Derivatives	294.1	20.6	273.5
Market rates decline by 1 percentage point	**-431.0**	**26.7**	**-457.7**
Interest-bearing debt	-112.5	47.3	-159.8
Derivatives	-318.5	-20.6	-298.0

* A positive figure signifies an increase in profit after tax.

NOTE 3 Financial risk management (cont.)
All amounts in NOK millions

Key figures for the Group's financial instruments	**2011**	**2010**
Nominal value of interest rate derivatives on the balance sheet date**	13 230.0	12 830.0
of which		
- Fixed-to-variable swaps**	3 570.0	3 570.0
- Variable-to-variable swaps	700.0	700.0
- Variable-to-fixed swaps	7 260.0	6 510.0
- Options or option-related products	1 700.0	2 050.0
Range of fixed interest rates	From 2.94% to 6.195 %	From 3.284 % to 6.195 %
Index for variable rate instruments	NIBOR	NIBOR
Average fixed rate excl. futures contracts	5.16 %	5.11 %
Average fixed rate incl. futures contracts	5.16 %	5.11 %
Fair value of derivatives on the balance sheet date (NOK millions)	769.5	697.5
Change in fair value of bank loans over the year ***	40.0	-8.4
Change in fair value of bonds over the year	-158.7	-18.0
Change in fair value of interest rate derivatives over the year	-71.9	-70.9
Loan arrangement fees	-17.4	-16.1
Total change in fair value of financial instruments	**-208.0**	**-113.4**

** NOK 3,570 (3,570) million of swaps linked to the fixed-interest bonds issued by the Group are included in the volume of interest rate swaps. These bonds are swapped to a variable rate in order to ensure that the Group is in a position to manage its interest rate fixing independently of the bonds. The real volume used for interest rate fixing is therefore NOK 8,960 (8,640) million. NOK 7,260 (6,560) million of this consists of pure interest rate swaps, whilst NOK 1,700 (NOK 2,050) million is interest rate options or option-related products. Option-related products are used either to put a ceiling on parts of the Group's future interest rate expenses, or to reduce the current interest rate on the portfolio by issuing options that expose the company to a limited amount of risk. The majority of the Group's option-related agreements are standard interest rate swaps where the bank has an option to extend the maturity date of the contracts.

*** Spreads on bank loans are included in market value calculations for 2010 and 2011. The agreed spreads on bank loans are considered to be below the assumed market spreads on bank loans with an equivalent term to maturity and credit risk on the balance sheet date. The difference between the agreed interest rate spreads and market spreads has been discounted over the loan's term to maturity. This reduces the market value of the liability. If the market spread on loans to the Entra Eiendom Group gradually normalises, this will result in the market value of the Group's debt approaching its nominal value. In 2011 the market value of the Group's bank loans fell by NOK 40 million, which also increased the profit by NOK 40 million.

NOTE 3 Financial risk management (cont.)

Currency risk

Currency risk arises if exchange rate fluctuations would affect the Group's cash flow and profit, and the values of its assets and liabilities. The Group shall not take on any currency risk. Any foreign currency loans and associated interest payments shall be fully hedged to prevent any potential impact on profit, cash flow and balance sheet values. At 31 December 2011 the Group had no currency exposure.

Credit and counterparty risk

Credit and counterparty risk arise if there is a risk that a counterparty will be unable to meet his obligations to Entra Eiendom AS, and if this would result in the Group suffering a financial loss. Entra is dependent on its most important banks having the intention and ability to establish a long-term business relationship. In order to limit the Group's exposure to counterparty risk, the maximum exposure to any one counterparty is 30 per cent. Entra Eiendom considers that the ability of creditors to behave predictably over the long term is often dependent on their creditworthiness, and the Group has set minimum credit ratings for its creditors, in order to ensure that they are sufficiently creditworthy.

Capital management and solvency

The Group has a cautious finance policy and a relatively high equity ratio. The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximise the value of the shares in the company, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the company. The Group has defined a target range for its equity ratio of 25-35 per cent over the economic cycle. This means that the Group will normally aim for the median value of the target range, i.e. an equity ratio of 30 per cent. There are covenants in the Group's loan agreements that specify requirements in relation to the company's financial strength. At 31 December 2011, there was a solid buffer with respect to all such covenants.

NOTE 3-1 Categories of financial instruments

All amounts in NOK millions

31 Dec. 2011	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total
			Held for trading	
Assets				
Financial investments				
- shares	-	0.4	-	**0.4**
- other financial assets	1 107.1	-	-	**1 107.1**
Trade receivables	34.5	-	-	**34.5**
Other current receivables	60.4	-	-	**60.4**
Cash and cash equivalents	48.3	-	-	**48.3**
Total financial assets	**1 250.3**	**0.4**	**-**	**1 250.7**

31 Dec. 2011	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
	Held for trading	Designated upon initial recognition		
Liabilities				
- Interest-bearing non-current liabilities	-	9 086.3	-	**9 086.3**
- Interest-bearing current liabilities	-	3 616.5	-	**3 616.5**
- Derivatives	769.5	-	-	**769.5**
- Trade payables	-	-	204.8	**204.8**
- Other current liabilities	-	-	45.9	**45.9**
Total financial liabilities	**769.5**	**12 702.8**	**250.6**	**13 722.9**

31 Dec. 2010	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total
			Held for trading	
Assets				
Financial investments				
- shares	-	0.4	-	**0.4**
- other financial assets	1 168.2	-	-	**1 168.2**
Trade receivables	24.6	-	-	**24.6**
Other current receivables	33.2	-	-	**33.2**
Cash and cash equivalents	149.1	-	-	**149.1**
Total financial assets	**1 375.1**	**0.4**	**-**	**1 375.5**

31 Dec. 2010	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
	Held for trading	Designated upon initial recognition		
Liabilities				
- Interest-bearing non-current liabilities	-	8 491.3	-	**8 491.3**
- Interest-bearing current liabilities	-	3 513.2	-	**3 513.2**
- Derivatives	697.6	-	-	**697.6**
- Trade payables	-	-	140.9	**140.9**
- Other current liabilities	-	-	34.2	**34.2**
Total financial liabilities	**697.6**	**12 004.5**	**175.1**	**12 877.1**

NOTE 3-2 Fair value disclosures

The fair value of bank loans has been calculated based on the difference between contractual cash flows and cash flows calculated using market credit spreads on the balance sheet date. The estimate of market credit spreads is based on the views of two different banks, and represents their estimate of the price that Entra would have to pay for credit with an equivalent structure to its existing loans.

The fair value of both listed and unlisted bonds is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association, www.nfmf.no).

The fair value of commercial paper is estimated as its nominal value, due to the short term to maturity.

The Group uses the following hierarchy to classify financial instruments, based on the valuation methods used to measure and disclose their fair value:
Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: Other techniques where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.
Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

NOTE 3-2 Fair value disclosures (cont.)

All amounts in NOK millions

Financial assets at fair value	**31 Dec. 2011**	**Level 1**	**Level 2**	**Level 3**
Financial assets available for sale				
- equity instruments	0.4	-	-	0.4
Total	**0.4**	**-**	**-**	**0.4**

Financial liabilities at fair value	**31 Dec. 2011**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at fair value through profit or loss				
- Derivatives	769.5	-	769.5	-
- Bank loans	5 738.3	-	-	5 738.3
- Bonds	4 096.1	-	4 096.1	-
- Commercial paper	2 848.5	-	2 848.5	-
- Other	20.0	-	-	20.0
Total	**13 472.3**	**-**	**7 714.0**	**5 758.3**

Financial assets at fair value	**31 Dec. 2010**	**Level 1**	**Level 2**	**Level 3**
Financial assets available for sale				
- equity instruments	0.4	-	-	0.4
Total	**0.4**	**-**	**-**	**0.4**

Financial liabilities at fair value	**31 Dec. 2010**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at fair value through profit or loss				
- Derivatives	697.5	-	697.5	-
- Bank loans	5 370.3	-	-	5 370.3
- Bonds	3 937.1	-	3 937.1	-
- Commercial paper	2 677.0	-	2 677.0	-
- Other	20.0	-	-	20.0
Total	**12 702.0**	**-**	**7 311.7**	**5 390.3**

NOTE 3-2 Fair value disclosures (cont.)

All amounts in NOK millions

Reconciliation of opening and closing fair value of level 3 assets and liabilities	2011 Financial assets available for sale	2011 Financial liabilities at fair value through profit or loss		2010 Financial assets available for sale	2010 Financial liabilities at fair value through profit or loss	
		Held for trading	Designated upon initial recognition		Held for trading	Designated upon initial recognition
Opening balance	**0.4**	**-**	**5 390.3**	**0.6**	**-**	**4 888.7**
Changes in financial liabilities						
- of which changes in the value of financial instruments recognised in the income statement	-	-	-40.0	-	-	8.4
Purchases/new borrowing	-	-	1 609.0	-	-	930.0
Sales/repayments	-	-	-1 200.0	-0.2	-	-445.0
Change in accrued interest at 31 Dec.	-	-	-1.0	-	-	8.2
Closing balance	**0.4**	**-**	**5 758.3**	**0.4**	**-**	**5 390.3**

Level 3 financial liabilities at fair value through profit or loss consist of bank loans. Changes in fair value are mainly due to changes in credit markets over the course of the year. Market credit spreads for the Group's loans increased in 2011. This contributed to a reduction in the Group's liabilities.

Information about the fair value of financial assets measured at amortised cost	2011 Fair value	2011 Carrying amount	2010 Fair value	2010 Carrying amount
Jointly controlled entities	-	-	119.2	119.2
Associates	14.2	14.2	16.4	16.4
Financial assets – service concession arrangements (IFRIC 12)	1 318.7	1 106.6	1 355.9	1 167.7
Trade receivables	34.5	34.5	24.6	24.6
Closing balance	**1 367.4**	**1 155.4**	**1 516.0**	**1 327.8**

The fair value is the same as the carrying amount for jointly controlled entities and associates, as the interest rate is adjusted continuously and no changes in credit margins have been identified. Trade receivables have a short anticipated term, so the fair value is the same as the carrying amount. For service concession arrangements, fair value has been set as the average of two external valuers' estimates of the fair values of the properties in question; see Note 4.

NOTE 3-3 Financial items

All amounts in NOK millions

	2011	2010
Interest income*	112.6	108.9
Other finance income	2.0	0.1
Total interest and other finance income	**114.7**	**109.0**
Interest expenses	644.0	623.3
- of which capitalised loan arrangement fees	-29.2	-26.7
Other finance expense**	91.2	1.4
Total interest and other finance expense	**706.0**	**597.9**
Average interest on capitalised loan arrangement fees	5.4 %	5.5 %

* Interest income includes the impact of IFRIC 12 on financial assets where the Group's counterparty is the state. The effective interest rate based on the asset's cash flow is used to calculate the finance income for the period.

** Other finance expense in 2011 includes the impact of the write-down of the IFRIC 12 assets totalling NOK 87.5 million before tax. See Note 4.

NOTE 4 Critical accounting estimates and subjective judgements

Fair value of investment properties
Investment properties are measured at their fair value based on external, independent valuations.

Each quarter, all of Entra's properties are valued by two independent, external valuers. The valuations at 31 December 2011 were carried out by Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding the estimated residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenants' financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk of not finding a tenant and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the valuers receive comprehensive details of the lease contracts at the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and lease contracts are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The valuers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the lease contracts is also assessed for risk, and any special clauses in the contracts are looked at. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc.).

The table below shows to what extent the value of the property portfolio is affected by inflation, market rents, discount rates (interest rates) and exit yields (market yields), assuming that all other factors are equal.

Parameter	Change in %	Change in value (NOK millions)*
Inflation	+ 1 %	219.4
Market rents	+ 10 %	1 707.0
Discount rate	+ 0.25 %	-492.1
Exit yield	+ 0.25 %	-365.3

* Estimates by DTZ Realkapital Verdivurdering in conjunction with valuations at 31 December 2011.

NOTE 4 Critical accounting estimates and subjective judgements (cont.)

Uncertainty surrounding estimates pursuant to IFRIC 12
IFRIC 12 has been implemented by Entra Eiendom AS retrospectively from 1 January 2010. IFRIC 12 regulates the building of public infrastructure by private operators commissioned by public authorities. The infrastructure is also to be operated by the private sector for a period, although the public sector retains control of the residual value. Entra has three properties regulated by these rules.

The value of non-current receivables has been calculated using estimates to which uncertainty is attached. The uncertainty relates to future rent payments. There is also uncertainty surrounding the property-specific estimates of future ownership costs, investments and purchase options.

As a result of changes in estimates linked to the fair value of financial assets, a write-down in the order of NOK 87.5 million before tax was made in the fourth quarter of 2011, at the same time as NOK 9.9 million of provisions for maintenance of properties has been reversed. The net effect of these changes in estimates amounts to NOK 55.8 million after tax.

NOTE 5 Segment information

The Group management assesses the business based on geographical regions. The geographical regions share similar characteristics, so the Group considers that under IFRS 8 it has only one reportable segment.

NOTE 6 Major transactions
There were no major transactions in 2011 and 2010.

NOTE 7 Intangible assets
All amounts in NOK millions

2011	Options	Other intangible assets	Total intangible assets
Acquisition cost at 1 Jan. 2011	3.5	30.5	34.0
Acquisitions	-	9.6	9.6
Acquisition cost at 31 Dec. 2011	3.5	40.1	43.6
Accumulated depreciation and write-downs 1 Jan. 2011	-	21.5	21.5
Depreciation	-	5.7	5.7
Accumulated depreciation and write-downs 31 Dec. 2011	-	27.1	27.1
Carrying amount at 31 Dec. 2011	**3.5**	**13.0**	**16.5**
Anticipated useful life		5 years	
Depreciations schedule		Linear	

2010	Goodwill	Options	Other intangible assets	Total intangible assets
Acquisition cost at 1 Jan. 2010	15.7	3.5	21.0	40.3
Acquisitions*	-	-	9.5	9.5
Acquisition cost at 31 Dec. 2010	15.7	3.5	30.5	49.8
Accumulated depreciation and write-downs 1 Jan. 2010			17.6	17.6
Depreciation	-	-	3.9	3.9
Write-downs	15.7	-	-	15.7
Accumulated depreciation and write-downs 31 Dec. 2010	15.7	-	21.5	37.2
Carrying amount at 31 Dec. 2010	**-**	**3.5**	**9.1**	**12.6**
Anticipated useful life			5 years	
Depreciation schedule			Linear	

* Acquisitions in 2010 include a NOK 1.9 million correction in relation to previous years.

Other intangible assets relate to capitalised IT investments.

NOTE 8 Investment properties
All amounts in NOK millions

Value of investment properties	2011	2010
Opening balance 1 Jan.	20 024.1	18 859.2
Reclassification*	-	-107.9
Adjusted opening balance 1 Jan.	**20 024.1**	**18 751.4**
Net change in fair value recognised in the income statement	632.6	526.6
Adjustment to value of investment property	**632.6**	**526.6**
Other movements		
New acquisitions	127.4	244.5
Improvements	1 110.1	714.7
Capitalised loan arrangement fees	29.2	26.7
Disposals	-43.0	-239.8
Closing balance 31 Dec.	**21 880.4**	**20 024.1**
Of which investment properties held for sale	36.5	68.5
Investment property	**21 843.9**	**19 955.6**

* In 2011, Sørlandet Kunnskapspark Eiendom AS (previously Kristiansand Kunnskapspark Eiendom AS) was reclassified from subsidiary to jointly controlled entity.

Investment properties held for sale comprise 2 (4) investment properties for which the sales process had started, but not been completed, on the balance sheet date. Assuming that acceptable offers are received, the properties are expected to be sold within 12 months. In 2011, the Group has identified a new investment property held for sale.

For information about valuations and fair value calculations for investment properties, see Note 4 (Critical accounting estimates and subjective judgements).

NOTE 9 Housing units being developed by the company for sale

Housing units being developed by the company for sale comprise homes developed by Brekkeveien 8 AS, a subsidiary of Ribekk AS. The company was sold on 30 June 2010, and the Group therefore has no houses currently under development at 31 December 2011.

NOTE 10 Other property, plant and equipment

All amounts in NOK millions

	Property used by owner	Other property, plant and equipment	Total other property, plant and equipment
Acquisition cost at 1 Jan. 2011	7.5	69.2	76.7
Acquisitions	-	14.2	14.2
Disposals	-	-22.6	-22.6
Acquisition cost at 31 Dec. 2011	7.5	60.7	68.2
Accumulated depreciation and write-downs 1 Jan. 2011	1.3	29.0	30.3
Depreciation	0.2	6.3	6.6
Accumulated depreciation and write-downs 31 Dec. 2011	1.5	35.3	36.8
Carrying amount at 31 Dec. 2011	**6.0**	**25.4**	**31.4**
Anticipated useful life	20-50 years	1-5 years	
Depreciation schedule	Linear	Linear	

	Property used by owner	Other property, plant and equipment	Total other property, plant and equipment
Acquisition cost at 1 Jan. 2010	7.5	44.1	51.6
Acquisitions	-	25.3	25.3
Disposals	-	-0.3	-0.3
Acquisition cost at 31 Dec. 2010	7.5	69.2	76.7
Accumulated depreciation and write-downs 1 Jan. 2010	1.1	22.4	23.5
Depreciation	0.2	6.5	6.8
Accumulated depreciation and write-downs 31 Dec. 2010	1.3	29.0	30.3
Carrying amount at 31 Dec. 2010	**6.2**	**40.2**	**46.4**
Anticipated useful life	20-50 years	1-5 years	
Depreciation schedule	Linear	Linear	

NOTE 11 Subsidiaries

Subsidiary	Acquisition date	Business office	Shareholding/voting rights
Oslo Z AS	20.09.2000	Oslo	100 %
Biskop Gunnerusgt. 14 AS	26.03.2001	Oslo	100 %
Universitetsgaten 2 AS	03.09.2001	Oslo	100 %
Kunnskapsveien 55 AS	17.12.2001	Oslo	100 %
Entra Kultur 1 AS	28.02.2002	Oslo	100 %
Kristian Augustsgate 23 AS	01.02.2003	Oslo	100 %
Nonnen Utbygging AS	10.02.2003	Oslo	100 %
Langkaia 1 AS	21.11.2003	Oslo	100 %
Kjørboparken AS	21.12.2005	Oslo	100 %
Ribekk AS	02.10.2006	Oslo	100 %
Bispen AS	24.10.2007	Oslo	100 %
Pilestredet 28 AS	07.05.2008	Oslo	100 %
Hagegaten 24 AS	01.10.2008	Oslo	100 %
Hagegaten 23 AS	07.07.2010	Oslo	100 %
Stakkevollveien 11 AS	12.03.2010	Oslo	100 %
Holtermannsveg 1-13 AS	22.09.2010	Oslo	100 %
Karoline Kristiansen vei 2 AS	15.02.2011	Oslo	100 %
Youngskvartalet AS	10.05.2011	Oslo	100 %
Greenfield Datacenter AS	26.09.2011	Oslo	100 %
Brødrene Sundt Verktøimaskinfabrik AS	03.10.2011	Oslo	100 %
Tullinkvartalet AS	21.11.2011	Oslo	100 %
Papirbredden Eiendom AS	10.01.2005	Oslo	60 %
Brattørkaia AS	31.01.2006	Oslo	52 %
Shares in subsidiaries owned through subsidiaries			
Papirbredden Eiendom AS			
Grønland 51 AS	04.02.2005	Drammen	100 %
Kreftingsgate 33 AS	30.12.2010	Drammen	100 %
Grønland 56 AS	12.01.2011	Drammen	100 %
Grønland 58 AS	12.01.2011	Drammen	100 %
Grønland 60 AS	12.01.2011	Drammen	100 %
Brattørkaia AS			
Brattørkaia 14 AS	31.01.2006	Trondheim	100 %
Brattørkaia 15AB-16 AS	31.01.2006	Trondheim	100 %
Brattørkaia 17A AS	31.01.2006	Trondheim	100 %
Brattørkaia 17B AS	31.01.2006	Trondheim	100 %
Ribekk AS			
Ringstabekk AS	30.06.2006	Oslo	100 %

In 2011 Entra Eiendom AS sold its 58.3 per cent holding in Optimo Prosjekt AS for NOK 23.2 million. The sale resulted in a gain for the Group of NOK 2 million. At the time of the sale, Optimo Prosjekt AS had cash and cash equivalents of NOK 38.7 million.

NOTE 12 Jointly controlled entities and associates
All amounts in NOK millions

Investments in associates and jointly controlled entities are recognised using the equity method.

31 Dec. 2011	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS*
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS**	04.07.2005	Kristiansand	51.00 %	10.0	-0.3	0.2
UP Entra AS	31.12.2003	Hamar	50.00 %	107.3	1.8	-1.9
Oslo S Utvikling AS	01.07.2004	Oslo	33.34 %	372.5	-27.8	-3.0
Associate						
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00 %	6.1	0.6	-
Kunnskapsbyen Eiendom AS	31.12.2004	Oslo	33.75 %	5.7	-2.8	-1.6
Tverrforbindelsen AS	24.04.2009	Trondheim	33.33 %	0.3	-	-
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.26 %	0.1	-	-
Total for jointly controlled entities and associates				**502.0**	**-28.4**	**-6.3**

31 Dec. 2010	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS*
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS**	04.07.2005	Kristiansand	51.00 %	7.7	2.0	-0.8
UP Entra AS	31.12.2003	Hamar	50.00 %	105.4	1.8	1.3
Oslo S Utvikling AS	01.07.2004	Oslo	33.34 %	495.6	35.8	-0.5
Associate						
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00 %	5.5	-0.9	-
Kunnskapsbyen Eiendom AS	31.12.2004	Oslo	33.75 %	8.5	3.6	2.7
Tverrforbindelsen AS	24.04.2009	Trondheim	33.33 %	0.3	-0.1	-
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.26 %	0.1	-	-
Total for jointly controlled entities and associates				**623.1**	**42.2**	**2.7**

* Changes in value under IFRS consist of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.

** In 2011, Sørlandet Kunnskapspark Eiendom AS (previously Kristiansand Kunnskapspark Eiendom AS) was reclassified from subsidiary to joint venture, in keeping with a new interpretation of the shareholder agreement. According to the shareholder agreement, strategic and operational decisions must be unanimous among the shareholders. It also requires proportional representation on the Board and rotation of the role of the chair of the board among the shareholders.

NOTE 12 Jointly controlled entities and associates (cont.)
All amounts in NOK millions

Movement in carrying amount of jointly controlled entities and associates

	Carrying amount at 31 Dec. 2010	Share of profit/ loss for 2011	Dividend 2011	Capital contributions	Carrying amount at 31 Dec. 2011
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS	7.7	-0.3	-	2.6	10.0
UP Entra AS	105.4	1.8	-	-	107.3
Oslo S Utvikling AS	495.6	-27.8	-95.3	-	372.5
Associate					
Ullandhaug Energi AS	5.5	0.6	-	-	6.1
Kunnskapsbyen Eiendom AS	8.5	-2.8	-	-	5.7
Tverrforbindelsen AS	0.3	-	-	-	0.3
Youngstorget Parkeringshus AS	0.1	-	-	-	0.1
Total for jointly controlled entities and associates	**623.1**	**-28.4**	**-95.3**	**2.6**	**502.0**

Aggregate financial information about associates and joint ventures
(Figures stated refer to Entra's ownership interest)

	2011	2010
Operating revenue	85.6	210.6
Profit	-17.9	58.5
Total assets	1 798.9	1 373.9
Equity	379.0	489.3
Total liabilities	1 419.9	884.7

NOTE 12 Jointly controlled entities and associates (cont.)

INFORMATION ABOUT MAJOR PROJECTS THROUGH OSLO S UTVIKLING AS (OSU)

Oslo S Utvikling AS (OSU) is a property development company established for the purpose of developing properties at Bjørvika, Oslo. OSU is jointly controlled by the Group, and is accounted for using the equity method. At 31 December 2011, OSU was on course to develop approx. 300,000 square metres, which is around one-third of the total area being developed at Bjørvika. OSU's most important projects are described below.

Completed projects

The PwC building was sold in February 2006 (forward contract), and was completed in December 2007. The gain on the sale has previously been recognised in the income statement. A number of minor matters linked to the sale have still to be clarified and settled.

2011 saw the completion of the Visma building, which was sold in February 2006 (forward contract) for a gross price of NOK 920 million (value of property). The gain on the sale, taking into account the seller's future commitments, was recognised in 2011.

The KLP building was completed in spring 2010, and the office premises were handed over to the buyer, KLP. The residential units in the building were also completed in 2010, and were handed over during the year. At the close of the year, one flat, which is used as a show home for potential buyers in the Opera quarter, remained unsold.

Current projects under development

At 31 December 2011, roughly 90 per cent of the Deloitte Building (total floor space of approx. 16,000 square metres) has been leased, and Deloitte has rented the entire office section. At 31 December 2011, purchase contracts have been signed for approx. 75 per cent of the project. The cellar structures underneath the building have been completed. Work above ground started in summer 2011, and is due for completion at the end of 2013.

For the three commercial buildings known as the DNB buildings, lease contracts for approx. 80,000 square metres had been signed at 31 December 2011. The buildings are due for completion in 2012-2013. The lease term is 15 years, with options to extend the contract or purchase the buildings. OSU has signed contracts to sell the areas leased to DNB, with handover as the individual building is completed. See Note 30 for further details.

The OSU subsidiary Barcode Basement AS is a separate company that owns, and which is developing and building, all of the underground areas in the Barcode zone (gross volume 70,000 square metres, just over 50 per cent of which Basement will be responsible for), and the business will lease out storage, car parking spaces and plant/plant rooms for the buildings above. At year-end 2011, the areas from the western limit (under the PwC Building) and east as far the Visma Building have been completed and leased. The remaining areas will be completed over the period 2012-2014.

NOTE 12 Jointly controlled entities and associates (cont.)

All amounts in NOK millions

Infrastructure projects

OSU owns 34 per cent of Bjørvika Utvikling/Bjørvika Infrastruktur. These companies are mainly involved in building infrastructure at Bjørvika, with an estimated cost of NOK 2,000-2,500 million. The costs are covered by developers, who pay a fixed amount per square metre of development, as well as by a contribution of NOK 300 million from the City of Oslo. Payments are due at certain milestones, with 30 per cent due when work above ground level starts, 50 per cent on completion of the buildings' structures, and 20 per cent on their completion. The infrastructure contributions have been incorporated into the cost estimates for the various buildings. All infrastructure is to be transferred to the City of Oslo free of charge.

Contractual obligations

All contractual obligations on the balance sheet date that have not been capitalised are included in the table below.

	31 Dec. 2011	31 Dec. 2010
Property, plant and equipment	1 492	1 308
Total obligations contracted	**1 492**	**1 308**

NOTE 13 Other non-current receivables

All amounts in NOK millions

	2011	2010
Financial assets – service concession arrangements (IFRIC 12)*	1 106.6	1 167.7
Other non-current receivables	0.8	0.9
Total other non-current receivables	**1 107.5**	**1 168.5**

* NOK 87.5 million in financial assets – service concession arrangements (IFRIC 12) was written down in 2011. See Note 4 for further details.

NOTE 14 Current receivables

All amounts in NOK millions

	2011	2010
Trade receivables	40.7	25.6
Provisions for bad debts	-6.2	-1.0
Net trade receivables	34.5	24.6
Other current receivables	105.6	41.5
Total current receivables	**140.1**	**66.1**

At 31 December 2011, NOK 24.9 (18.3) million in trade receivables were overdue. Provisions for a loss of NOK 6.2 (1.0) million have been made for overdue trade receivables. One tenant owes a total of NOK 4.2 (3.3) million. The Group is in talks with this tenant to find a solution. The remaining trade receivables relate to various customers with good credit histories. The aged analysis of these trade receivables is as follows:

Trade receivables	2011	2010
Up to 3 months	7.7	10.4
Over 3 months	17.3	8.0
Total overdue	**24.9**	**18.3**

Other current receivables	2011	2010
Shared costs to be distributed amongst tenants	-	2.6
Advance payments and accruals	51.5	8.3
VAT owed	10.3	5.3
Accrued interest	22.6	19.6
Other current receivables	21.2	5.7
Total other current receivables	**105.6**	**41.5**

NOTE 15 Bank deposits

All amounts in NOK millions

	2011	2010
Bank deposits	17.1	118.0
Tied bank deposits	31.2	31.1
Total bank deposits	**48.3**	**149.1**

Tied bank deposits relate to the withholding tax account and guarantees for loans.

NOTE 16 Share capital and shareholder information

The Group has paid-in equity of NOK 1,414.2 million, consisting of NOK 142.2 million in share capital and NOK 1,272 in share premium reserve. There have not been equity transactions with the shareholders in the parent company in 2011.

The share capital of NOK 142,194,000 consists of 142,194 shares with a face value of NOK 1,000. All shares enjoy equal rights. All of the shares are owned by the Norwegian Government through the Ministry of Trade and Industry.

The shareholder has indicated that Entra Eiendom AS will pay a dividend of NOK 137 million for 2011 (NOK 963.5 per ordinary share). No provision is made for dividends in the consolidated accounts until the AGM has been held and the dividend has been decided. In 2011, Entra Eiendom AS paid the adopted dividend for 2010 of NOK 124.6 million (NOK 876.3 per ordinary share).

NOTE 17 Pension liabilities

All amounts in NOK millions

The Group has pension schemes that cover a total of 153 current employees and 43 pensioners. The schemes provide an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

The Group also has a contractual early-retirement scheme (AFP). At 31 December 2011, 11 (11) former employees had chosen to make use of the AFP scheme.

Entra Eiendom AS's employees are members of the Norwegian Public Service Pension Fund. It is a defined benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level ensures a defined pension benefit. The guarantee means that employees will receive at least 66 per cent of their pension qualifying salary. Any income over and above 12 times the National Insurance Scheme's basic amount is not included in the qualifying salary. The pension benefit payable is based on the employee's salary, average percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension). As a result of changes to the way in which pension benefits in state-run pension schemes are indexed, a gain of NOK 7.6 million was recognised in the income statement in 2010.

NOTE 17 Pension liabilities (cont.)
All amounts in NOK millions

Entra operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 per cent of a full-time position. Between the ages of 62 and 65, pensions are calculated in accordance with the National Insurance Scheme's stipulations. On reaching the age of 65, the pension is calculated using either the National Insurance Scheme's rules or the Norwegian Public Service Pension Fund's rules, depending on which is better for the member. At 31 December 2011, the net pension liabilities associated with the AFP scheme amounted to NOK 17.8 (13.8) million, which is included under total pension liabilities in the table below.

Employees are also insured against incapacity and death.

The CEO has a separate pension plan that is discussed in Note 24. The company's liabilities under this unfunded plan total NOK 8.1 million, and are included in the table below.

The balance sheet liabilities have been calculated as follows	2011	2010
Present value of accrued pension liabilities in defined benefit schemes in unit trusts	176.3	134.8
Fair value of pension scheme assets	-85.8	-74.4
Unrecognised costs relating to pension liabilities accrued in previous periods	-17.3	9.7
Employers' NICs accrued	11.6	7.8
Net pension liabilities on the balance sheet at 31 Dec.	**84.9**	**77.9**

Change in defined benefit pension liabilities over the year	2011	2010
Pension liabilities at 1 Jan.	134.8	133.4
Present value of pensions earned this year	20.3	16.5
Interest expense	4.7	5.6
Life expectancy adjustment 1943-1953 cohorts	-	-0.4
Change to indexing of retirement pension	-	-6.2
Actuarial losses/(gains)	20.8	-10.3
Pension benefits paid	-4.3	-3.8
Pension liabilities at 31 Dec.	**176.3**	**134.8**

NOTE 17 Pension liabilities (cont.)
All amounts in NOK millions

Change in fair value of pension scheme assets	2011	2010
Pension scheme assets at 1 Jan.	74.4	66.5
Anticipated return on pension scheme assets	4.4	3.9
Actuarial (gains)/losses	-2.8	-2.7
Contributions from employer	14.1	10.5
Pension benefits paid	-4.3	-3.8
Pension scheme funds at 31 Dec.	**85.8**	**74.4**

Total cost recorded through the income statement	2011	2010
Cost of pension benefits accrued during current period	20.3	16.5
Interest expense	4.7	5.6
Anticipated return on pension scheme assets	-4.4	-3.9
Life expectancy adjustment 1943-1953 cohorts recognised in income statement	-	-0.5
Change to indexing of retirement pension recognised in income statement	-	-7.1
Administrative expenses	0.3	0.3
Employers' National Insurance Contributions	2.5	2.3
Total	**23.3**	**13.2**
2 per cent employee pension contributions	-1.8	-1.4
Expenses related to separate defined contribution scheme for employees at subsidiaries	0.1	0.4
Total expenses, included under personnel costs	**21.6**	**12.2**

The actual return on pension plan assets was NOK 1.6 (1.2) million.

The following economic assumptions have been used	2011	2010
Discount rate	2.60 %	4.00 %
Anticipated return on pension scheme assets	4.10 %	5.60 %
Annual wage growth	3.50 %	4.00 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	3.25 %	3.75 %
Annual adjustment of pensions	2.50 %	3.00 %
Mortality rates	K2005	K2005
Disability rates	200% K1963	200% K1963
Proportion of entitled employees making use of AFP	40 %	40 %

NOTE 17 Pension liabilities (cont.)

All amounts in NOK millions

Distribution of the pension scheme assets by investment category at 31 Dec.	2011	2010
Government bonds	100 %	100 %
Corporate bonds	0 %	0 %
Shares	0 %	0 %
Property	0 %	0 %
Other	0 %	0 %
Total	**100 %**	**100 %**

Amounts for the current year and for the four previous years	2011	2010	2009	2008	2007
Gross defined benefit pension scheme liabilities	176.3	134.8	133.4	121.4	111.6
Fair value of pension funds 31 Dec.	-85.8	-74.4	-66.5	-59.8	-53.2
Net defined benefit pension scheme liabilities	**90.5**	**60.4**	**66.9**	**61.6**	**58.4**

Sensitivity analysis for the assumptions used to calculate pension assets and liabilities

Discount rate		Impact on liabilities	Impact as a percentage
0.5 percentage point reduction	2.10 %	15.9	9.5 %
Discount rate at 31 Dec. 2011	2.60 %	-	-
0.5 percentage point increase	3.10 %	-13.9	-8.3 %

Wage growth		Impact on liabilities	Impact as a percentage
0.5 percentage point reduction	3.00 %	-7.0	-4.2 %
Expected wage growth at 31 Dec. 2011	3.50 %	-	-
0.5 percentage point increase	4.00 %	6.9	4.1 %

Expected payment to the defined benefit pension plan for the period 1 January 2012 to 31 December 2012 is NOK 15.8 million.

NOTE 18 Other liabilities

All amounts in NOK millions

	2011	2010
Provisions for non-current liabilities	34.6	46.4
Other non-current liabilities	29.2	28.1
Total other liabilities	**63.8**	**74.5**

NOTE 18 Other liabilities (cont.)

All amounts in NOK millions

Movements in provisions for non-current liabilities 2011	Provision for rent payments/loss-making contracts	Provision for maintenance - service concession arrangements (IFRIC 12)	Other provisions	Total
Movements in provisions				
Opening balance at 1 Jan. 2011	22.7	23.4	0.4	46.4
Additional provisions during the year	0.9	5.4	-	6.2
Provisions used during the year	-	-	-0.1	-0.1
Unused provisions reversed during the year	-8.8	-9.9	-	-18.8
Discounting of provisions	0.9	-	-	0.9
Closing balance at 31 Dec. 2011	**15.6**	**18.8**	**0.3**	**34.6**

2010	Provision for rent payments/loss-making contracts	Provision for maintenance - service concession arrangements (IFRIC 12)	Other provisions	Total
Movements in provisions				
Opening balance 1 Jan. 2010	31.2	-	3.9	35.0
Additional provisions during the year	-	23.4	0.4	23.7
Provisions used during the year	-8.5	-	-3.9	-12.4
Unused provisions reversed during the year	-1.4	-	-	-1.4
Discounting of provisions	1.4	-	-	1.4
Closing balance at 31 Dec. 2011	**22.7**	**23.4**	**0.4**	**46.4**

Provisions for properties leased by Entra

At 31 December 2011, Entra Eiendom had made provisions for rent payments for the following properties: Drammensveien 130, Oslo; Akersgata 55, Oslo; Apotekergata 8, Oslo; Kristian Augustgate 19, Oslo and Dronningensgate 10-14, Oslo.

An assessment is made of the relationship between the rent paid by Entra Eiendom and the rental income that can be achieved by leasing out these premises. This assessment is based on the rental cost and rental income specified in current leases, as well as an evaluation of future rental income for vacant premises and for contracts that are expiring.

For properties leased by Entra, the company calculates the net cash flow over the duration of the lease contract. The present value of future cash flows is calculated using a discount rate of six per cent.

In the accounts, a provision is made at 31 Dec. equal to the estimated present value. Changes in the present value in relation to the previous year are recorded through the income statement.

More detailed explanation of the provision for maintenance under IFRIC 12

The contracts that the Group has signed with Vøyenenga School, Borgarting Court of Appeal and the National Library specify that the Group undertakes to maintain the buildings. A regular provision is therefore made in accordance with IAS 37 to cover future maintenance requirements.

NOTE 19 Interest-bearing debt and accrued interest

All amounts in NOK millions

Non-current interest-bearing liabilities	Nominal value 2011	Market value 2011	Nominal value 2010	Market value 2010
Bank loans	5 854.0	5 717.8	4 685.0	4 588.8
Bonds	3 350.0	3 368.5	4 020.0	3 882.5
Other liabilities	-	-	20.0	20.0
Total non-current interest-bearing liabilities		**9 086.3**		**8 491.3**

Current interest-bearing liabilities	Nominal value 2011	Market value 2011	Nominal value 2010	Market value 2010
Bank loans	-	20.5	760.0	781.5
Bonds	670.0	727.6	-	54.7
Commercial paper	2 800.0	2 848.5	2 650.0	2 677.0
Other liabilities	20.0	20.0	-	-
Total current interest-bearing liabilities		**3 616.5**		**3 513.2**

Accrued interest on which is included current interest-bearing liabilities	Nominal value 2011	Market value 2011	Nominal value 2010	Market value 2010
Bank loans	20.5	20.5	21.5	21.5
Bonds	54.9	54.9	54.7	54.7
Commercial paper	48.5	48.5	27.0	27.0
Total accrued interest on interest-bearing liabilities	**123.8**	**123.8**	**103.2**	**103.2**

The average risk premium on the Group's loans at 31 Dec. 2011 was 0.5 per cent.

NOTE 19 Interest-bearing debt and accrued interest (cont.)

All amounts in NOK millions

The Group's bonds and commercial paper are subject to the following terms

The Group's bonds at 31 Dec. 2011

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010273386	1 500.0	4.10 %	22.06.2012	670.0	-	670.0
NO0010552441	1 500.0	3M Nibor+0.80%	25.11.2014	450.0	-	450.0
NO0010552458	1 500.0	4.95 %	25.11.2014	975.0	-	975.0
NO0010592363	1 500.0	4.70 %	06.12.2017	500.0	-	500.0
NO0010552466	1 500.0	5.55 %	25.11.2019	325.0	-	325.0
NO0010282031	1 100.0	4.62 %	29.05.2030	1 100.0	-	1 100.0
						4 020.0

The Group's commercial paper at 31 Dec. 2011

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010607195	400.0	3.26 %	10.02.2012	400.0	-	400.0
NO0010604895	400.0	3.30 %	09.03.2012	400.0	-	400.0
NO0010607229	400.0	3.35 %	10.04.2012	400.0	-	400.0
NO0010614266	400.0	3.41 %	10.05.2012	400.0	-	400.0
NO0010623325	400.0	3.66 %	08.06.2012	400.0	-	400.0
NO0010626799	400.0	3.35 %	10.08.2012	400.0	-	400.0
NO0010628779	400.0	3.35 %	10.09.2012	400.0	-	400.0
						2 800.0

The Group's bonds at 31 Dec. 2010

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010273386	1 500.0	4.10 %	22.06.2012	670.0	.	670.0
NO0010552441	1 500.0	3M Nibor+0.80%	25.11.2014	450.0	.	450.0
NO0010552458	1 500.0	4.95 %	25.11.2014	975.0	.	975.0
NO0010592363	1 500.0	4.70 %	06.12.2017	500.0	.	500.0
NO0010552466	1 500.0	5.55 %	25.11.2019	325.0	.	325.0
NO0010282031	1 100.0	4.62 %	29.05.2030	1 100.0	.	1 100.0
						4 020.0

* face value

NOTE 19 Interest-bearing debt and accrued interest (cont.)

All amounts in NOK millions

The Group's commercial paper at 31 Dec. 2010

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010564966	400.0	3.05 %	10.01.2011	300.0	-	300.0
NO0010564388	400.0	2.49 %	10.02.2011	150.0	-	150.0
NO0010566730	400.0	3M Nibor+0.35%	10.03.2011	400.0	-	400.0
NO0010583198	400.0	3.15 %	11.04.2011	350.0	-	350.0
NO0010589922	400.0	2.85 %	10.05.2011	400.0	-	400.0
NO0010577190	400.0	3.15 %	10.06.2011	300.0	-	300.0
NO0010591258	500.0	2.70 %	11.08.2011	400.0	-	400.0
NO0010585409	400.0	3.15 %	09.09.2011	350.0	-	350.0
						2 650.0

* face value

Mortgages

In general the Group's financing is based on the parent company borrowing from external parties using negative pledge clauses. Wholly-owned subsidiaries are generally financed using intra-group loans.

For projects/properties with special characteristics, separate mortgage-based financing can be arranged. At 31 December 2011, a long-term bond of NOK 1,100 million is secured against the National Library and associated buildings, located at Henrik Ibsens gate 110 in Oslo. The lender also has a mortgage on the rental income from the property.

For subsidiaries that are not wholly-owned by Entra Eiendom AS, in general separate financing is arranged without any guarantee from the shareholders. This kind of financing is generally secured with a mortgage.

	2011	2010
Market value of liabilities secured through mortgages	2 290.7	2 043.2
Carrying amount of mortgaged assets		
Buildings and sites	3 074.6	2 693.5

NOTE 20 Trade payables and other liabilities

All amounts in NOK millions

	2011	2010
Trade payables	204.8	140.9
Holiday pay owed	11.8	10.0
Unpaid government taxes and duties	9.5	12.3
Shared costs for buildings, owed to tenants	20.4	4.5
Other liabilities	4.2	7.4
Total trade payables and other liabilities	**250.6**	**175.1**

NOTE 21 Prepayments and provisions

All amounts in NOK millions

	2011	2010
Prepayments from customers	105.8	94.6
Provisions for current liabilities	19.1	24.9
Total prepayments and provisions	**124.9**	**119.5**

Movements in provisions for current liabilities

2011	Provisions for salaries and fees	Other	Total
Opening balance at 1 Jan. 2011	11.3	13.6	24.9
Additional provisions during the year	22.7	-	22.7
Provisions used during the year	-14.9	-13.6	-28.5
Unused provisions reversed during the year	-	-	-
Closing balance at 31 Dec. 2011	**19.1**	**-**	**19.1**

2010	Provisions for salaries and fees	Other	Total
Opening balance 1 Jan. 2010	9.7	45.0	54.8
Additional provisions during the year	11.3	13.6	24.9
Provisions used during the year	-5.5	-45.0	-50.5
Unused provisions reversed during the year	-4.2	-	-4.2
Closing balance at 31 Dec. 2011	**11.3**	**13.6**	**24.9**

NOTE 22 Lease contracts
All amounts in NOK millions

The Group mainly enters into contracts with a fixed rent for the lease of property.

The Group's future accumulated rent from non-terminable operational lease contracts at 31 December

	2011	2010
≤ 1 year	1 540.9	1 494.3
1 year ≤ 5 years	5 083.6	5 070.3
≥ 5 years	8 628.1	8 872.3
Total*	**15 252.6**	**15 437.0**

The Group's lease contracts at 31 December have the following maturity structure measured in annual rent**

	2011			2010		
Remaining term	**No. of contracts**	**Rent**	**%**	**No. of contracts**	**Rent**	**%**
≤ 1 year	92	90.3	6 %	96	78.1	5 %
1 year ≤ 5 years	240	422.8	27 %	221	413.6	28 %
5 years ≤ 10 years	102	475.8	31 %	114	490.8	33 %
≥ 10 years	67	552.0	36 %	60	511.8	34 %
Total**	**501**	**1 540.9**	**100 %**	**491**	**1 494.3**	**100 %**

The table above shows the remaining non-terminable contractual rent for current lease contracts without taking into account the impact of any options.
* Rent includes rent from IFRIC 12 properties classified under net finance in the income statement.
** The rent is stated as the annualised contractual rent, and is therefore not reconcilable with the rental income for the year for accounting purposes.

Other parameters relating to the Group's contract portfolio	**31 Dec. 2011**	**31 Dec. 2010**
Vacancy rate of the management portfolio*	3.7 %	4.9 %
Share of public sector tenants	80.0 %	79.0 %
Weighted average remaining contract term	9.9 år	10.6 år

* In 2011 economic vacancy rate is stated in accordance with EPRA standards. In 2010, vacancy is based on floor space. Vacancy based on floor space in 2011 is 4.8 per cent.

On account of the high occupancy rate, the high proportion of public sector tenants and the relatively long average remaining contract term, the risk to the Group's cash flow is considered low.

NOTE 23 Other operating income
All amounts in NOK millions

The Group mainly enters into contracts with a fixed rent for the lease of property.

	2011	2010
Sales of maintenance services to tenants	11.4	12.5
Administrative mark-ups	8.4	7.8
Sale of services*	1.9	29.5
Sale of residential property**	-	14.0
Service concession arrangements (IFRIC 12) recognised in the income statement	8.6	8.1
Compensation paid to tenants on vacating premises	-	6.0
Other operating revenue	2.9	2.3
Total other operating revenue	**33.1**	**80.2**

* The sale of services relates to property development and project management in Optimo Prosjekt AS. The company was part of the Group until 25 May 2011.
** The residential project Brekkeveien 8 AS has been sold by the Group, and so this relates to revenues obtained up until the sale, which was completed on 30 June 2010.

NOTE 24 Personnel costs
All amounts in NOK millions

Personnel costs	**2011**	**2010**
Wages, performance-related pay and other taxable benefits*	120.9	130.6
Employers' National Insurance Contributions	16.2	13.5
Pension expenses	21.6	12.2
Other personnel costs	9.5	8.2
Total personnel costs	**168.2**	**164.5**
Of which capitalised as buildings under construction	-7.5	-6.4
Of which shared costs to be distributed amongst tenants	-41.6	-35.7
Of which related to the ongoing operation of properties	-6.2	-9.9
Total payroll and personnel costs	**112.9**	**112.5**

Number of employees/full-time equivalents	**2011**	**2010**
Number of employees at 31 Dec.	155	166
Number of full-time equivalents at 31 Dec.	152	164
Average number of employees	160	167

* Wages, performance-related pay and other taxable benefits includes a NOK 15.3 (8.1) million provision for performance-related pay for all employees in 2011, which has not yet been paid out.

NOTE 24 Personnel costs (cont.)

Statement on the determination of salaries and other remuneration of senior executives
The Board's statement on the determination of salaries and other remuneration of senior executives is presented to the AGM and is included in the note to the annual accounts on payroll expenses. The statement is structured as follows:

- General guidelines on the compensation of senior executives
- The board's follow-up of senior executives' pay
- Explanation of the compensation of senior executives
- Determination of salaries and other remuneration in 2012
- Overview of total remuneration to senior executives in 2011

General guidelines on the compensation of senior executives
The Norwegian Government has laid down guidelines for terms of employment for senior executives in state-owned enterprises and companies, cf. Report no. 13 (2010-2011) to the Norwegian parliament (the Storting), Appendix 1. These guidelines form the foundation for the Board's remuneration policy at Entra Eiendom and provide guidance concerning recruitment and employment processes as well as in connection with the annual review of the salaries of the Group's senior management team and the CEO.

Compensation of senior executives is based on the Group's general HR strategy and remuneration policy. Entra Eiendom wants to be a highly professional organisation that attracts the best candidates and retains and develops employees. To this end, Entra needs to be able to offer good compensation packages, including competitive salaries, to ensure the company can recruit and retain attractive expertise. The guidelines on remuneration stress in particular that the overall compensation shall be competitive, but not above those of other similar companies in Norway. The guidelines also state that the principal element in the remuneration of senior executives should be the fixed basic salary and that all the individual components that make up the total remuneration package must be considered together as a whole. The targets linked to the company's performance-related pay scheme shall be objective, measurable and identifiable, and there must be a clear correlation between the company's targets and the targets in the performance-related pay scheme.

The board's follow-up of senior executives' pay
The Board has established a compensation committee consisting of four representatives from the current Board of Directors to monitor and determine the remuneration of the Group's senior executives. The compensation committee is chaired by the Chair of the Board. The compensation committee monitors the remuneration of senior executives in relation to the Government's guidelines for terms of employment for senior executives in state-owned enterprises and companies. The committee evaluates the company's performance reward schemes and proposes guidelines for determining Group senior executives' compensation. The Board determines the Chief Executive Officer's salary on an annual basis in light of a recommendation from the Board's compensation committee. The CEO consults the compensation committee in connection with determining the salaries of the members of the senior management team.

Explanation of the compensation of senior executives
The fixed basic salary is the principal element in the remuneration of the Group's senior executives and the Chief Executive Officer. In addition to the basic salary, the CEO has a performance-related pay scheme limited to 50 per cent of his/her annual salary. The total performance-related pay for other members of the senior management team cannot exceed 25 per cent of their annual salary. The CEO's performance-related pay is based on predefined targets regarding individual performance and company performance. The performance-related pay of Group directors is based on defined individual performance targets. In addition, the performance-related pay scheme for 2011 also includes company-level targets relating to return on equity, owner costs, achieved rents, occupancy rate, customer satisfaction and energy consumption.

NOTE 24 Personnel costs (cont.)

There are no share option schemes for key employees.

The CEO is entitled to receive his salary for 12 months after the termination of his contract, subject to certain limitations. In addition, the CEO is the only member of the Group management to have an agreement concerning an additional pension, determined by his employment contract from 2008. This pension scheme is a continuation of a pension agreement with a former employer. This scheme does not comply with the Government's guidelines on remuneration of senior executives. All other elements related to remuneration are in line with the guidelines. The CEO's pension benefits on reaching the age of 65 shall be equivalent to 66 per cent of his final salary less benefits from the National Insurance Scheme, the Norwegian Public Service Pension Fund and pension benefits earned at other companies. The minimum qualifying period for the additional pension is five years. After five years, 1/19 of the full pension rights are earned per year, based on his age on employment, until full pension entitlement is reached at the age of 65. The CEO can retire at the age of 62, in which case he will receive 60 per cent of his final salary until the age of 65. In the event of suffering from a more than 50 per cent long-term disability, the CEO is entitled to a disability pension. The benefit payable is 66 per cent of his final salary less benefits from the National Insurance Scheme, the Norwegian Public Service Pension Fund and pension benefits earned at other companies. The other members of the management group have a defined benefit pension limited to 12 times the National Insurance basic amount ("12G"), in line with the other employees.

The company covers other benefits to the management team in line with the benefits offered to the other employees at Entra and in accordance with standard practice at Norwegian companies.

The Chief Executive Officer and the rest of the management group have a number of internal directorships. They do not receive special remuneration for these directorships.

Determination of salaries and other remuneration in 2012
The Board will use the same guidelines for compensation of senior executives in 2012 as it did in 2011. The Board determines the Chief Executive Officer's salary, and the compensation committee is consulted in connection with determining the salaries of the other members of the senior management team. The annual determination of pay for senior executives is based on assessment of the individual employee.

The company's performance-related pay scheme was revised effective from the 2010 financial year. Under the new scheme, individual targets are set for the Chief Executive Officer, based on the company's strategy, targets and values. The company-wide targets have been updated for 2012, in accordance with the Board's annual review of the Group's balanced scorecard and overall objectives for operations, and have been incorporated as part of the performance-related pay scheme for 2012. For the other members of the Group's executive management, the 2012 performance-related pay scheme includes both defined individual goals and performance targets for the business and support areas.

NOTE 24 Personnel costs
All amounts in NOK thousands

Overview of total remuneration to senior executives in 2011

Payments to leading employees	Salaries	Performance-related pay	Natural benefits in kind	Estimated pension expense	Total compensation 2011	Total compensation 2010
Key employees						
Kyrre Olaf Johansen, CEO	3 135	885	239	1 017	5 275	6 003
Rune Olsø, Deputy CEO since 10 May 2010	2 531	540	145	147	3 362	2 781
Anne Harris, CFO, joined the company 1 Oct. 2010	2 536	-	120	147	2 803	658
Sverre Vågan, Director of Human Resources, left the company 28 Feb. 2011	378	161	26	24	588	1 458
Nils Fredrik Skau, Technical Director	1 430	298	112	147	1 987	1 737
Bjørn Holm, Director of Projects and Development	1 531	326	138	147	2 143	1 847
Ingrid Schiefloe, Director of Communication and Corporate Social Responsibility	1 110	242	142	147	1 641	1 305
Anders Solaas, Director of Marketing, joined the company 16 Aug. 2010	1 416	13	174	147	1 749	612
Total	**14 066**	**2 465**	**1 096**	**1 921**	**19 548**	**16 401**

	Board fees	Committee fees	Total compensation 2011	Total compensation 2010
The Board of Directors*				
Grace Reksten Skaugen, Chair	366	39	405	392
Martin Mæland, Vice-chair	183	22	205	198
Finn Berg Jacobsen, Board member	183	55	238	228
Åse Koll Lunde, Board member up until 29 December 2011	183	39	222	198
Ottar Brage Guttelvik, Board member	183	22	205	213
Tore Bendiktsen, employee representative**	183	-	183	173
Mari Fjærbu Åmdal, employee representative**	183	-	183	173
Total	**1 464**	**176**	**1 640**	**1 575**

The above amounts are subject to National Insurance contributions of 14.1 per cent.

* The Board and committee members received no other compensation than what is set out in the table.
** Does not include ordinary salary.

The Group has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the Group, customer satisfaction and individual goals.

NOTE 24 Personnel costs (cont.)
All amounts in NOK thousands

Auditor's fee	2011	2010
Legally required audit	1 450	1 800
Tax advice	63	170
Other services not related to auditing	295	513
Other auditing services	259	98
Total auditor's fee (excl. VAT)	**2 067**	**2 582**

NOTE 25 Operating expenses
All amounts in NOK millions

Operating expenses	2011	2010
Administrative costs	38.5	33.5
Operating expenses	38.1	63.3
Other operating costs	11.9	15.5
Total other operating expenses*	**88.6**	**112.2**

* A total of NOK 2.2 (NOK 1.6) million of the total operating expenses are related to properties that do not generate any income.

NOTE 26 Other property costs
All amounts in NOK millions

Other property costs	2011	2010
Rent paid by Entra Eiendom	59.3	74.5
Project operating expenses	32.7	17.6
Development costs	23.0	15.4
Depreciation and write-downs	12.3	26.4
Total other property costs	**127.2**	**133.9**

NOTE 27 Administrative owner costs
All amounts in NOK millions

Administrative expenses	2011	2010
Payroll and personnel expenses	112.9	112.5
Office expenses, furnishings and equipment	22.3	21.3
Consultancy fees	33.5	24.7
Other administrative owner costs	17.2	28.7
Total administrative owner costs	**186.0**	**187.2**

NOTE 28 Tax

All amounts in NOK millions

Deferred tax is stated net if the Group has a legal right to offset deferred tax assets against the deferred tax on the balance sheet, and if the deferred tax is owed to the same tax authority. The following net value was recognised:

	2011	2010
Deferred tax	2 887.2	2 494.9
Deferred tax assets	534.7	370.6
Net deferred tax	**2 352.5**	**2 124.3**

Change in deferred tax on balance sheet	**2011**	**2010**
Carrying amount at 1 Jan.	2 124.3	1 877.7
Recorded through profit and loss for the period	234.2	245.3
Loss carryforwards	-	0.5
Acquisition/disposal of subsidiaries	-5.9	0.8
Carrying amount at 31 Dec.	**2 352.5**	**2 124.3**

Change in deferred tax/deferred tax assets (not offset)

Deferred tax	**Non-current assets***	**Gains/losses**	**Total**
1 Jan. 2010	**2 150.7**	**41.2**	**2 191.9**
Recognised in income statement for the period	293.3	8.8	302.1
Acquisition and disposal of subsidiaries	0.8	-	0.8
31 Dec. 2010	**2 444.8**	**50.0**	**2 494.9**
Recognised in income statement for the period	415.1	-16.8	398.3
Acquisition and disposal of subsidiaries	-5.9	-	-5.9
31 Dec. 2011	**2 854.0**	**33.2**	**2 887.2**

* The Group has applied the main rule for recognition of deferred tax in connection with the purchase of shares in property companies that are not acquired through a business combination. This means that deferred tax is recognised as the difference between the tax value and consolidated accounting value of investment properties. Deferred tax linked to the retrospective accumulated change in the value of investment properties at 31 December 2011 is NOK 2,243.2 (1,944.9) million.

NOTE 28 Tax (cont.)

All amounts in NOK millions

Deferred tax assets	**Provisions**	**Financial instruments**	**Receivable**	**Loss carryforwards**	**Total**
1 Jan. 2010	**34.2**	**91.5**	**0.1**	**190.1**	**315.9**
Recognised in income statement for the period	-5.8	32.0	0.2	28.9	55.2
Loss carryforwards	-	-	-	-0.5	-0.5
Acquisition of subsidiaries	-	-	-	-	-
31 Dec. 2010	**28.4**	**123.5**	**0.3**	**218.4**	**370.6**
Recognised in income statement for the period	-	52.3	2.1	109.7	164.1
31 Dec. 2011	**28.4**	**175.8**	**2.4**	**328.1**	**534.7**

Tax payable is calculated as follows	**2011**	**2010**
Profit before tax	805.6	947.1
Share of profit/loss at associates	28.4	-42.2
Other permanent differences	6.2	12.5
Corrections to previous years	-4.1	-25.3
Changes in loss carryforwards	391.8	101.2
Changes in temporary differences*	-1 227.8	-982.0
Application of tax loss carryforwards	-	
Profit for tax purposes	**-**	**11.3**
Tax payable on the balance sheet	-	3.2
Tax payable on the balance sheet	**-**	**3.2**

Applicable tax rate 28 per cent.

* The increase in temporary differences is largely due to an increase in the value of the Group's properties.

NOTE 28 Tax (cont.)

All amounts in NOK millions

The tax expense for the year is calculated as follows	2011	2010
Tax payable	-	3.2
Correction of deferred tax	-7.5	-
Change in deferred tax	234.1	245.3
Tax expense for the year	**226.5**	**248.5**

Reconciliation of tax expense with profit multiplied by nominal tax rate	2011	%	2010	%
Profit for accounting purposes multiplied by nominal tax rate	225.6	28.0 %	265.2	28.0 %
Tax on share of profit/loss at associates	8.0	0.1 %	-11.8	-1.2 %
Tax on permanent differences	1.7	0.0 %	3.6	0.4 %
Corrections to previous years	-8.7	-0.1 %	-7.1	-0.7 %
Tax on other changes	-	0.0 %	-1.4	-0.1 %
Tax expense for accounting purposes	**226.5**	**28.0 %**	**248.5**	**26.3 %**

NOTE 29 Related parties

All amounts in NOK millions

Entra Eiendom AS is owned by the Norwegian government through the Ministry of Trade and Industry. Most of the company's premises are leased to public-sector tenants. Lease contracts are signed on commercial terms. NOK 1,154 million of the Group's annual rental income is generated by leases where the state is the customer, through various ministries.

In 2011, the Group's transactions and balances with jointly controlled entities and associates mainly related to loans and interest payments on loans. The aggregate figures are shown in the table below.

Other interest received	2011	2010
Jointly controlled entities	2.3	13.8
Associates	1.0	0.9
Total rental income	**3.3**	**14.7**
Receivables		
Jointly controlled entities	-	119.2
Associates	14.2	16.4
Total receivables	**14.2**	**135.6**

The agreement to purchase of the remaining 49 per cent of the shares in Ribekk AS of 15 June 2010 also included a clause on the property at Ringstabekkveien 105. This clause was settled in 2011 by the Group paying the previous owners NOK 10.5 million.

NOTE 30 Events after the balance sheet date

In 2012 Oslo S Utvikling AS (33.33 per cent) has signed an agreement to sell all the buildings in the DNB project. The sale is based on a property value of just under NOK 4.8 billion. Each of the buildings will be transferred on completion, and the first building, Midtbygget, is going to be handed over on 1 July 2012.

On 15 February 2012, Entra Eiendom and Oslo Pensjonsforsikring (OPF) signed an agreement for the establishment of a new jointly controlled property company in Bergen. The property Allehelgens gate 6, which was included in the consolidated balance sheet at 31 December 2011 is being transferred in connection with this transaction. The company will consist of the properties Lars Hilles gate 30 and Allehelgens gate 6.

NOTE 31 Earnings per share

Earnings per share are calculated as the profit for the year attributable to the shareholder of NOK 564.8 (737.2) million divided by the weighted average number of outstanding shares over the course of the financial year, which was 142,194 (142,194).

There are no dilution effects, so the diluted earnings per share are the same as the earnings per share.

	2011	2010
Comprehensive income for the year attributable to shareholder (NOK millions)	564.8	737.2
Average number of outstanding shares (Note 16)	142 194	142 194
Earnings per share (NOK)	3 972.0	5 184.7

NOTE 32 Cash flow from operating activities

All amounts in NOK millions

	2011	2010
Profit before tax	805.6	947.1
Loss/profit on the sale of shares and non-current assets	3.4	18.1
Loss/profit on the sale of other investments	-	0.2
Net expensed interest on loans from financial institutions	636.7	618.1
Accrued interest income	-4.0	-
Share of profit from associates and jointly controlled entities	28.4	-42.2
Ordinary depreciation	12.3	10.7
Write-downs of non-current assets	-	15.7
Non-cash impact of IFRIC 12	56.5	-18.8
Adjustment to value of investment property	-632.6	-526.6
Changes in the market value of financial derivatives	208.0	113.4
Changes in trade receivables	-36.6	-3.6
Changes in trade payables	89.5	-57.0
Difference between pension expense and payments into/out of pension schemes	-3.3	0.9
Change in other accruals	-10.8	69.9
Net cash flow from operating activities	**1 153.1**	**1 145.9**

Annual financial statements for Entra Eiendom AS

Entra Eiendom AS

Income statement 1 Jan.-31 Dec.

All amounts in NOK thousands

	Note	2011	2010
Operating revenue			
Rental income	9	828 782	828 853
Gain on the sale of non-current assets	2	20 671	93 477
Other operating revenue		17 760	17 440
Total operating revenue		**867 214**	**939 770**
Operating expenses			
Maintenance costs		44 690	52 551
Renovation costs		16 800	21 627
Ordinary depreciation	2	142 585	132 349
Other operating expenses	7.10.11.14	393 045	294 554
Total operating expenses		**597 120**	**501 080**
Operating profit		**270 094**	**438 690**
Financial income and expenses			
Income from investments in subsidiaries		118 324	-
Income from investments in associates and jointly controlled entities		95 300	-
Interest income from Group companies	14	210 966	219 666
Other interest received		5 066	16 959
Other financial income		7	13
Write-down of financial assets		-	-13 747
Interest paid		-519 859	-505 017
Other financial expenses		-16 575	-41 348
Net financial items		**-106 771**	**-323 475**
Profit before tax		**163 323**	**115 214**
Tax on profit	8	19 390	43 164
Profit for the year		**143 932**	**72 050**
Distribution of the profit for the year			
Dividends		137 000	124 600
Other equity		6 932	-52 550

Balance sheet at 31 Dec. - Assets

All amounts in NOK thousands

	Note	2011	2010
NON-CURRENT ASSETS			
Property, plant and equipment			
Sites, buildings and other real property	2	6 438 233	5 637 636
Plant and machinery	2	40 902	25 942
Buildings under construction	2	485 750	847 994
Total property, plant and equipment		**6 964 885**	**6 511 572**
Financial assets			
Loans to Group companies	4	41 921	26 546
Investments in subsidiaries	3	1 386 071	1 282 903
Investments in associates and jointly controlled entities	3	454 052	448 781
Loans to associates and jointly controlled entities	4	11 761	133 190
Investments in shares/stakes		50	50
Receivables from Group companies	4,5	3 879 593	4 152 719
Other non-current receivables	4	65 778	20 304
Total non-current financial assets		**5 839 227**	**6 064 494**
Total non-current assets		**12 804 112**	**12 576 066**
CURRENT ASSETS			
Receivables			
Trade receivables	5	17 551	19 254
Receivables from Group companies	5	130 327	110 030
Other current receivables		19 158	21 693
Total receivables		**167 036**	**150 977**
Cash and bank deposits	6	49 181	36 017
Total current assets		**216 217**	**186 995**
Total assets		**13 020 330**	**12 763 061**

Balance sheet at 31 Dec. - *Equity and liabilities*

All amounts in NOK thousands

	Note	2011	2010
EQUITY			
Paid-in capital			
Share capital	1	142 194	142 194
Share premium reserve	1	1 271 984	1 271 984
Total paid-in equity		**1 414 178**	**1 414 178**
Retained earnings			
Other equity	1	507 594	500 662
Total retained earnings		**507 594**	**500 662**
Total equity	**1**	**1 921 772**	**1 914 840**
LIABILITIES			
Provisions			
Pension liabilities	7	48 149	43 099
Deferred tax	8	181 064	158 776
Other provisions	12	15 398	22 325
Total provisions		**244 611**	**224 201**
Other non-current liabilities			
Bonds	4	2 920 000	2 920 000
Liabilities to financial institutions	4	4 600 000	4 430 000
Other non-current liabilities	4	21 308	25 352
Total other non-current liabilities		**7 541 308**	**7 375 352**
Current liabilities			
Trade payables	5	121 847	95 005
Liabilities to group companies	5	15 305	191 707
Taxes due		9 371	8 153
Dividends	1	137 000	124 600
Commercial paper	4	2 800 000	2 650 000
Other current liabilities	13	229 116	179 203
Total current liabilities		**3 312 638**	**3 248 668**
Total liabilities		**11 098 558**	**10 848 222**
Total equity and liabilities		**13 020 330**	**12 763 061**

Oslo, 28 March 2012
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen
Chair of the Board

Martin Mæland
Vice-chair

Ketil Fjerdingen
Board member

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Ida Helliesen
Board member

Mari Fjærbu Åmdal
Board member

Frode Halvorsen
Board member

Tore Benediktsen
Board member

Kyrre Olaf Johansen
Chief Executive Officer

Cash flow statement

All amounts in NOK thousands

	Note	2011	2010
Cash flow from operating activities			
Profit before tax		163 323	115 214
Tax paid for the year		-	525
Profit/loss on the sale of fixed assets	2	29 949	-93 477
Profit/loss on the sale of shares		40	22 388
Net expensed Interest on loans from financial institutions		537 218	526 388
Interest paid on loans from financial institutions		-520 561	-537 943
Write-downs of shares		-	4 159
Ordinary depreciation	2	142 585	132 349
Changes in trade receivables		1 703	-12 477
Changes in trade payables		26 841	-51 455
Difference between pension expense and payments into/out of pension schemes	7	5 049	1 046
Accrued interest income		-4 604	-18 647
Items classified as investment or financing activities		-213 624	-
Change in other accruals		-13 500	49 402
Net cash flow from operating activities		**154 420**	**137 474**
Cash flow from investment activities			
Sales of property, plant and equipment	2	47 590	260 611
Purchase of investment properties	2	-10 367	-8
Cost of upgrades to investment properties	2	-641 891	-536 947
Purchases of moveables, machinery and equipment	2	-27 155	-12 072
Sales of shares and stakes in other enterprises		-	20 081
Purchase of shares		-104 131	-209 452
Investments in associates and jointly controlled entities		-2 550	-1 320
Loans to associates and jointly controlled entities		-	-45 150
Repayment of loans to associates and jointly controlled entities		124 683	-
Net change in cash pool balance of subsidiaries		195 891	151 294
Repayment of loans to subsidiaries		1 007	-
New loans to subsidiaries		-15 032	-3 452
Dividends from associates and jointly controlled entities		95 300	-
Net cash flow from investment activities		**-336 656**	**-376 415**
Cash flow from financing activities			
New non-current liabilities		1 675 000	2 540 500
New current liabilities		4 144 000	3 515 000
Repayment of non-current liabilities		-1 505 000	-2 633 500
Repayment of current liabilities		-3 994 000	-3 050 000
Dividends paid		-124 600	-114 500
Net cash flow from financing activities		**195 400**	**257 500**
Net change in cash and cash equivalents		13 164	18 559
Cash and cash equivalents at the start of the year		36 017	17 459
Cash and cash equivalents at the end of the year		**49 181**	**36 017**

ACCOUNTING POLICIES

The financial statements have been prepared in compliance with the Norwegian Accounting Act and generally accepted accounting principles.

General principles for measurement and classification of assets and liabilities
Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that are repayable within a year are classified as current assets. When classifying current and non-current liabilities, equivalent criteria have been applied.

Current assets are measured at the lower of cost and fair value.

Non-current assets are measured at cost, but are written down to their recoverable value if the latter is lower than the carrying amount, and the impairment is expected to be other-than-temporary. Non-current assets with a limited useful life are depreciated according to a schedule.

Other non-current liabilities and current liabilities are measured at their face value.

Subsidiaries, associates and jointly controlled entities
Investments in subsidiaries and jointly controlled entities are included in the company accounts using the cost method. Investments are written down to their fair value if the reduction in value is other-than-temporary and the write-down appears to be necessary in accordance with generally accepted accounting principles. The same applies to investments in associates.

Dividends and Group contributions from subsidiaries are recognised as income from the investment in the subsidiary in the year that the allocation is made by the subsidiary. Dividends and Group contributions from subsidiaries that exceed the retained earnings over the period of ownership are considered repayments of the acquisition cost.

Dividends from associates and jointly controlled entities are recognised as income from the investment in the associates and jointly controlled entities in the year that the allocation is received. Dividends that exceed the retained earnings over the period of ownership are considered repayments of the acquisition cost.

Foreign currency
Monetary foreign currency items on the balance sheet are translated at the exchange rate on the balance sheet date.

Rental income
Rental income is recognised when it is earned, i.e. over the course of the lease term.

Lease contracts that are terminated are valued on an individual basis. Payments relating to the termination of contracts are recognised as income to the extent that the company is able to re-let the premises to a new tenant at a market rent. Such payments are accrued over the estimated vacancy period if the premises remain vacant.

Pensions
Pension costs and pension liabilities are calculated using a linear accumulation model based on assumptions relating to discount rates, projected salaries, the level of benefits from the National Insurance Scheme and future returns on pension scheme assets, as well as actuarial calculations of mortality, voluntary early retirement, etc. The net pension liability is the difference between the present value of pension obligations and the value of pension scheme assets allocated to pay for those benefits. Pension scheme assets are measured at fair value. Changes in liabilities due to changes in pension plans are allocated over the expected remaining contribution period. Actuarial gains and losses, and the impact of changes to actuarial assumptions, are amortised over the remaining expected contribution period if they exceed 10 per cent of whichever is greater of the pension liabilities and pension scheme assets (the "corridor").

Employers' National Insurance Contributions are expensed on the basis of the pension contributions made for secured (company) pension schemes.

Tax
The tax charge on the income statement covers both tax payable for the period and changes in deferred tax. Deferred tax is calculated at 28 per cent on the basis of the temporary differences that exist between accounting and tax values, as well as any losses carried forward for tax purposes at year-end. Temporary differences which increase or reduce tax and are reversed or may be reversed in the same period have been eliminated. Net deferred tax assets are shown on the balance sheet in so far as they are likely to be utilised.

Tax on Group contributions that is recorded as raising the cost price of shares in other companies, and tax on received Group contributions that is recorded directly against equity, is entered directly against tax on the balance sheet (the entry is made under tax payable if the Group contribution affects tax payable, and under deferred tax if the Group contribution affects deferred tax).

Property, plant and equipment
Property, plant and equipment are recognised on the balance sheet and are depreciated to a schedule over the anticipated useful life of the assets. Direct maintenance of property, plant and equipment is recognised in the income statement on an arising basis. Additions or improvements are added to the asset's cost price and are depreciated in line with the asset.

Maintenance costs for large rehabilitation projects are described as rehabilitation costs in the accounts. This is done to distinguish them from ongoing, ordinary maintenance of the general management portfolio. The portion of the rehabilitation costs for these projects that represents additions or improvements is recognised on the balance sheet, whilst the remainder is charged as an expense. The accounting implications of this are described in Note 2.

ACCOUNTING POLICIES (cont.)

Expenses related to construction projects are capitalised as buildings under construction. The financing costs for capital linked to the development of non-current assets are recognised on the balance sheet for accounting purposes, but are counted as an expense for tax purposes. Projects are recognised on the balance sheet and depreciated from the date of completion and when the non-current asset enters service.

Receivables
Trade receivables and other receivables are shown at nominal value after provisions for anticipated bad debts. Provisions for bad debts are made on the basis of individual assessments of the receivables.

Cash and cash equivalents
Cash and cash equivalents consist of bank deposits and other short-term, highly liquid investments with an original term to maturity of no more than three months.

The company has an account in a Group cash pooling arrangement and finances its subsidiaries' liquidity requirements.

Contingent liabilities
The company has a certain number of lease agreements where it is the tenant. These contracts are included in the letting activities. Under Norwegian Accounting Standards on contingent liabilities and assets, provision must be made for losses in the event that such premises remain vacant or partially vacant. The company has calculated the necessary provision as of 31 December. The cost of leasing the premises, the duration of the lease and the sub-lease's value have been taken into account for the calculation of the present value. Assumptions have also been made about the letting of vacant properties using the estimated vacancy period. An estimated rental price has been set based on lease agreements achieved.

Non-current liabilities
Non-current liabilities are shown on the balance sheet at nominal value on the initial date. Premiums and discounts in connection with taking on non-current liabilities, as well as arrangement fees, are accrued over the period of the loan. Similarly, in the event of the repurchase of bonds, premiums and discounts are accrued over the remaining term to maturity for the relevant liabilities.

All of the company's debt is subject to variable rates (including fixed rate bonds, which are swapped to a variable rate). The company has then used interest-rate swaps to convert its debt to fix-rate loans with varying maturities. For information on maturities, please see Note 4. The company accrues these interest-rate swaps in such a way that the fixed rate is expensed on the income statement. On the termination of interest-rate swap agreements, the profit or loss is accrued over the remaining term to maturity of the agreement in question.

The company has chosen to apply accounting principles which mean that changes in the value of the company's interest rate swaps are not recognised in the income statement. Hedged items are carried at their nominal value.

In general the Group's financing is based on negative pledge clauses.

Entra Eiendom AS is the parent company of a group of companies. The consolidated accounts can be obtained by writing to Entra Eiendom AS, Postboks 52, Økern NO-0508 Oslo.

NOTE 1 Equity
All amounts in NOK thousands

	Share capital	Share premium reserve	Other equity	Total
Equity at 1 Jan. 2011	142 194	1 271 984	500 662	1 914 840
Profit/loss for the year			143 932	143 932
Dividend appropriation			-137 000	-137 000
Equity at 31 Dec. 2011	**142 194**	**1 271 984**	**507 594**	**1 921 772**

The share capital of NOK 142,194,000 consists of 142,194 shares with a face value of NOK 1,000. All shares enjoy equal rights. All of the shares are owned by the Norwegian Government through the Ministry of Trade and Industry.

NOTE 2 Property, plant and equipment
All amounts in NOK thousands

	Sites*	Buildings	Machinery, fixtures and fittings	Art*	Buildings under construction*	Total property, plant, equipment
Acquisition cost at 1 Jan. 2011	540 912	6 017 387	80 453	5 906	847 994	7 492 652
Acquisitions	10 367	1 004 085	27 155	-	616 735	1 658 342
Disposals	-27 588	-67 621	-322	-	-978 980	-1 074 512
Acquisition cost at 31 Dec. 2011	523 690	6 953 851	107 285	5 906	485 750	8 076 482
Accumulated deprecation at 1 Jan. 2011	-	920 662	60 418	-	-	981 080
Depreciation for the year **	7	131 952	12 123	-	-	144 082
Disposals	-	-13 314	-252	-	-	-13 566
Accumulated deprecation at 31 Dec. 2011	7	1 039 300	72 289	-	-	1 111 597
Balance sheet value as of 31/12/2011	**523 683**	**5 914 550**	**34 996**	**5 906**	**485 750**	**6 964 885**
Anticipated useful life	69 år	50 år	3, 4, 10 år			
Depreciation schedule	Linear	Linear	Linear			

Acquisitions of buildings includes NOK 19,469,232 of interest on capitalised construction loans. Gains on the sale of non-current assets totalled NOK 20,671,425. Losses on the sale of non-current assets totalled NOK 50,620,883. The net gain amounted to NOK 29,949,458. In 2011 we sold six properties. This year's capitalised renovation costs total NOK 262,275,065.

* No depreciation is charged against sites and buildings under construction and art. The figure for depreciation of sites pertains to capitalised costs linked to infrastructure on leased land.
** The difference between this year's depreciation set out in the note and the total depreciation on the income statement is NOK 1,497,673.

Moveables have been included on the balance sheet if the depreciation is charged to joint tenant expenses on the balance sheet.

NOTE 3 – Subsidiaries, associates, etc.
All amounts in NOK thousands

Entra Eiendom AS
Investments in subsidiaries, associates and jointly controlled entities are recognised using the cost method.

	Acquisition date	Business office	Shareholding and voting rights	Carrying amount
Subsidiary				
Oslo Z AS	20.09.2000	OSLO	100 %	80 000
Biskop Gunnerusgt. 14 AS	26.03.2001	OSLO	100 %	262 919
Universitetsgaten 2 AS	03.09.2001	OSLO	100 %	215 212
Kunnskapsveien 55 AS	17.12.2001	OSLO	100 %	58 714
Entra Kultur 1 AS	28.02.2002	OSLO	100 %	1 275
Kristian Augustsgate 23 AS	01.02.2003	OSLO	100 %	68 963
Nonnen Utbygging AS	10.02.2003	OSLO	100 %	7 601
Langkaia 1 AS	21.11.2003	OSLO	100 %	20 060
Kjørboparken AS	21.12.2005	OSLO	100 %	62 025
Ribekk AS	02.10.2006	OSLO	100 %	193 119
Bispen AS	24.10.2007	OSLO	100 %	100 967
Pilestredet 28 AS	07.05.2008	OSLO	100 %	359
Hagegata 24 AS	01.10.2008	OSLO	100 %	14 563
Stakkevollveien 11 AS	12.03.2010	OSLO	100 %	15 907
Hagegata 23 Eiendom AS	29.03.2010	OSLO	100 %	94 643
Holtermanns veg 1-13 AS	24.09.2010	OSLO	100 %	10 303
Karoline Kristiansensvei 2 AS	15.02.2011	OSLO	100 %	8 789
Youngskvartalet AS	30.03.2011	OSLO	100 %	119
Brødrene Sundt Verktøimaskinfabrik AS	01.10.2011	OSLO	100 %	85 642
Greenfield Datacenter AS	26.10.2011	OSLO	100 %	120
Papirbredden Eiendom AS	10.01.2005	OSLO	60 %	60 686
Brattørkaia AS	31.01.2006	OSLO	52 %	24 087
				1 386 071

NOTE 3 – Subsidiaries, associates, etc. (cont.)
All amounts in NOK thousands

Entra Eiendom AS
Investments in subsidiaries, associates and jointly controlled entities are recognised using the cost method.

	Acquisition date	Business office	Shareholding and voting rights	Carrying amount	Book equity at 31 Dec. 2011	Profit/loss after tax for 2011
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS *	04.07.2005	KRISTIANSAND	51.00 %	5 271	14 755	-920
UP Entra AS konsern	31.12.2003	HAMAR	50.00 %	31 297	121 230	7 429
Oslo S. Utvikling AS	01.07.2004	OSLO	33.33 %	406 621	899 465	-61 400
Associate						
Ullandhaug Energi AS	07.07.2009	STAVANGER	44.00 %	6 490	13 941	1 291
Kunnskapsbyen Eiendom AS	31.12.2004	OSLO	33.75 %	3 746	13 061	-3 488
Youngstorget Parkeringshus AS	16.11.2005	OSLO	21.26 %	463	107	-45
Tverrforbindelsen AS	24.04.2009	TRONDHEIM	16.67 %	165	789	143
				454 052		

* In 2011, Sørlandet Kunnskapspark Eiendom AS (previously Kristiansand Kunnskapspark AS) was reclassified from subsidiary to joint venture, in keeping with a new interpretation of the shareholder agreement.

NOTE 4 Receivables, liabilities and financial instruments
All amounts in NOK millions

	2011	2010
Proportion of receivables which fall due after more than one year		
Loans to Group companies	42	27
Loans to Group companies (group cash pooling arrangement, non-current)	3 880	4 153
Options	4	4
Loans to associates and jointly controlled entities	12	133
Accrual of fees on financial instruments	62	17
Total non-current receivables	**3 999**	**4 333**

NOTE 4 Receivables, liabilities and financial instruments (cont.)
All amounts in NOK millions

Maturity structure of non-current liabilities	Year	2011 Loan value	2010 Loan value
	2011	-	1 204
	2012	691	691
	2013	2 750	2 030
	2014	1 425	1 425
	2015	100	-
	2016	1 750	-
	More than 5 years	825	2 025
Total		**7 541**	**7 375**

Undrawn credit facilities
At 31 Dec. 2011, the maturity structure of the company's new undrawn credit facilities was as follows:

Maturity structure of committed, undrawn credit facilities	Year	2011 Loan value	2010 Loan value
	2011	-	700
	2012	1 000	1 000
	2013	-	720
	2014	-	-
	2015	900	1 000
	2016	1 200	-
	2017	-	-
	2018	1 000	1 000
Total		**4 100**	**4 420**

Special terms and conditions in Entra Eiendom AS's loan agreements
In general the Group's financing is based on negative pledge clauses.

Loans and interest rate hedges
Interest rate hedging at Entra Eiendom AS is part of the Group's overall risk management, and must be viewed in that context. The interest-rate position should support the company's strategic development, and should reflect the company's risk profile and anticipated future market interest rates based on the company's interest rate view. The Group's guidelines on managing interest rate risk are expressed as a preferred interest rate structure (standard portfolio). The standard portfolio specifies the Group's requirements with respect to the weighted term and time segments.

At 31 December 2011, the average remaining term of Entra Eiendom AS's interest bearing liabilities was 3.4 years. The average interest rate on Entra Eiendom AS's portfolio of loans and interest-rate hedges was 5.27 per cent at 31 December 2011.

NOTE 4 Receivables, liabilities and financial instruments (cont.)
All amounts in NOK millions

Entra Eiendom AS's portfolio of loans and interest rate hedges has the following interest rate structure

		2011 Loan value	2010 Loan value
Up to one year	39 %	4 070	4 250
1-2 years	11 %	1 150	300
2-4 years	13 %	1 300	1 500
4-6 years	14 %	1 450	1 650
6-8 years	9 %	900	700
over 8 years	14 %	1 450	1 600
Total	**100 %**	**10 320**	**10 000**

The effect of interest rate hedges is shown in the income statement. The fair value of the company's portfolio of interest rate hedges is not shown on the balance sheet.

Interest-bearing liabilities associated with hedging activities
Entra Eiendom AS uses interest rate derivatives to manage the interest rate risk arising from its interest-bearing liabilities.

The company's debt financing consists of bank loans, as well as commercial paper and bonds. The bank loans are subject to variable interest rates. Commercial paper is subject to variable interest rates. The company has issued both fixed-rate and variable-rate bonds. Outstanding fixed-rate bonds are hedged using fixed-to-variable interest rate swaps. As a result, the hedged bonds are classified as part of the company's portfolio of variable rate loans.

The company's exposure to variable interest rates is hedged for cash flow risk using variable-to-fixed interest rate swaps.

Cash flow hedging
Entra Eiendom AS's liabilities are directly or indirectly subject to variable interest rates. Entra Eiendom AS uses variable-to-fixed interest rate derivatives to manage the company's interest rate risk. Cash flows are hedged by matching the terms and volumes of the interest rate derivatives with the expected maturity profile of the company's interest-bearing liabilities. The expected maturity profile of Entra's interest-bearing liabilities is based on an assessment of the need to refinance existing liabilities and to obtain additional financing.

The table below shows that after taking into account cash flow hedges, 76 per cent of the company's interest-bearing liabilities are effectively subject to fixed interest rates.

Changes in NIBOR rates will therefore affect the interest expense on 24 per cent of the company's interest-bearing liabilities.

NOTE 4 Receivables, liabilities and financial instruments (cont.)
All amounts in NOK millions

Cash flow hedging

	2011	2010
Hedged item		
Variable interest rate debt	10 320	10 000
Hedge		
Interest rate swaps (variable-to-fixed)	7 850	7 300
Hedge ratio (unhedged position)	**2 470**	**2 700**
Hedge ratio (% hedged)	**76 %**	**73 %**

Changes in the cash flow hedges over the financial year:

Change in value	**2011**	**2010**
Opening balance – market value of liability	621	507
Change in value	204	114
Closing balance – market value of liability	**825**	**621**

The fair value of the company's interest rate swaps used as cash flow hedges specifies the present value of the contractual fixed-interest rate agreements. The present value represents the market value of company's liabilities to the counterparty of the interest rate swaps. The change in value over the financial year represents the change in the market value of liabilities. The reason for the increase in the market value of the company's liabilities for the financial year 2011 was falling market interest rates.

NOTE 4 Receivables, liabilities and financial instruments (cont.)
All amounts in NOK millions

Fair value hedging
Entra Eiendom AS has the following fair value hedges for the company's outstanding fixed-rate bonds:

Fair value hedging 2011	**Total**	**Maturity structure Up to 1 year**	**1-5 years**	**>5 years**
Hedged item				
Fixed interest rate debt	2 470	670	975	825
Hedge				
Interest rate swaps (fixed-to-variable)	2 470	670	975	825
Hedge ratio (unhedged position)	**-**	**-**	**-**	**-**
Hedge ratio (% hedged)	**100 %**			

Fair value hedging 2010	**Total**	**Maturity structure Up to 1 year**	**1-5 years**	**>5 years**
Hedged item				
Fixed interest rate debt	2 470	-	1 645	825
Hedge				
Interest rate swaps (fixed-to-variable)	2 470	-	1 645	825
Hedge ratio (unhedged position)	**-**	**-**	**-**	**-**
Hedge ratio (% hedged)	**100 %**			

Change in value	**2011**	**2010**
Opening balance – market value of liability	-24	19
Change in value	-51	-43
Closing balance – market value of liability	**-75**	**-24**

At 31 December 2011, the market value of the company's fair value hedges amounts to a receivable.

NOTE 5 Intergroup balances

All amounts in NOK thousands

Receivables	2011	2010
Trade receivables	1 717	2 015
Current receivables from, and loans to, Group companies	130 327	110 030
Non-current receivables from, and loans to, Group companies	3 921 514	4 179 266
Total	**4 053 558**	**4 291 311**

Liabilities	2011	2010
Trade payables	2 159	7 814
Current liabilities to Group companies	15 305	191 707
Total	**17 464**	**199 522**

The company has established a Group cash pooling arrangement. It is the net bank deposits that are presented as Entra Eiendom AS's cash at bank. In 2010 the company signed long-term loan agreements with its subsidiaries. Loans to subsidiaries are classified as current financial assets (short-term) and non-current financial assets (long-term).

NOTE 6 Restricted assets

All amounts in NOK thousands

Cash in hand and at bank at the period end is shown on the cash flow analysis.

	2011	2010
Tax withholding account	6 180	6 135

NOTE 7 Pensions

The company has pension schemes that cover a total of 153 current employees and 43 pensioners. The schemes provide an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

Entra Eiendom AS's employees are members of the Norwegian Public Service Pension Fund. It is a defined benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level ensures a defined pension benefit. The guarantee means that employees will receive at least 66 per cent of their pension qualifying salary. Any income over and above 12 times the National Insurance Scheme's basic amount is not included in the qualifying salary. The pension benefit payable is based on the employee's salary, average percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension). The company's pension scheme fulfils the stipulations of the Act on mandatory occupational pensions.

Entra operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 per cent of a full-time position. Between the ages of 62 and 65, pensions are calculated in accordance with the National Insurance Scheme's stipulations. On reaching the age of 65, the pension is calculated using either the National Insurance Scheme's rules or the Norwegian Public Service Pension Fund's rules, depending on which is better for the member. Employees are also insured against incapacity and death.

The CEO has a separate pension plan that is discussed in Note 10. The scheme covers salary over and above 12 times the National Insurance Scheme's basic amount ("G") in addition to the scheme with the Norwegian Public Service Pension Fund.

NOTE 7 Pensions (cont.)

All amounts in NOK thousands

	2011	2010
Present value of pensions earned this year	15 549	11 951
Interest expenses on the pension liability	5 001	5 806
- Return on pension scheme assets	-4 439	-3 900
Change in estimate recognised in income statement	1 850	142
Administrative expenses – Norwegian Public Service Pension Fund	284	255
Employers' National Insurance contributions	2 312	1 990
Net pension expense Norwegian Public Service Pension Fund	**20 557**	**16 242**
Life expectancy adjustment, 1943-1953 cohorts, recognised in income statement	-	-392
Change to indexing of retirement pension, recognised in income statement	-	-5 558
2 per cent employee pension contributions	-1 861	-1 453
+ Year's change in liability for CEO's unfunded pension scheme	870	3 000
Pension expense for the year	**19 567**	**11 838**

	31 Dec. 2011	31 Dec. 2010
Estimated pension liabilities at 31 Dec.	137 721	133 730
Pension scheme assets at 31 Dec.	-85 819	-74 356
Effect of actuarial gains/losses not charged to income	-15 178	-26 313
Net pension liabilities on balance sheet before employer's National Insurance contributions	**36 724**	**33 061**
Employers' National Insurance contributions	5 178	4 662
Net pension liabilities after employer's NICs	**41 902**	**37 722**
Liability for CEO's unfunded pension scheme	6 247	5 377
Total net pension liabilities after employer's NICs	**48 149**	**43 099**

Assumptions	2011	2010
Discount rate	3,80 %	3,80 %
Anticipated salary increases	3,50 %	4,00 %
Anticipated pension increase	2,50 %	3,00 %
Anticipated adjustment to the National Insurance Scheme's basic amount ("G")	3,25 %	3,75 %
Anticipated return on pension scheme assets	4,10 %	5,60 %
Anticipated take-up percentage for early retirement scheme (AFP)	40,00 %	40,00 %
Disability table used	200% K63	200% K63
Mortality table used	K2005	K2005

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors.

NOTE 8 Tax

All amounts in NOK thousands

Tax for the year breaks down as follows	2011	2010
Excess provision in previous year (government stimulus package)	-	-525
Correction of deferred tax for last year	-	-490
Tax impact of Group contributions entered as investments	-2 897	-
Correction of permanent differences for last year	-	1
Change in deferred tax	22 288	44 178
Total tax	**19 390**	**43 164**

Calculation of the tax base for the year		
Profit before tax	163 323	115 214
Group contributions received	10 348	1 745
Corrections to previous years not recognised in income statement	-	-3
Permanent differences*	-93 989	38 946
Basis for tax for the year	**79 682**	**155 903**
Net temporary differences	-82	1 876
Change in differences included in the calculation of deferred tax	-79 600	-157 779
Tax base for the year	**-**	**-**

NOTE 8 Tax (cont.)

All amounts in NOK thousands

Overview of temporary differences	Change	2011	2010
Receivables	4 171	-4 871	-700
Non-current assets	-319 325	1 188 418	869 093
Provisions in accordance with generally accepted accounting principles	-6 928	-15 398	-22 325
Pensions	5 049	-48 149	-43 099
Gains and losses	59 292	115 816	175 108
Net temporary differences	-257 740	1 235 816	978 076
Loss carried forward	178 141	-589 158	-411 017
Basis for deferred tax on the balance sheet	**-79 600**	**646 659**	**567 059**
28 % deferred tax	-22 288	181 064	158 776
Deferred tax/Deferred tax assets on the balance sheet	**-22 288**	**181 064**	**158 776**

Explanation of why tax for the year does not equal 28 per cent of profit before tax	2011	2010
28 % tax on profit before tax	45 730	32 260
Correction of deferred tax	-23	-
Permanent differences (28 %)*	-26 317	10 904
Calculated tax	**19 390**	**43 164**
Effective tax rate	11.9 %	37.5 %

* Includes non-deductible expenses, such as entertainment, gains on the sale of shares and write-downs of shares.

NOTE 9 Rental income

All amounts in NOK thousands

In 2001, Entra Eiendom AS established a new regional structure for follow-up and operation of the company's properties. The geographical distribution of the rental income is presented in keeping with the new structure.

Geographical distribution	2011	2010
Central Oslo	317 063	318 997
Greater Oslo	246 704	248 636
Southern and Western Norway	180 979	178 960
Central and Northern Norway	84 036	82 260
Total	**828 782**	**828 853**

NOTE 10 Payroll expenses, number of employees, remuneration, etc.

All amounts in NOK thousands

Payroll and personnel expenses	2011	2010
Salaries, fees, etc.	110 224	97 321
Employers' National Insurance contributions	15 910	13 341
Pension expenses	19 567	11 639
Other expenses	799	784
Other personnel costs	9 687	8 843
Total	**156 188**	**131 928**
Of which capitalised as projects under development	-7 660	-5 551
Of which shared costs to be distributed amongst tenants	-38 148	-33 205
Of which related to the ongoing operation of properties	-8 468	-8 998
Total payroll and personnel costs	101 913	84 174

Over the year, on average 151 full-time equivalent staff worked at the company.

Statement on the determination of salaries and other remuneration of senior executives
The Board's statement on the determination of salaries and other remuneration of senior executives is presented to the AGM.

The statement is structured as follows:
- General guidelines on the compensation of senior executives
- The board's follow-up of senior executives' pay
- Explanation of the compensation of senior executives
- Determination of salaries and other remuneration in 2012
- Overview of total remuneration to senior executives in 2011

NOTE 10 Payroll expenses, number of employees, remuneration, etc. (cont.)

General guidelines on the compensation of senior executives
The Norwegian Government has laid down guidelines for terms of employment for senior executives in state-owned enterprises and companies, cf. Report no. 13 (2010-2011) to the Norwegian parliament (the Storting), Appendix 1. These guidelines form the foundation for the Board's remuneration policy at Entra Eiendom and provide guidance concerning recruitment and employment processes as well as in connection with the annual review of the salaries of the Group's senior management team and the CEO.

Compensation of senior executives is based on the Group's general HR strategy and remuneration policy. Entra Eiendom wants to be a highly professional organisation that attracts the best candidates and retains and develops employees. To this end, Entra needs to be able to offer good compensation packages, including competitive salaries, to ensure the company can recruit and retain attractive expertise. The guidelines on remuneration stress in particular that the overall compensation shall be competitive, but not above those of other similar companies in Norway. The guidelines also state that the principal element in the remuneration of senior executives should be the fixed basic salary and that all the individual components that make up the total remuneration package must be considered together as a whole. The targets linked to the company's performance-related pay scheme shall be objective, measurable and identifiable, and there must be a clear correlation between the company's targets and the targets in the performance-related pay scheme.

The board's follow-up of senior executives' pay
The Board has established a compensation committee consisting of four representatives from the current Board of Directors to monitor and determine the remuneration of the Group's senior executives. The compensation committee is chaired by the Chair of the Board. The compensation committee monitors the remuneration of senior executives in relation to the Government's guidelines for terms of employment for senior executives in state-owned enterprises and companies. The committee evaluates the company's performance reward schemes and proposes guidelines for determining Group senior executives' compensation. The Board determines the Chief Executive Officer's salary on an annual basis in light of a recommendation from the Board's compensation committee. The CEO consults the compensation committee in connection with determining the salaries of the members of the senior management team.

Explanation of the compensation of senior executives
The fixed basic salary is the principal element in the remuneration of the Group's senior executives and the Chief Executive Officer. In addition to the basic salary, the CEO has a performance-related pay scheme limited upwards to 50 per cent of his/her annual salary. The total performance-related pay for other members of the senior management team cannot exceed 25 per cent of their annual salary. The CEO's performance-related pay is based on predefined targets regarding individual performance and company performance. The performance-related pay of Group directors is based on defined individual performance targets. In addition, the performance-related pay scheme for 2011 also includes company-level targets relating to return on equity, owner costs, achieved rents, occupancy rate, customer satisfaction and energy consumption.

There are no share option schemes for key employees.

NOTE 10 Payroll expenses, number of employees, remuneration, etc. (cont.)

The CEO is entitled to receive his salary for 12 months after the termination of his contract, subject to certain limitations. In addition, the CEO is the only member of the Group management to have an agreement concerning an additional pension, determined by his employment contract from 2008. This pension scheme is a continuation of a pension agreement with a former employer. This scheme does not comply with the Government's guidelines on remuneration of senior executives. All other elements related to remuneration are in line with the guidelines. The CEO's pension benefits on reaching the age of 65 shall be equivalent to 66 per cent of his final salary less benefits from the National Insurance Scheme, the Norwegian Public Service Pension Fund and pension benefits earned at other companies. The minimum qualifying period for the additional pension is five years. After five years, 1/19 of the full pension rights are earned per year, based on his age on employment, until full pension entitlement is reached at the age of 65. The CEO can retire at the age of 62, in which case he will receive 60 per cent of his final salary until the age of 65. In the event of suffering from a more than 50 per cent long-term disability, the CEO is entitled to a disability pension. The benefit payable is 66 per cent of his final salary less benefits from the National Insurance Scheme, the Norwegian Public Service Pension Fund and pension benefits earned at other companies. The other members of the management group have a defined benefit pension limited to 12 times the National Insurance basic amount ("12G"), in line with the other employees.

The company covers other benefits to the management team in line with the benefits offered to the other employees at Entra and in accordance with standard practice at Norwegian companies.

The Chief Executive Officer and the rest of the management group have a number of internal directorships. They do not receive special remuneration for these directorships.

Entra Annual report 2011 Financial statements Entra Eiendom AS

NOTE 10 Payroll expenses, number of employees, remuneration, etc. (cont.)
All amounts in NOK thousands

Determination of salaries and other remuneration in 2012
The Board will use the same guidelines for compensation of senior executives in 2012 as it did in 2011. The Board determines the Chief Executive Officer's salary, and the compensation committee is consulted in connection with determining the salaries of the other members of the senior management team. The annual determination of pay for senior executives is based on assessment of the individual employee.

The company's performance-related pay scheme was revised effective from the 2010 financial year. Under the new scheme, individual targets are set for the Chief Executive Officer, based on the company's strategy, targets and values. The company-wide targets have been updated for 2012, in accordance with the Board's annual review of the Group's balanced scorecard and overall objectives for operations, and have been incorporated as part of the performance-related pay scheme for 2012. For the other members of the Group's executive management, the 2012 performance-related pay scheme includes both defined individual goals and performance targets for the business and support areas.

Overview of total remuneration to senior executives in 2011

Payments to senior executives and the Board of Directors	Salaries	Performance-related pay	Benefits in kind	Estimated pension expense	Total compensation 2011	Total compensation 2010
Kyrre Olaf Johansen, CEO	3 135	885	239	1 017	5 275	6 003
Rune Olsø, Deputy CEO since 10 May 2010	2 531	540	145	147	3 362	2 781
Anne Harris, CFO, joined the company 1 Oct. 2010	2 536	-	120	147	2 803	658
Sverre Vågan, Director of Human Resources, left the company 28 Feb. 2011	378	161	26	24	588	1 458
Nils Fredrik Skau, Technical Director	1 430	298	112	147	1 987	1 737
Bjørn Holm, Director of Projects and Development	1 531	326	138	147	2 143	1 847
Ingrid Schiefloe, Director of Communication and Corporate Social Responsibility	1 110	242	142	147	1 641	1 305
Anders Solaas, Director of Marketing, joined the company 16 Aug. 2010	1 416	13	174	147	1 749	612
Total	**14 066**	**2 465**	**1 096**	**1 921**	**19 548**	**16 401**

NOTE 10 Payroll expenses, number of employees, remuneration, etc. (cont.)
All amounts in NOK thousands

The Board of Directors*	Board fees	Committee fees	Total compensation
Grace Reksten Skaugen, Chair	366	39	405
Martin Mæland, Vice-chair	183	22	205
Finn Berg Jacobsen, Board member	183	55	238
Åse Koll Lunde, Board member up until 29 December 2011	183	39	222
Ottar Brage Guttelvik, Board member	183	22	205
Tore Benediktsen, employee representative**	183	-	183
Mari Fjærbu Åmdal, employee representative**	183	-	183
Total	**1 464**	**176**	**1 640**

* The Board and committee members received no other compensation than what is set out in the table.
** Does not include ordinary salary.

The company has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the company (IPD), customer satisfaction and individual goals.

Fees are not paid to employees of Entra Eiendom AS for being directors of subsidiaries, etc.

Auditor's fee	2011	2010
Statutory audit	870	1 095
Other auditing services	70	78
Tax advice	-	85
Other services not related to auditing	295	336
Total auditor's fee (excl. VAT)	**1 235**	**1 593**

NOTE 11 Other operating expenses
All amounts in NOK thousands

	2011	2010
Management, operation and development of properties	163 947	138 973
Payroll and personnel costs	101 913	84 174
Loss on the sale of non-current assets	50 621	-
Other administrative costs	76 564	71 406
Total other operating expenses	**393 045**	**294 554**

NOTE 12 Other provisions
All amounts in NOK thousands

	2011	2010
Provision for rent payments	15 398	22 325
Total other provisions	**15 398**	**22 325**

NOTE 13 Other current liabilities
All amounts in NOK thousands

	2011	2010
Prepayments from customers	94 086	70 352
Interest accrued	90 664	74 007
Wages and holiday pay owed	28 422	25 591
Total current liabilities	15 944	9 253
Total current liabilities	**229 116**	**179 203**

NOTE 14 Related party transactions
All amounts in NOK thousands

Entra Eiendom AS is owned by the Norwegian Government through the Ministry of Trade and Industry. Most of the company's premises are leased to public-sector tenants. Lease contracts are signed on commercial terms.

Related party transactions

	Counterparty	2011
Rental cost	Subsidiary	16 950
General manager fees*	Subsidiary	5 156
Project management*	Subsidiary	4 158
Invoiced payroll expenses**	Subsidiary	36 596
Invoiced operating expenses**	Subsidiary	5 436
Interest income	Subsidiary	210 966
Interest income	Jointly controlled entities	2 331
Interest income	Associates	1 014

The Group's balances with subsidiaries, jointly controlled entities and associates are described in Notes 4 and 5.

* The company recognises this income as a reduction in expenses (offsetting).
** Some of the expenses are passed on to the tenants as shared costs.

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To the Annual Shareholders' Meeting of Entra Eiendom AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Entra Eiendom AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2011, and the income statement and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2011, income statement, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Org.no.: 987 009 713 MVA, Medlem av Den norske Revisorforening

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Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for Entra Eiendom AS as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group present fairly, in all material respects, the financial position of the group Entra Eiendom AS as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 28 March 2012
PricewaterhouseCoopers AS

Bjørn Rydland
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

APPENDIX C:

INTERIM FINANCIAL STATEMENTS OF ENTRA ASA AS OF, AND FOR THE THREE AND SIX MONTH PERIODS ENDED, 30 JUNE 2014 AND 2013

Financial statements

Statement of comprehensive income

All figures in NOK millions	Q2-14	Q2-13	YTD Q2-14	YTD Q2-13	2013
Rental income	419.6	401.7	830.1	775.0	1,543.9
Other operating revenue	61.6	15.5	75.0	20.2	31.5
Total operating revenue	**481.2**	**417.2**	**905.0**	**795.2**	**1,575.4**
Repairs & maintenance	13.1	20.1	20.4	24.0	65.9
Operating costs	14.7	15.9	42.0	40.5	91.5
Other property costs	58.2	27.1	66.0	47.8	88.2
Administrative owner costs	54.5	69.8	115.0	115.7	223.1
Total operating costs	**140.4**	**132.9**	**243.4**	**228.0**	**468.7**
Net income from property management	**340.8**	**284.2**	**661.6**	**567.2**	**1,106.8**
Changes in value from investment properties	272.3	-203.0	265.5	-277.8	-495.1
Share of profit from associates and jointly controlled entitie	9.6	11.0	27.2	10.8	235.5
Operating profit	**622.7**	**92.2**	**954.4**	**300.2**	**847.2**
Interest and other finance income	33.4	34.9	62.3	57.3	109.9
Interest and other finance expense	-168.7	-176.0	-330.5	-349.6	-674.8
Net realised financials	**-135.3**	**-141.1**	**-268.2**	**-292.2**	**-564.9**
Unrealised changes in value of financial instruments	-157.1	137.1	-270.8	123.1	183.7
Net financials	**-292.4**	**-4.1**	**-539.0**	**-169.1**	**-381.3**
Profit before tax	**330.3**	**88.2**	**415.4**	**131.1**	**466.0**
Tax expense	-80.6	-20.7	-99.8	-34.3	4.0
Profit for period/year	**249.7**	**67.5**	**315.6**	**96.7**	**469.9**
Acturial gains and losses, net of tax	-	3.7	-	3.7	-2.9
Total comprehensive income for the period/year	**249.7**	**71.1**	**315.6**	**100.4**	**467.0**
Profit attributable:					
Equity holders of the Company	237.8	67.3	300.9	92.4	453.3
Non-controlling interest	11.9	0.1	14.7	4.4	16.6
Total comprehensive income attributable to:					
Equity holders of the Company	237.8	71.0	300.9	96.0	450.4
Non-controlling interest	11.9	0.1	14.7	4.4	16.6

Balance sheet

All figures in NOK millions	30.06.14	30.06.13	31.12.13
NON-CURRENT ASSETS			
Goodwill	145.9	-	-
Intangible assets	31.3	34.7	30.9
Total intangible assets	**177.2**	**34.7**	**30.9**
Investment property	25,071.7	22,357.2	23,144.8
Property used by owner	6.7	5.7	6.7
Other operating assets	31.2	29.2	30.5
Total property, plant & equipment	**25,109.6**	**22,392.1**	**23,182.0**
Investments in associates and jointly controlled entities	1,000.8	1,003.7	1,128.3
Loan to associates and jointly controlled entities	-	2.8	-
Financial derivatives	328.1	219.0	203.5
Other long-term receivables	730.7	712.9	742.8
Total financial assets	**2,059.5**	**1,938.4**	**2,074.6**
Total NON-CURRENT ASSETS	**27,346.4**	**24,365.2**	**25,287.5**
CURRENT ASSETS			
Housing-units for sale	275.4	162.0	227.0
Trade receivables	45.8	20.7	27.9
Other receivables	797.2	530.1	538.1
Total current receivables	**1,118.5**	**712.7**	**793.0**
Cash and bank deposits	209.9	145.5	177.4
TOTAL CURRENT ASSETS	**1,328.3**	**858.2**	**970.4**
Investment property held for sale	275.2	402.9	388.2
TOTAL ASSETS	**28,949.8**	**25,626.4**	**26,646.1**

All figures in NOK millions	30.06.14	30.06.13	31.12.13
EQUITY			
Paid-in equity	1,729.3	1,729.3	1,729.3
Retained earnings	6,200.1	5,794.8	6,149.1
Non-controlling interests	387.2	102.3	114.6
TOTAL EQUITY	**8,316.6**	**7,626.4**	**7,993.0**
LIABILITIES			
Interest-bearing debt	12,791.6	10,537.7	11,799.4
Pension liability	57.0	44.6	53.1
Deferred tax liability	2,706.1	2,504.4	2,463.8
Financial derivatives	1,033.1	918.8	848.0
Other liabilities	190.2	123.5	126.6
Total non-current liabilities	**16,778.0**	**14,129.0**	**15,290.9**
Trade payables and other payables	814.6	825.9	458.1
Interest-bearing debt	2,963.7	2,980.0	2,809.1
Prepayments and provisions	76.9	65.1	95.0
Total current liabilities	**3,855.2**	**3,871.0**	**3,362.2**
TOTAL LIABILITIES	**20,633.3**	**18,000.0**	**18,653.1**
TOTAL EQUITY AND LIABILITIES	**28,949.8**	**25,626.4**	**26,646.1**

entra Q2 2014

Consolidated statement of changes in equity

All figures in NOK millions	Share capital	Other paid-in capital	Other equity	Non-controlling interest	Total equity
Total equity 31.12.2012	**142.2**	**2,003.7**	**5,698.7**	**98.0**	**7,942.6**
Total comprehensive income			450.4	16.6	**467.0**
Repayment of equity		-416.6			**-416.6**
Total equity 31.12.2013	**142.2**	**1,587.1**	**6,149.1**	**114.6**	**7,993.0**
Total comprehensive income			300.9	14.7	315.6
Dividend			-250.0	-	-250.0
Additions with non-controlling interests	-	-	-	257.9	257.9
Total equity 30.06.2014	**142.2**	**1,587.1**	**6,200.1**	**387.2**	**8,316.6**

Consolidated statement of cash flows

All figures in NOK millions	Q2-14	Q2-13	YTD Q2-14	YTD Q2-13	2013
Profit before tax	330.3	88.2	415.4	131.1	466.1
Net financial items paid	-21.9	-20.0	-26.5	-21.9	-17.9
Items without cash effect	-7.5	14.0	-24.1	30.9	-187.6
Change in market value investment properties	-272.3	203.0	-265.5	277.8	495.1
Change in market value financial instruments	157.1	-137.1	270.8	-123.1	-183.7
Change in working capital	-6.4	-26.3	-16.4	-81.0	-58.8
Other changes	-0.2	0.4	-0.0	0.4	-4.8
Net cash flow from operating activities	**179.0**	**122.2**	**353.6**	**214.2**	**508.4**
Proceeds from sales of investment properties and companies	-0.2	62.9	191.0	590.7	596.9
Purchase of business	-32.4	-	-218.9	-	-
Purchase of investment properties and other assets	-327.7	-339.4	-642.2	-750.0	-1,798.8
Net payments associates and jointly controlled entities	154.8	28.4	154.8	99.4	202.2
Net cash flow from investment activities	**-205.4**	**-248.2**	**-515.2**	**-60.0**	**-999.7**
New interest-bearing debt	2,610.0	2,732.0	5,580.0	4,352.0	10,412.0
Repayment of interest-bearing debt	-2,593.0	-2,863.0	-5,386.0	-4,425.5	-9,391.5
Dividends paid	-	-	-	-	-416.6
Net cash flow from financing activities	**17.0**	**-131.0**	**194.0**	**-73.5**	**603.9**
Change in cash and cash equivalents	-9.4	-256.9	32.4	80.7	112.6
Cash and cash equivalents at beginning of period	219.2	402.5	177.4	64.8	64.8
Cash and cash equivalents at end of period	**209.9**	**145.5**	**209.9**	**145.5**	**177.4**

Notes to the income statement and balance sheet

1. Accounting principles

The results for the period have been prepared in accordance with applicable IFRS standards and interpretations. 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 2013. Reporting covers Entra Holding AS, subsidiaries, associated companies and jointly controlled entities. The half-year financial statements have been subject to audit review in accordance with International Standard on Review Engagements 2410.

2. Segment information

The Group established a regional model at the end of the second quarter of 2013. With effect from the fourth quarter of 2013 the business reports under four geographic operating segments in line with IFRS 8: Central Oslo, Greater Oslo, South/West Norway and Mid/North Norway. Each of the operating segments has its own profit responsibility.

The segment information is followed up by the Group management team and CEO, who constitute the Group's highest operative governing and decision-making body.

Costs related to staff and support functions for the operating segments, as well as group eliminations, are included in the segment Group. Financial expenses, financial income and tax are handled at Group level.

Operating segments Q2-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	176.7	119.1	74.0	49.8	-	419.6
Other operating revenue	2.7	51.3	0.5	0.7	6.5	61.7
Total operating revenue	**179.4**	**170.4**	**74.5**	**50.5**	**6.5**	**481.2**
Repairs & maintenance	8.7	1.4	1.9	1.1	0.0	13.1
Operating costs	7.4	1.7	-0.4	5.2	0.8	14.7
Other property costs	3.7	49.3	0.3	0.4	4.6	58.2
Administrative owner costs	3.9	2.9	6.1	1.6	40.0	54.5
Total operating costs	**23.7**	**55.2**	**7.8**	**8.3**	**45.4**	**140.5**
Net income from property management	**155.6**	**115.2**	**66.7**	**42.2**	**-38.9**	**340.8**

entra Q2 2014

Operating segments Q2-2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	171.9	104.2	56.7	69.5	-0.6	401.7
Other operating revenue	6.7	5.0	1.8	1.9	-	15.5
Total operating revenue	**178.6**	**109.3**	**58.5**	**71.4**	**-0.6**	**417.2**
Repairs & maintenance	15.1	2.1	2.2	0.7	-	20.1
Operating costs	5.8	1.2	4.9	1.2	2.7	15.9
Other property costs	2.5	9.4	1.4	0.9	12.9	27.2
Administrative owner costs	1.5	2.8	2.7	3.3	59.6	69.8
Total operating costs	**24.9**	**15.5**	**11.3**	**6.1**	**75.2**	**132.9**
Net income from property management	**153.7**	**93.8**	**47.2**	**65.4**	**-75.8**	**284.2**

Operating segments YTD Q2-2014

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	351.0	236.1	140.5	102.5	-	830.1
Other operating revenue	7.0	54.0	5.3	1.8	6.8	75.0
Total operating revenue	**358.0**	**290.1**	**145.8**	**104.3**	**6.8**	**905.0**
Repairs & maintenance	12.5	3.0	3.1	1.7	-	20.4
Operating costs	16.4	8.1	6.9	9.8	0.8	42.0
Other property costs	7.3	49.0	0.5	1.0	8.2	66.0
Administrative owner costs	7.1	6.8	13.3	3.2	84.5	115.0
Total operating costs	**43.4**	**66.9**	**23.8**	**15.7**	**93.6**	**243.4**
Net income from property management	**314.6**	**223.2**	**122.0**	**88.6**	**-86.7**	**661.6**

Operating segments YTD Q2-2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	338.5	216.9	111.2	109.1	-0.6	775.0
Other operating revenue	9.4	5.8	2.4	2.6	-	20.2
Total operating revenue	**347.8**	**222.7**	**113.5**	**111.8**	**-0.6**	**795.2**
Repairs & maintenance	16.5	2.8	3.2	1.6	-	24.0
Operating costs	14.6	8.4	7.3	7.5	2.8	40.5
Other property costs	13.1	15.0	3.0	1.7	15.1	47.8
Administrative owner costs	2.0	6.1	5.1	6.5	96.0	115.7
Total operating costs	**46.2**	**32.3**	**18.5**	**17.2**	**113.9**	**228.0**
Net income from property management	**301.7**	**190.4**	**95.0**	**94.5**	**-114.5**	**567.1**

Operating segments 2013

All figures in NOK millions	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	667.3	453.0	222.4	201.2	-0.1	1,543.9
Other operating revenue	18.2	5.3	3.5	3.7	0.8	31.5
Total operating revenue	**685.5**	**458.3**	**226.0**	**204.9**	**0.7**	**1,575.4**
Repairs & maintenance	33.2	10.6	13.6	8.5	-0.0	65.9
Operating costs	34.3	25.6	16.6	15.1	-0.1	91.5
Other property costs	27.5	28.9	3.4	2.3	26.0	88.2
Administrative owner costs	13.2	12.6	11.0	13.6	172.6	223.1
Total operating costs	**108.2**	**77.7**	**44.7**	**39.5**	**198.5**	**468.6**
Net income from property management	**577.3**	**380.6**	**181.3**	**165.4**	**-197.8**	**1,106.8**

3. Investment properties

All figures in NOK millions	Q2-14	Q2-13	YTD Q2-14	YTD Q2-13	31.12.13
Opening balance	24,913.2	22,773.4	23,532.9	22,936.6	22,936.6
Purchase of investment property	-0.1	-0.1	1,292.8	187.0	591.2
Investment in the property portfolio	267.7	241.9	544.4	483.3	1,045.4
Capitalised borrowing costs	8.1	10.0	16.9	21.6	45.3
Sale of investment property	-114.4	-62.2	-305.7	-590.6	-590.5
Changes in value from operational lease	-6.3	-2.8	-5.6	-28.6	-39.8
Changes in value from investment properties	278.6	-200.2	271.1	-249.2	-455.2
Closing balance	**25,346.8**	**22,760.1**	**25,346.8**	**22,760.1**	**23,532.9**
Investment property held for sale	275.2	402.9	275.2	402.9	388.2
Investment property	**25,071.7**	**22,357.2**	**25,071.7**	**22,357.2**	**23,144.8**

Investment properties held for sale include the properties St. Olavsgate 4 and Pilestredet 30 in Oslo, Grønnegata 122 in Tromsø and Skansegaten 2 and Tollpakkhuset in Stavanger.

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 NOK 600.2 million as at the end of the second quarter of 2014. The Group records quarterly a negative value change on the property as the maturity date of the lease approaches.

4 IFRIC 12

IFRIC 12 regulates the recording of public infrastructure by private entities acting pursuant to contracts from the public sector. The infrastructure is operated by the private entity over a certain period, with the public sector controlling the residual value. In the case of Entra this applies to 3 properties. The properties have been recorded under "Other financial receivables" in the balance sheet. In calculating the long-term receivable estimates have been used to which some uncertainty attaches. The estimate uncertainty relates to future rent payments. In addition there is uncertainty relating to each property with regard to estimates of future ownership costs, investments and buyout clauses.

The IFRIC 12 properties generated rental income in the second quarter of NOK 22.7 million (NOK 22.0 million), which is not included in the Group's net income from property management as the properties are accounted for under IFRIC 12. In the first half-year 2014 rental income of NOK 45.4 million (NOK 44.1 million) was generated. Correspondingly the Group has recorded interest and other financial income in the income statement of NOK 25.2 million (NOK 25.7 million) this quarter and NOK 50.9 million (NOK 46.7 million) in the first half of 2014. The receivable in respect of the IFRIC 12 properties is valued at NOK 1,130 million (NOK 1,114 million) at the end of the second quarter of 2014.

5. Contingencies

Due to a disagreement between the shareholders in Greenfield Property AS («GFP») Entra has sued Norwegian Data Group AS («NDG») and GFP. After receiving the writ NDG and GFP have brought their own claim against Entra.

EVRY has issued a writ against Entra alleging that Entra has defaulted on a guarantee to complete Greenfield Datacenter and/or a promise to support the computer centre project.

Entra considers it unlikely that the claims of NDG/GFP and EVRY will succeed.

6. Information on the fair value of financial assets and liabilities

The valuation methods and principles are unchanged in the quarter. See the annual financial statements for 2013 for further information. Set out below is a summary of financial instruments divided between the different valuation hierarchies set out in IFRS 7.

With the exception of equity capital instruments of NOK 0.6 million (level 3) all financial instruments are level 2.

All figures in NOK millions	30.06.14	30.06.13	31.12.13
Financial assets measured at fair value			
Financial assets measured at fair value with change over the result			
- Derivatives	328.1	219.0	203.5
Financial assets held for sale			
- Equity instruments	0.6	0.6	0.6
Total	**328.7**	**219.6**	**204.0**
Financial liabilities measured at fair value			
Financial liabilitites measured at fair value with change over the result			
- Derivatives	1,033.1	918.8	848.0
- Bonds	4,312.5	3,198.5	4,073.5
- Commercial paper	1,800.0	1,480.0	1,650.0
Total	**7,145.6**	**5,597.3**	**6,571.5**

7. Trade and other payables

All figures in NOK millions	30.06.14	30.06.13	31.12.13
Trade payables	286.5	273.4	290.0
Unpaid government taxes and duties	18.9	15.7	12.8
Dividend	250.0	416.6	-
Other short term liabilities	259.1	120.2	155.3
Total	**814.6**	**825.9**	**458.1**

8. Prepayments and provisions

All figures in NOK millions	30.06.14	30.06.13	31.12.13
Prepayments from customers	61.5	37.7	67.3
Provisions for current liabilites	15.5	27.5	27.8
Total	**76.9**	**65.1**	**95.0**

9. Consolidation Hinna Park Eiendom

In the fourth quarter of 2013 an agreement was signed to purchase 50 per cent of the shares in Hinna Park Eiendom AS. The shareholders agreement gives Entra control from 1 February 2014 and consolidation takes place with effect from this date. Comparative figures have not been restated.

Hinna Park Eiendom AS owns 100 per cent of the shares in HP Stadionblokken C AS, Fjordpiren AS, Troll Næring AS, Gullfaks AS, Ormen Lange AS, Hinna Park Logistikk AS and Hinna Park Utvikling AS through Hinna Park AS. The Hinna Park group has a marketing and operating organisation consisting of 15 people and manages its own properties as well as properties for other owners in the Hinna Park area.

In the Hinna Park group there are 3 properties with existing leases (Stadionblokken C building, Fjordpiren building and Troll building), a development project under construction (Gullfaks building) and two sites (Oseberg and Ormen Lange).

The purchase strengthens Entra's presence in the South/West region

Additional value analysis

All figures in NOK millions	Carrying value acquired company	Net additional value	Acquisition balance sheet*
Goodwill	1.0	144.9	145.9
Investment properties	783.4	509.4	1,292.8
Trade and other receivables	48.5		48.5
Cash	75.5		75.5
Pension liability	-1.9		-1.9
Deferred tax	-10.9	-130.8	-141.7
Other provisions	-36.0		-36.0
Debt to credit institutions	-713.8	-28.7	-742.5
Trade payables	-9.8		-9.8
Taxes due, other current liabilities	-42.1		-42.1
Net identified assets and liabilities	**93.9**	**494.8**	**588.7**
Consideration for shares			294.3
Cash taken over			-75.5
Net outgoing cash flow			**218.9**

Effect of merger on consolidated figures

All figures in NOK millions	YTD Q2-14
Operating revenue	38.1
Net income from property management	15.8

Pro forma figures – consolidated from beginning of year

All figures in NOK millions	YTD Q2-14
Operating revenue	913.4
Net income from property management	664.2

Declaration of the Board and Chief Executive

We declare to the best of our belief that the half-year financial statements for the period 1 January to 30 June 2014 have been prepared in accordance with IAS 34 - Interim reporting, and that the information in the financial statements gives a true and fair view of the Group's assets, liabilities, financial situation and result as a whole. We also declare, to the best of our belief, that the half-year report gives a true and fair presentation of important events during the accounting period and their influence on the half-year financial statements, the most important risk and uncertainty factors that the business faces over the next accounting period, as well as material transactions with connected persons

Oslo, 23 July 2014

Siri Hatlen
Chair

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Kjell Bjordal
Board member

Arthur Sletteberg
Board member

Klaus-Anders Nysteen
Chief executive

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To the Board of Directors of Entra Holding AS

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of financial position of Entra Holding AS (the Group) as of June 30, 2014, and the related statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information for the Group is not prepared, in all material aspects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by EU.

Oslo, July 23, 2014
Deloitte AS

Aase Aa. Lundgaard
State Authorized Public Accountant (Norway)

APPENDIX D:

APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 3 October 2014 (the "**Prospectus**"), which has been issued by Entra ASA (the "**Company**") in connection with the sale of newly issued shares by the Company and the secondary sale of existing shares in the Company by the Norwegian Government, represented by the Ministry of Trade, Industry and Fisheries (the "**Selling Shareholder**"), and the listing of the Company's Shares on the Oslo Stock Exchange. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares by using the following websites: www.abgsc.no, www.danskebank.no, www.handelsbanken.no/entra and www.swedbank.no (such orders referred to as "**Online Orders**"). Applications in the Retail Offering can also be made by using this Retail Application Form (see definition in Section 18.5.1 "Offer Price" of the Prospectus), attached as Appendix D to the Prospectus. Retail Application Forms must be correctly completed and submitted by the applicable deadline to one of the following application offices:

ABG Sundal Collier	**Danske Bank**	**Handelsbanken Capital Markets**	**Swedbank**
Munkedamsveien 45 E	Bryggetorget 4	Tjuvholmen Alle 11	Filipstad Brygge 1
P.O. Box 1444 Vika	P.O. Box 1170 Sentrum	P.O. Box 1249 Vika	P.O. Box 1441 Vika
N-0115 Oslo	N-0250 Oslo	N-0110 Oslo	N-0115 Oslo
Norway	Norway	Norway	Norway
Tel: +47 22 01 60 00	Tel: +47 91 50 55 22	Tel: +47 22 82 30 40	Tel: +47 23 23 80 03
Fax: +47 22 01 60 62	Fax: +47 85 40 79 92	Fax: +47 22 39 70 68	Fax: +47 23 23 80 11
Email: subscription@abgsc.no	Email: emisjoner@danskebank.com	Email: entra@handelsbanken.no	
www.abgsc.no	www.danskebank.no	www.handelsbanken.no/entra	www.swedbank.no

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CET) on 16 October 2014, while applications made on Retail Application Forms must be received by one of the application offices by 12:00 hours (CET) on 15 October 2014**. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The indicative price range (the "**Indicative Price Range**") for the Offering is from NOK 61 to NOK 72 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Joint Bookrunners, determine the final Offer Price on the basis of applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering and the Employee Offering. The Offer Price will be determined on or about 16 October 2014. The Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range. Each investor in the Retail Offering will have a right to receive, without further consideration payable, in total one Bonus Share for every 15 Shares allocated and delivered to such investor in the Retail Offering. The number of Bonus Shares to which each investor in the Retail Offering is entitled will be set forth in the allocation note to such applicant to be issued on or about 17 October 2014. The right of any investor in the Retail Offering to receive Bonus Shares in respect of any Offer Shares allocated and delivered to such investor is subject to a maximum limit of NOK 150,000 in Offer Shares (i.e. the Offer Price multiplied by the number of Offer Shares allocated and delivered). As a result, no investor will have a right to receive any Bonus Shares in respect of any Offer Shares allocated and delivered to such investor in excess of an aggregate purchase price of NOK 150,000. Furthermore, the right of any investor to receive any Bonus Shares in connection with the Retail Offering is subject to such investor not selling or otherwise transferring any of the Offer Shares allocated to such investor between the first day of Listing and 16 October 2015. The Bonus Shares are being granted by the Selling Shareholder and will be delivered on 20 October 2015. The number of Bonus Shares delivered to any investor will be rounded down to the nearest whole number of Bonus Shares. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the Bonus Share limit of NOK 150,000.

Allocation, payment and delivery of Offer Shares: In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant. All allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be treated as an application for an amount of NOK 1,999,999. Swedbank, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 17 October 2014, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices on or about 17 October 2014 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see the number of Offer Shares they have been allocated from on or about 17 October 2014. In registering an application through the VPS online application system or by completing and submitting a Retail Application Form, each applicant in the Retail Offering will authorise Swedbank (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. Accounts will be debited on or about 20 October 2014 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 October 2014. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 October 2014, or can be obtained by contacting Swedbank at +47 23 23 80 03. Swedbank (on behalf of the Managers) is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 24 October 2014 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 20 October 2014 (or such later date upon the successful debit of the relevant account). Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 17 October 2014 on an "if sold/if issued" basis, and on an unconditional basis on or around 21 October 2014.

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS-account (12 digits):	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999)**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise Swedbank to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation the applicant may contact the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information barriers: The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation"**). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 19 "Selling and transfer restrictions" in the Prospectus. Neither the Company nor the Selling Shareholder assumes any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway and which has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilisation: In connection with the Offering, Goldman Sachs International (as the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager or its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end not more than 30 calendar days after the first day of the Listing.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 9.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, and so that the New Shares may be delivered to applicants in the Retail Offering on a prompt basis following payment, Swedbank will subscribe and pay for the New Shares allotted in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares.

APPENDIX E:

APPLICATION FORM FOR THE RETAIL OFFERING IN NORWEGIAN

BESTILLINGSBLANKETT FOR DET OFFENTLIGE TILBUDET

Generell informasjon: Vilkårene og betingelsene for det Offentlige Tilbudet fremgår av prospektet datert 3. oktober 2014 ("**Prospektet**"), som er utarbeidet av Entra ASA ("**Selskapet**") i forbindelse med salget av nyutstedte aksjer av Selskapets salg av nyutstedte aksjer og salget av eksisterende aksjer i Selskapet av den norske stat, representert ved Nærings- og fiskeridepartementet ("**Selgende Aksjonær**"), og noteringen av Selskapets Aksjer på Oslo Børs. Prospektet inneholder også et norsk sammendrag. Alle definerte ord og uttrykk (angitt med stor bokstav) som ikke er definert i denne bestillingsblanketten, skal ha samme innhold som i Prospektet.

Bestillingsprosedyre: Norske bestillere i det Offentlige Tilbudet som er norske statsborgere med et norsk personnummer kan foreta bestilling av Tilbudsaksjer gjennom følgende internettsider: www.abgsc.no, www.danskebank.no, www.handelsbanken.no/entra og www.swedbank.no (online bestillinger). Bestillinger i det Offentlige Tilbudet kan også foretas ved å bruke denne bestillingsblanketten som er vedlagt Prospektet som Appendix E (Application Form for the Retail Offering in Norwegian) eller Appendix D (Application form for the Retail Offering). Korrekt utfylt bestillingsblankett må være mottatt av en av de følgende bestillingskontorer før utløpet av den relevante fristen:

ABG Sundal Collier	**Danske Bank**	**Handelsbanken Capital Markets**	**Swedbank**
Munkedamsveien 45 E Postboks 1444 Vika 0115 Oslo Norge Tel: +47 22 01 60 00 Faks: +47 22 01 60 62 Epost: subscription@abgsc.no www.abgsc.no	Bryggetorget 4 Postboks 1170 Sentrum 0250 Oslo Norge Tel: +47 91 50 55 22 Faks: +47 85 40 79 92 Epost: emisjoner@danskebank.com www.danskebank.no	Tjuvholmen Alle 11 Postboks 1249 Vika 0110 Oslo Norge Tel: +47 22 82 30 40 Faks: +47 22 39 70 68 Epost: entra@handelsbanken.no www.handelsbanken.no/entra	Filipstad Brygge 1 Postboks 1441 Vika 0115 Oslo Norge Tel: +47 23 23 80 03 Faks: +47 23 23 80 11 www.swedbank.no

Bestilleren er ansvarlig for riktigheten av informasjonen som er fylt inn i bestillingsblanketten. Bestillingsblanketter som er ufullstendige eller uriktig utfylt, elektronisk eller på papir, eller som mottas etter utløpet av Bestillingsperioden, og enhver bestilling som kan være ulovlig, kan bli avvist uten nærmere varsel til bestilleren. **Bestillinger som gjøres gjennom det VPS nettbaserte bestillingssystemet må være registrert innen kl 12.00 norsk tid den 16. oktober, mens bestillinger som gjøres på bestillingsblanketter må være mottatt av et av bestillingskontorene innen kl 12.00 norsk tid den 15. oktober 2014, med mindre Bestillingsperioden forkortes eller forlenges**. Verken Selskapet, Selgende Aksjonær eller noen av Tilretteleggerne kan holdes ansvarlig for forsinkelser i postgang, utilgjengelige fakslinjer, internettlinjer eller servere eller andre logistikk- eller tekniske problemer som kan resultere i at bestillinger ikke blir mottatt i tide, eller i det hele tatt, av noen av bestillingskontorene. Alle bestillinger i det Offentlige Tilbudet er ugjenkallelige og bindende og kan ikke trekkes, kanselleres eller endres av bestilleren etter at bestillingen er registrert i VPS' nettbaserte bestillingssystem eller hvis bestilling gjøres på bestillingsblankett, når komplett utfylt bestillingsblankett er mottatt av et av bestillingskontorene, uavhengig av en eventuell forkortelse eller forlengelse av bestillingsperioden.

Pris på Tilbudsaksjene: Det indikative prisintervallet (det "**Indikative Prisintervallet**") i Tilbudet er fra NOK 61 til NOK 72 per Tilbudsaksje. Den endelige prisen per Tilbudsaksje vil bli fastsatt av Selskapet og Selgende Aksjonær, i samråd med Tilretteleggerne, på basis av ordre som mottas og ikke trekkes tilbake i det Institusjonelle Tilbudet gjennom bookbuilding-prosessen og antallet bestillinger mottatt i det Offentlige Tilbudet og Ansattetilbudet. Tilbudsprisen vil fastsettes rundt den 16. oktober 2014. Prisen per Tilbudsaksje kan fastsettes innen, under eller over det Indikative Prisintervallet. Hver bestiller i det Offentlige Tilbudet kan, men må ikke, indikere i VPS' nettbaserte bestillingssystem eller på bestillingsblanketten at bestilleren ikke ønsker å bli tildelt Tilbudsaksjer dersom prisen per Tilbudsaksje blir fastsatt høyere enn den høyeste prisen i det Indikative Prisintervallet. Dersom bestilleren ikke uttrykkelig gir uttrykk for en slik reservasjon i VPS' nettbaserte bestillingssystem eller på bestillingsblanketten, vil bestillingen være bindende uavhengig av om prisen per Tilbudsaksje fastsettes innenfor eller over (eller under) det Indikative Prisintervallet. Hver investor i det Offentlige Tilbudet vil ha en rett til å motta, uten noe ytterligere vederlag, totalt én Bonusaksje for hver 15 Aksjer tildelt og levert til slik investor i det Offentlige Tilbudet. Antallet Bonusaksjer hver investor i det Offentlige Tilbudet er berettiget til vil fremgå av tildelingsbrevet til bestilleren som skal sendes ut på eller rundt 17. oktober 2014. Retten til en investor i det Offentlige Tilbudet til å motta Bonusaksjer knyttet til tildelte og leverte Tilbudsaksjer til slik investor er begrenset til Tilbudsaksjer på maksimalt NOK 150 000 (dvs Tilbudsprisen multiplisert med antall Tilbudsaksjer allokert og levert). Som følge av dette vil investorer ikke ha rett til å motta Bonusaksjer for tildelte og leverte Tilbudsaksjer utover en samlet kjøpesum på NOK 150 000. Videre er en investors rett til å motta Bonusaksjer i forbindelse med det Offentlige Tilbudet betinget av at investoren ikke selger eller på annen måte overfører noen av Tilbudsaksjene allokert til slik investor fra første dag for Notering og frem til 16. oktober 2015. Bonusaksjene innvilges av Selgende Aksjonær og vil bli levert den 20. oktober 2015. Antall Bonusaksjer levert til en investor vil bli rundet ned til nærmeste hele antall Bonus Aksje. Flere bestillinger av samme investor i det Offentlige Tilbudet vil bli behandlet som én bestilling i forbindelse med grensen knyttet til Bonusaksjer på NOK 150 000.

Allokering, betaling og levering av Tilbudsaksjer: I det Offentlige Tilbudet vil det ikke bli allokert Tilbudsaksjer som representerer en verdi lavere enn NOK 10 500 per bestiller. Alle bestillinger vil bli rundet ned til nærmeste hele antall Tilbudsaksjer og betalbart beløp vil bli rundet ned tilsvarende. En eller flere bestillinger fra samme bestiller i det Offentlige Tilbudet med et samlet bestillingsbeløp på mer enn NOK 1 999 999 vil bli ansett som en bestilling for et bestillingsbeløp på NOK 1 999 999. Swedbank, som oppgjørsagent for det Offentlige Tilbudet, forventer å gi beskjed om tildeling av Tilbudsaksjer i det Offentlige Tilbudet rundt den 17. oktober 2014 per post eller på annen måte. Bestillere som ønsker å få opplyst det eksakte antallet Tilbudsaksjer som denne er tildelt, kan kontakte et av bestillingskontorene fra rundt den 17. oktober 2014 innenfor ordinær åpningstid. Bestillere som har tilgang til investorservice gjennom en institusjon som er kontofører for bestillerens VPS-konto, skal fra rundt den 17. oktober 2014 kunne se antall Tilbudsaksjer de er tildelt. Ved å registrere en bestilling i VPS' nettbaserte bestillingssystem eller ved å fylle ut og sende inn en bestillingsblankett, gir hver bestiller i det Offentlige Tilbudet fullmakt til Swedbank (på vegne av Tilretteleggerne) til å debitere bestillerens norske bankkonto for et beløp som tilsvarer den samlede kjøpesummen for de Tilbudsaksjene som bestilleren blir tildelt. Bankkontoen vil debiteres på eller rundt den 20. oktober 2014 ("**Betalingsdatoen**"), og det må være tilstrekkelige innestående på den aktuelle kontoen fra og med 17. oktober 2014. Bestillere som ikke har en norsk bankkonto må forsikre seg om at betaling for tildelte Aksjer foretas senest på Betalingsdatoen. Ytterligere betalingsdetaljer og instruksjoner vil fremgå av tildelingsbrevet som sendes ut rundt den 17. oktober 2014, eller kan også fås ved å kontakte Swedbank på +47 23 23 80 03. Swedbank (på vegne av Tilretteleggerne) er bare berettiget til å belaste kontoen én gang, men forbeholder seg retten (men har ingen forpliktelse) til å gjøre inntil tre debiteringsforsøk frem til og med 24. oktober 2014 dersom det er utilstrekkelig med midler på kontoen på Betalingsdatoen. Dersom en bestiller ikke har tilstrekkelig innestående på den aktuelle bankkontoen, eller betaling er forsinket av en eller annen årsak, eller dersom det ikke er mulig å debitere kontoen, vil det påløpe forsinkelsesrente og andre vilkår vil gjelde som fastsatt under overskriften "Forsinket og manglende betaling" under. Dersom betaling for tildelte Tilbudsaksjer er mottatt rettidig, vil levering av tildelte Tilbudsaksjer i det Offentlige Tilbudet foretas rundt den 20. oktober 2014 (eller på slik senere dato ved vellykket debitering av den relevante kontoen). Det er forventet at betinget handel i Aksjene på Oslo Børs vil starte på eller rundt den 17. oktober 2014 på "hvis solgt/hvis utstedt" basis, og på ubetinget basis på eller rundt den 21. oktober 2014.

Retningslinjer for bestilleren: Vennligst se side to av denne bestillingsblanketten for ytterligere retningslinjer for bestillingen.

Bestillerens VPS-konto (12 siffer):	**Jeg/vi bestiller herved Tilbudsaksjer for totalt NOK (minimum NOK 10 500 og maksimum NOK 1 999 999):**	**Bestillerens bankkonto som skal debiteres (11 siffer):**
TILBUDSPRISEN: Min/vår bestilling er betinget av at den endelige prisen for Tilbudsaksjene ikke fastsettes over det øvre nivået i det Indikative Prisintervallet (kryss av) **(Dette feltet skal kun fylles ut dersom bestillingen er betinget av at den endelige Tilbudsprisen ikke fastsettes over den øvre prisen i det Indikative Prisintervallet):**		
Herved (i) foretar jeg/vi, i henhold til vilkårene og betingelsene som fremgår av denne bestillingsblanketten og av Prospektet, en ugjenkallelig bestilling av det antall Tilbudsaksjer tildelt meg/oss til Tilbudsprisen, opp til det samlede bestillingsbeløpet angitt ovenfor, (ii) gir jeg/vi hver av Tilretteleggerne (eller noen utpekt av dem) ugjenkallelig fullmakt og instruerer hver av dem til, sammen eller hver for seg, å gjennomføre enhver handling som er nødvendig for å overføre Tilbudsaksjene som tildeles meg/oss og sikre levering av disse Tilbudsaksjene i VPS på mine/våre vegne, (iii) gir jeg/vi Swedbank ugjenkallelig fullmakt til å debitere min/vår bankkonto som angitt i bestillingsblanketten for den samlede kjøpesummen for de Tilbudsaksjene som jeg/vi får tildelt, og (iv) bekrefter og garanterer jeg/vi ugjenkallelig å ha lest Prospektet og at jeg/vi er kvalifiserte til å bestille og kjøpe Tilbudsaksjer på de vilkår som der fremgår.		
Dato og sted*:	**Bindende signatur**:**	

* Må være datert i bestillingsperioden.
**Undertegneren må være myndig. Dersom bestillingsblanketten undertegnes på vegne av bestilleren, må det vedlegges dokumentasjon i form av firmaattest eller fullmakt for at undertegner har slik kompetanse.

INFORMASJON OM BESTILLEREN — ALLE FELT MÅ FYLLES UT	
Fornavn	Etternavn/Foretaksnavn
Adresse (for foretak: registrert forretningsadresse)	Postnummer og sted
Fødselsnummer (11 siffer) / organisasjonsnummer (9 siffer)	Nasjonalitet
Telefonnr (dagtid)	E-postadresse

RETNINGSLINJER FOR BESTILLEREN

DENNE BESTILLINGSBLANKETTEN SKAL IKKE DISTRIBUERES ELLER OFFENTLIGGJØRES, VERKEN DIREKTE ELLER INDIREKTE, I ELLER TIL USA, CANADA, AUSTRALIA ELLER JAPAN ELLER NOEN ANNEN JURISDIKSJON DER SLIK DISTRIBUSJON ELLER OFFENTLIGGJØRING VIL VÆRE ULOVLIG. ANDRE RESTRIKSJONER GJELDER OGSÅ, SE PUNKTET "SALGSRESTRIKSJONER" NEDENFOR.

Regulatoriske forhold: I overensstemmelse med EU-direktivet "Markets in Financial Instruments" ("**MiFID**"), oppstiller lov 29. juni 2007 nr 75 om verdipapirhandel ("**Verdipapirhandelloven**") med tilhørende forskrifter, krav relatert til finansielle investeringer. I den forbindelse må Tilretteleggerne kategorisere alle nye kunder i en av tre kategorier; kvalifiserte motparter, profesjonelle og ikke-profesjonelle kunder. Alle bestillere som bestiller Tilbudsaksjer i det Offentlige Tilbudet og som ikke allerede er kunde hos en av Tilretteleggerne, vil bli kategorisert som ikke-profesjonell kunde. Bestilleren kan ved skriftlig henvendelse til Tilretteleggerne anmode om å bli kategorisert som profesjonell kunde dersom Verdipapirhandellovens vilkår for dette er oppfylt. For ytterligere informasjon om kundekategorisering kan bestilleren kontakte Tilretteleggerne. Bestilleren bekrefter herved å inneha tilstrekkelig kunnskap og erfaring om finansielle og forretningsmessige forhold for å kunne evaluere risikoen ved å investere i Selskapet gjennom å bestille Tilbudsaksjer i det Offentlige Tilbudet, og bestilleren bekrefter å være i stand til å ta den økonomiske risikoen og tåle et fullstendig tap av sin investering i Selskapet.

Kun ordreutførelse: Tilretteleggerne vil behandle bestillingen av Tilbudsaksjer som en instruksjon om utførelse av ordre ("execution only") fra bestilleren, ettersom Tilretteleggerne ikke vil være i stand til å avgjøre om bestillingen er hensiktsmessig for bestilleren. Bestilleren vil derfor ikke kunne påberope seg Verdipapirhandellovens regler om investorbeskyttelse.

Informasjonsbarrierer: Tilretteleggerne er verdipapirforetak som tilbyr et bredt spekter av investeringstjenester. For å sikre at oppdrag som gjennomføres av Tilretteleggernes "corporate finance"-avdelinger holdes konfidensielle, er disse avdelingene adskilt fra Tilretteleggernes andre avdelinger, herunder avdelinger for analyse og aksjemegling, gjennom bruk av informasjonsbarrierer også kjent som "chinese walls". Bestilleren erkjenner at som en konsekvens av dette kan Tilretteleggernes analyse- og aksjemeglingsavdelinger komme til å opptre i strid med bestillerens interesser i forbindelse med transaksjoner i Tilbudsaksjene.

VPS-konto og pålagte hvitvaskingingsprosedyrer: Det Offentlige Tilbudet er underlagt gjeldende hvitvaskingslovgivning, herunder kravene i lov 6. mars 2009 nr 11 om tiltak mot hvitvasking og terrorfinansiering samt hvitvaskingsforskriften av 13. mars 2009 nr. 302 ("**Hvitvaskingslovgivningen**"). Bestillere som ikke er registrert som kunde hos en av Tilretteleggerne må bekrefte sin identitet til en av Tilretteleggerne, i samsvar med Hvitvaskingslovgivningen, med mindre det gjelder spesielle unntak. Bestillere som har oppgitt en eksisterende norsk bankkonto og en eksisterende VPS-konto på bestillingsblanketten er unntatt med mindre verifikasjon av bestillerens identitet blir krevet av en av Tilretteleggerne. Bestillere som ikke har gjennomført tilstrekkelig verifikasjon av identitet før utløpet av Bestillingsperioden vil ikke bli tildelt Tilbudsaksjer. Deltakelse i det Offentlige Tilbudet er betinget av at bestilleren har en VPS-konto. VPS kontonummeret må være angitt i bestillingsblanketten. En VPS-konto kan etableres ved en autorisert VPS-kontofører som kan være en norsk bank, autorisert verdipapirforetak i Norge og norske avdelinger av finansinstitusjoner i EØS. Etablering av en VPS-konto krever bekreftelse på identitet overfor kontoføreren i henhold til Hvitvaskingslovgivningen. Utlandske investorer kan imidlertid benytte en forvalterkonto registrert i VPS i forvalterens navn. Forvalteren må være autorisert av Finanstilsynet.

Salgsrestriksjoner: Tilbudet er underlagt salgsrestriksjoner i enkelte jurisdiksjoner, se kapittel 19 "Selling and transfer restrictions" i Prospektet. Verken Selgende Aksjonær eller Selskapet påtar seg noe ansvar dersom noen bryter disse restriksjonene. Tilbudsaksjene har ikke vært, og vil ikke bli, registrert i henhold til United States Securities Act av 1933 som endret ("**U.S. Securities Act**") eller i henhold til noen verdipapirlovgivning i noen stat eller annen jurisdiksjon i USA og kan ikke tas opp, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra USA bortsett fra i henhold til et gjeldende unntak fra, eller i en transaksjon som ikke er underlagt, registreringsbestemmelsene i U.S. Securities Act og i overensstemmelse med verdipapirlovgivningen i enhver stat eller annen jurisdiksjon i USA. Det vil ikke forekomme noe offentlig tilbud i USA. Tilbudsaksjene vil, og kan ikke, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra noen jurisdiksjon der tilbud eller salg av Tilbudsaksjer ikke er tillatt, eller til, eller på vegne av eller til fordel for, enhver person med registrert adresse i, eller som bor eller vanligvis bor i, eller er innbygger i, noen jurisdiksjon der tilbud eller salg ikke er tillatt, bortsatt fra i henhold til et gjeldende unntak. I det Offentlige Tilbudet tilbys og selges Tilbudsaksjene til enkelte personer utenfor USA i "offshore transactions" innenfor betydningen av og i overensstemmelse med Rule 903 i Regulation S i U.S. Securities Act.

Selskapet har ikke gitt tillatelse til noe offentlig tilbud av dets verdipapirer i noe medlemsland av EØS bortsett fra Norge. Når det gjelder andre medlemsland i EØS enn Norge som har implementert Prospektdirektivet ("**Aktuelle Medlemsland**"), har det og vil det ikke bli gjort noe for å fremsette et offentlig tilbud av Tilbudsaksjene som krever publisering av et prospekt i noen Aktuelle Medlemsland. Alle tilbud utenfor Norge vil derfor skje i henhold til unntak fra krav om prospekt.

Stabilisering: I forbindelse med Tilbudet og ved utøvelse av Låneopsjonen kan Goldman Sachs International (som "**Stabiliserende Tilrettelegger**"), eller dets agenter, på vegne av Tilretteleggerne, utføre transaksjoner med tanke på å stabilisere, støtte eller på annen måte påvirke kursen på aksjene i opp til 30 dager fra første noteringsdag. Stabiliserende Tilrettelegger kan særlig utføre transaksjoner med formål å stabilisere markedskursen til aksjene på et høyere nivå enn det som ellers kan tenkes å ville gjelde, gjennom å erverve Aksjer i det åpne markedet til priser som er lik eller lavere enn Tilbudsprisen. Stabiliserende Tilrettelegger eller dets agenter har ingen forpliktelse til å foreta stabiliserende handlinger og det er ikke sikkert at stabiliseringshandlinger vil gjennomføres. Slike stabiliseringshandlinger kan, hvis påbegynt, avsluttes når som helst, og vil avsluttes ikke mer enn 30 kalenderdager fra første noteringsdag.

Investeringsbeslutninger må baseres på Prospektet: Investorer må verken akseptere noe tilbud om, eller erverv av, verdipapirer i Selskapet på annet grunnlag enn det fullstendige Prospektet.

Vilkår for betaling med engangsfullmakt — verdipapirhandel: Betaling med engangsfullmakt er en banktjeneste tilbudt av samarbeidende banker i Norge. I forholdet mellom betaler og betalers bank gjelder følgende standard vilkår:

1. Tjenesten "Betaling med engangsfullmakt — verdipapirhandel" suppleres av kontoavtalen mellom betaler og betalers bank, se særlig kontoavtalen del C, Generelle vilkår for innskudd og betalingsoppdrag.
2. Kostnader ved å bruke "Betaling med engangsfullmakt — verdipapirhandel" fremgår av bankens gjeldende prisliste, kontoinformasjon og/eller opplyses på annen egnet måte. Banken vil belaste oppgitt konto for påløpte kostnader.
3. Engangsfullmakten signeres av betaler og leveres til betalingsmottaker. Betalingsmottaker vil levere belastningsoppdraget til sin bank som igjen kan belaste betalers bank.
4. Ved et eventuelt tilbakekall av engangsfullmakten skal betaler først ta forholdet opp med betalingsmottaker. Etter finansavtaleloven skal betalers bank medvirke hvis betaler tilbakekaller et betalingsoppdrag som ikke er gjennomført. Slikt tilbakekall kan imidlertid anses som brudd på avtalen mellom betaler og betalingsmottaker.
5. Betaler kan ikke angi et større beløp på engangsfullmakten enn det som på belastningstidspunktet er disponibelt på konto. Betalers bank vil normalt gjennomføre dekningskontroll før belastning. Belastning ut over disponibelt beløp skal betaler dekke inn umiddelbart.
6. Betalers konto vil bli belastet på angitt belastningsdag. Dersom belastningsdag ikke er angitt i engangsfullmakten vil kontobelastning skje snarest mulig etter at betalingsmottaker har levert oppdraget til sin bank. Belastningen vil likevel ikke skje etter engangsfullmaktens gyldighetsperiode som er angitt foran. Betaling vil normalt være godskrevet betalingsmottaker én til tre virkedager etter angitt belastningsdag/innleveringsdag.
7. Dersom betalers konto blir urettmessig belastet på grunnlag av en engangsfullmakt, vil betalers rett til tilbakeføring av belastet beløp bli regulert av kontoavtalen og finansavtaleloven.

Forsinket og manglende betaling: Forsinket betaling belastes med gjeldende forsinkelsesrente i henhold til forsinkelsesrenteloven av 17. desember 1976 nr. 100, som per dato for Prospektet er 9,50 % p.a. Dersom betaling ikke skjer ved forfall, vil Tilbudsaksjene ikke bli levert til bestilleren, og Tilretteleggerne forbeholder seg retten til å, for tegnerens regning og risiko, når som helst kansellere og reallokere eller på annen måte disponere over de allokerte Tilbudsaksjene, på de vilkår og på den måten Tilretteleggerne bestemmer (og bestilleren ikke vil være berettiget til noe overskudd derfra). Den opprinnelige bestilleren vil fortsette å være ansvarlig for betaling av Tilbudsprisen for Tilbudsaksjene tildelt bestilleren, sammen med enhver rente, kostnader, gebyrer og utgifter påløpt, og Selskapet, Selgende Aksjonær og/eller Tilretteleggerne kan inndrive betaling for alle utestående beløp.

For å legge til rette for rask registrering av de Nye Aksjene i Foretaksregisteret, og slik at de Nye Aksjene kan leveres til bestillere i det Offentlige Tilbudet raskt etter betaling vil Swedbank tegne og betale for de Nye Aksjene allokert i Tilbudet for en total tegningspris lik Tilbudsprisen multiplisert med antallet Nye Aksjer.

APPENDIX F:

APPLICATION FORM FOR THE EMPLOYEE OFFERING

APPLICATION FORM FOR THE EMPLOYEE OFFERING

General information: The terms and conditions for the Employee Offering are set out in the prospectus dated 3 October 2014 (the "**Prospectus**"), which has been issued by Entra ASA (the "**Company**") in connection with the sale of newly issued shares by the Company and the secondary sale of existing shares in the Company by the Norwegian Government, represented by the Ministry of Trade, Industry and Fisheries (the "**Selling Shareholder**"), and the listing of the Company's Shares on the Oslo Stock Exchange. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Applications in the Employee Offering must be made by using this Employee Application Form (see definition in Section 18.6.2 "Offer Price" of the Prospectus), attached as Appendix F to the Prospectus. Employee Application Forms must be correctly completed and submitted by the applicable deadline to the following application office:

Swedbank
Filipstad Brygge 1
P.O. Box 1441 Vika
N-0115 Oslo
Norway
Tel: +47 23 23 80 03
Fax: +47 23 23 80 11
www.swedbank.no

The applicant is responsible for the correctness of the information filled in on this Employee Application Form. Employee Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications must be received by the application office by 12:00 hours (CET) 15 October 2014**. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by the application office. All applications made in the Employee Offering will be irrevocable and binding upon receipt of a duly completed Employee Application Form, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office.

Price of Offer Shares: The indicative price range (the "**Indicative Price Range**") for the Offering is from NOK 61 to NOK 72 per Offer Share. The Company and the Selling Shareholder will, in consultation with the Joint Bookrunners, determine the final Offer Price on the basis of applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering and the Employee Offering. The Offer Price will be determined on or about 16 October 2014. The Offer Price may be set within, below or above the Indicative Price Range. Each applicant in the Employee Offering will be permitted, but not required, to indicate on the Employee Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range. Each investor in the Employee Offering will have a right to receive, without further consideration payable, in total one Bonus Share for every 15 Shares allocated and delivered to such investor in the Employee Offering. The number of Bonus Shares to which each investor in the Employee Offering is entitled will be set forth in the allocation note to such applicant to be issued on or about 17 October 2014. The right of any investor in the Employee Offering to receive Bonus Shares in respect of any Offer Shares allocated and delivered to such investor is subject to a maximum limit of NOK 150,000 in Offer Shares (i.e. the Offer Price multiplied by the number of Offer Shares allocated and delivered). As a result, no investor will have a right to receive any Bonus Shares in respect of any Offer Shares allocated and delivered to such investor in excess of an aggregate purchase price of NOK 150,000. Furthermore, the right of any investor to receive any Bonus Shares in connection with the Employee Offering is subject to such investor not selling or otherwise transferring any of the Offer Shares allocated to such investor between the first day of Listing and 16 October 2015. The Bonus Shares are being granted by the Selling Shareholder and will be delivered on 20 October 2015. The number of Bonus Shares delivered to any investor will be rounded down to the nearest whole number of Bonus Shares. Multiple applications by one applicant in the Employee Offering are not allowed and Eligible Employees may not order Shares in both the Employee Offering and the Retail Offering. In connection with the Employee Offering, Entra Eiendom will grant Eligible Employees a loan of up to the lower of (i) NOK 50,000 and (ii) 20% of such Eligible Employee's net annual salary after deduction of withholding tax, for the financing, in whole or in part, of such Eligible Employee's payment for the Offer Shares allocated to such Eligible Employee in the Employee Offering. The loan will have a term of 12 months and will not carry interest. Each Eligible Employee will grant Entra Eiendom the rights to deduct repayments of the loan from such Eligible Employee's monthly salary in equal amounts over 12 months and to deduct any remaining amounts from the last salary in the event such Eligible Employee's employment is terminated before the loan amount is repaid in its entirety.

Allocation, payment and delivery of Offer Shares: In the Employee Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 1,500 or 15 Offer Shares (in the event a number of Offer Shares is applied for) per applicant. All allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. An order from an applicant in the Employee Offering with an application amount in excess of NOK 4,999,999 or in excess of 150 Offer Shares (in the event a number of Offer Shares is applied for) will be treated as an application for an amount of NOK 4,999,999 or 150 Offer Shares, respectively. All Eligible Employees will receive full allocation in the Employee Offering**.** Swedbank, acting as settlement agent for the Employee Offering, expects to issue notifications of allocation of Offer Shares in the Employee Offering on or about 17 October 2014, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices on or about 17 October 2014 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or about 17 October 2014. In completing and submitting an Employee Application Form, each applicant in the Employee Offering will authorise Swedbank (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. Accounts will be debited on or about 20 October 2014 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 17 October 2014. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 17 October 2014, or can be obtained by contacting Swedbank at +47 23 23 80 03. Swedbank (on behalf of the Managers) is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 24 October 2014 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on its account, or should payment be delayed for any reason, or if it is not possible to debit the account, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Employee Offering is expected to take place on or about 20 October 2014 (or such later date upon the successful debit of the relevant account). Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 17 October 2014 on an "if sold/if issued" basis, and on an unconditional basis on or around 21 October 2014.

Guidelines for the applicant: Please refer to the second page of this Employee Application Form for further application guidelines. Only item A or B should be completed. In case both items are completed, the amount stated in item B will be counted.

Applicant's VPS-account (12 digits):	**A: I apply for the following number of Offer Shares (minimum 15 Offer Shares and maximum 150 Offer Shares)**	**B: I apply for Offer Shares for a total of NOK (minimum NOK 1,500 and maximum NOK 4,999,999)**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range):**	

I hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, either (a) up to the aggregate application amount or (b) up to the number of Offer Shares as specified above subject to the terms and conditions set out in this Employee Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me on my behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Employee Application Form, and to ensure delivery of such Offer Shares to me in the VPS, on my behalf, (iii) authorise Swedbank to debit my bank account as set out in this Employee Application Form for the amount payable for the Offer Shares allotted to me, and (iv) confirm and warrant to have read the Prospectus and that I am eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*:	**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Employee Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name
Home address	Zip code and town
Identity number (11 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS EMPLOYEE APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation the applicant may contact the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information barriers: The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Employee Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation"**). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Employee Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Employee Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Employee Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 19 "Selling and transfer restrictions" in the Prospectus. Neither the Company nor the Selling Shareholder assumes any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Employee Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway and which has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilisation: In connection with the Offering, Goldman Sachs International (as the "**Stabilisation Manager**"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager or its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end not more than 30 calendar days after the first day of the Listing.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 9.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, and so that the New Shares may be delivered to applicants in the Employee Offering on a prompt basis following payment, Swedbank will subscribe and pay for the New Shares allotted in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares.

APPENDIX G:

APPLICATION FORM FOR THE EMPLOYEE OFFERING IN NORWEGIAN

BESTILLINGSBLANKETT FOR ANSATTETILBUDET

Generell informasjon: Vilkårene og betingelsene for Ansattetilbudet fremgår av prospektet datert 3. oktober 2014 ("**Prospektet**"), som er utarbeidet av Entra ASA ("**Selskapet**") i forbindelse med salget av nyutstedte aksjer av Selskapets og salget av eksisterende aksjer i Selskapet av den norske stat, representert ved Nærings- og fiskeridepartementet ("**Selgende Aksjonær**"), og noteringen av Selskapets Aksjer på Oslo Børs. Prospektet inneholder også et norsk sammendrag. Alle definerte ord og uttrykk (angitt med stor bokstav) som ikke er definert i denne bestillingsblanketten, skal ha samme innhold som i Prospektet.

Bestillingsprosedyre: Bestillinger i Ansattetilbudet må foretas ved å bruke denne bestillingsblanketten som er vedlagt Prospektet som Vedlegg G (Application Form for the Employee Offering in Norwegian) eller Vedlegg F (Application form for the Employee Offering). Korrekt utfylt bestillingsblankett må være mottatt av følgende bestillingskontor før utløpet av den relevante fristen:

Swedbank Filipstad Brygge 1 Postboks 1441 Vika 0115 Oslo Norge Tel: +47 23 23 80 03 Faks: +47 23 23 80 11 www.swedbank.no

Bestilleren er ansvarlig for riktigheten av informasjonen som er fylt inn i bestillingsblanketten. Bestillingsblanketter som er ufullstendige eller uriktig utfylt, elektronisk eller på papir, eller som mottas etter utløpet av Bestillingsperioden, og enhver bestilling som kan være ulovlig, kan bli avvist uten nærmere varsel til bestilleren. **Bestillinger må være mottatt av bestillingskontoret innen kl 12.00 norsk tid den 15. oktober 2014, med mindre Bestillingsperioden forkortes eller forlenges**. Verken Selskapet, Selgende Aksjonær eller noen av Tilretteleggerne kan holdes ansvarlig for forsinkelser i postgang, utilgjengelige fakslinjer, internettlinjer eller servere eller andre logistikk- eller tekniske problemer som kan resultere i at bestillinger ikke blir mottatt i tide, eller i det hele tatt, av noen av bestillingskontorene. Alle bestillinger i Ansattetilbudet er ugjenkallelige og bindende og kan ikke trekkes, kanselleres eller endres av bestilleren etter at komplett utfylt bestillingsblankett er mottatt av et av bestillingskontorene, uavhengig av en eventuell forkortelse eller forlengelse av bestillingsperioden.

Pris på Tilbudsaksjene: Det indikative prisintervallet (det "**Indikative Prisintervallet**") i Tilbudet er fra NOK 61 til NOK 72 per Tilbudsaksje. Den endelige prisen per Tilbudsaksje vil bli fastsatt av Selskapet og Selgende Aksjonær, i samråd med Tilretteleggerne, på basis av ordre som mottas og ikke trekkes tilbake i det Institusjonelle Tilbudet gjennom bookbuilding-prosessen og antallet bestillinger mottatt i det Offentlige Tilbudet og i Ansattetilbudet. Tilbudsprisen vil fastsettes rundt den 16. oktober 2014. Prisen per Tilbudsaksje kan fastsettes innen, under eller over det Indikative Prisintervallet. Hver bestiller i det Ansattetilbudet kan, men må ikke, indikere på bestillingsblanketten at bestilleren ikke ønsker å bli tildelt Tilbudsaksjer dersom prisen per Tilbudsaksje blir fastsatt høyere enn den høyeste prisen i det Indikative Prisintervallet. Dersom bestilleren ikke uttrykkelig gir uttrykk for en slik reservasjon på bestillingsblanketten, vil bestillingen være bindende uavhengig av om prisen per Tilbudsaksje fastsettes innenfor eller over (eller under) det Indikative Prisintervallet. Hver investor i Ansattetilbudet vil ha rett til å motta, uten noe ytterligere vederlag, totalt én Bonusaksje for hver 15 Aksjer tildelt og levert til slik investor i Ansattetilbudet. Antallet Bonusaksjer hver investor i Ansattetilbudet er berettiget til vil fremgå av tildelingsbrevet til bestilleren som skal sendes ut på eller rundt 17. oktober 2014. Retten til en investor i Ansattetilbudet til å motta Bonusaksjer knyttet til tildelte og leverte Tilbudsaksjer til slik investor er begrenset til Tilbudsaksjer på maksimalt NOK 150 000 (dvs Tilbudsprisen multiplisert med antall Tilbudsaksjer allokert og levert). Som følge av dette vil investorer ikke ha rett til å motta Bonusaksjer for tildelte og leverte Tilbudsaksjer utover en samlet kjøpesum på NOK 150 000. Videre er en investors rett til å motta Bonusaksjer i forbindelse med Ansattetilbudet betinget av at investoren ikke selger eller på annen måte overfører noen av Tilbudsaksjene allokert til slik investor fra første dag for Notering og frem til 16. oktober 2015. Bonusaksjene innvilges av Selgende Aksjonær og vil bli levert den 20. oktober 2015. Antall Bonusaksjer levert til en investor vil bli rundet ned til nærmeste hele antall Bonus Aksje. Flere bestillinger av samme investor i Ansattetilbudet er ikke tillatt og Kvalifiserte Ansatte kan ikke bestille Aksjer i både Ansattetilbudet og det Offentlige Tilbudet. Entra Eiendom vil tilby Kvalifiserte Ansatte et lån på opp til det laveste av (i) NOK 50 000 og (ii) 20 % av den enkelte Kvalifiserte Ansattes netto årslønn etter forskuddskatt, for å finansiere hele eller deler av den enkelte Kvalifiserte Ansattes betaling for Tilbudsaksjer tildelt den enkelte Kvalifiserte Ansatte i Ansattetilbudet. Lånet vil ha en løpetid på 12 måneder og vil være rentefritt. Den enkelte Kvalifiserte Ansatte vil gi Entra Eiendom en rett til å trekke tilbakebetalinger på lånet fra den enkelte Kvalifiserte Ansattes månedlige lønn i like store beløp over 12 måneder, og til å trekke eventuelle utestående beløp fra den siste avlønningen hvis den Kvalifiserte Ansattes arbeidsforhold avsluttes før lånet er tilbakebetalt i sin helhet.

Allokering, betaling og levering av Tilbudsaksjer: I Ansattetilbudet vil det ikke bli allokert Tilbudsaksjer som representerer en verdi lavere enn NOK 1 500 eller 15 Tilbudsaksjer (hvis et antall tilbudsaksjer er bestilt) per bestilling, og alle bestillinger vil bli rundet ned til nærmeste hele antall Tilbudsaksjer og betalbart beløp vil dermed bli rundet ned tilsvarende. En bestilling fra en bestiller i Ansattetilbudet med et bestillingsbeløp på mer enn NOK 4 999 999 eller mer enn 150 Tilbudsaksjer (hvis et antall Tilbudsaksjer er bestilt) vil bli justert ned til henholdsvis et bestillingsbeløp på NOK 4 999 999 eller 150 Tilbudsaksjer. Samtlige Kvalifiserte Ansatte vil få full tildeling i Ansattetilbudet. Swedbank, som oppgjørsagent for Ansattetilbudet, forventer å gi beskjed om tildeling av Tilbudsaksjer i Ansattetilbudet rundt den 17. oktober 2014 per post eller på annen måte. Bestillere som ønsker å få opplyst det eksakte antallet Tilbudsaksjer som denne er tildelt, kan kontakte et av bestillingskontorene fra rundt den 17. oktober 2014 innenfor ordinær åpningstid. Bestillere som har tilgang til investorservice gjennom en institusjon som er kontofører for bestillerens VPS-konto, skal fra rundt den 17. oktober 2014 kunne se antall Tilbudsaksjer de er tildelt. Ved å fylle ut og sende inn en bestillingsblankett, gir hver bestiller i Ansattetilbudet fullmakt til Swedbank (på vegne av Tilretteleggerne) til å debitere bestillerens norske bankkonto for et beløp som tilsvarer den samlede kjøpesummen for de Tilbudsaksjene som bestilleren blir tildelt. Bankkontoen vil debiteres på eller rundt den 20. oktober 2014 ("**Betalingsdatoen**"), og det må være tilstrekkelige innestående på den aktuelle kontoen fra og med 17. oktober 2014. Bestillere som ikke har en norsk bankkonto må forsikre seg om at betaling for tildelte Aksjer foretas senest på Betalingsdatoen. Ytterligere betalingsdetaljer og instruksjoner vil fremgå av tildelingsbrevet som sendes ut rundt den 17. oktober 2014, eller kan også fås ved å kontakte Swedbank på +47 23 23 80 03. Swedbank (på vegne av Tilretteleggerne) er bare berettiget til å belaste kontoen én gang, men forbeholder seg retten (men har ingen forpliktelse) til å gjøre inntil tre debiteringsforsøk frem til og med 24. oktober 2014 dersom det er utilstrekkelig med midler på kontoen på Betalingsdatoen. Dersom en bestiller ikke har tilstrekkelig innestående på den aktuelle bankkontoen, eller betaling er forsinket av en eller annen årsak, eller dersom det ikke er mulig å debitere kontoen, vil det påløpe forsinkelsesrente og andre vilkår vil gjelde som fastsatt under overskriften "Forsinket og manglende betaling" under. Dersom betaling for tildelte Tilbudsaksjer er mottatt rettidig, vil levering av tildelte Tilbudsaksjer i det Ansattetilbudet foretas rundt den 20. oktober 2014 (eller på slik senere dato ved vellykket debitering av den relevante kontoen). Det er forventet at betinget handel i Aksjene på Oslo Børs vil starte på eller rundt den 17. oktober 2014 på "hvis solgt/hvis utstedt" basis, og på ubetinget basis på eller rundt den 21. oktober 2014.

Retningslinjer for bestilleren: Vennligst se side to av denne bestillingsblanketten for ytterligere retningslinjer for bestillingen. Kun rute A eller B skal fylles ut. Dersom begge rutene er utfylt vil beløpet i rute B bli lagt til grunn.

Bestillerens VPS-konto (12 siffer):	**A: Jeg bestiller herved følgende antall Tilbudsaksjer (minimum 15 Tilbudsaksjer og maksimum 150 Tilbudsaksjer)**	**B: Jeg bestiller herved Tilbudsaksjer for totalt NOK (minimum NOK 1 500 og maksimum NOK 4 999 999):**	**Bestillerens bankkonto som skal debiteres (11 siffer):**
TILBUDSPRISEN: Min bestilling er betinget av at den endelige prisen for Tilbudsaksjene ikke fastsettes over det øvre nivået i det Indikative Prisintervallet (kryss av) **(Dette feltet skal kun fylles ut dersom bestillingen er betinget av at den endelige Tilbudsprisen ikke fastsettes over den øvre prisen i det Indikative Prisintervallet):**			
Herved (i) foretar jeg en ugjenkallelig bestilling av det antall Tilbudsaksjer tildelt meg til Tilbudsprisen, enten (i) opp til det samlede bestillingsbeløpet angitt ovenfor eller (ii) opp til antallet Tilbudsaksjer angitt ovenfor, (ii) gir jeg hver av Tilretteleggerne (eller noen utpekt av dem) ugjenkallelig fullmakt og instruerer hver av dem til, sammen eller hver for seg, å gjennomføre enhver handling som er nødvendig for å erverve og/eller tegne Tilbudsaksjene som tildeles meg på mine vegne, gjennomføre enhver annen handling som er nødvendig for å effektuere transaksjonene omfattet av denne bestillingsblanketten og sikre levering av disse Tilbudsaksjene til meg i VPS på mine vegne, (iii) gir jeg Swedbank ugjenkallelig fullmakt til å debitere min bankkonto som angitt i bestillingsblanketten for den samlede kjøpesummen for de Tilbudsaksjene som jeg får tildelt, og (iv) bekrefter og garanterer jeg ugjenkallelig å ha lest Prospektet og at jeg er kvalifiserte til å bestille og kjøpe Tilbudsaksjer på de vilkår som der fremgår.			
Dato og sted*:		**Bindende signatur**:**	

* Må være datert i bestillingsperioden.
**Undertegneren må være myndig. Dersom bestillingsblanketten undertegnes på vegne av bestilleren, må det vedlegges dokumentasjon i form av fullmakt for at undertegner har slik kompetanse.

INFORMASJON OM BESTILLEREN — ALLE FELT MÅ FYLLES UT	
Fornavn	Etternavn
Adresse	Postnummer og sted
Fødselsnummer (11 siffer)	Nasjonalitet
Telefonnr (dagtid)	E-postadresse

RETNINGSLINJER FOR BESTILLEREN

DENNE BESTILLINGSBLANKETTEN SKAL IKKE DISTRIBUERES ELLER OFFENTLIGGJØRES, VERKEN DIREKTE ELLER INDIREKTE, I ELLER TIL USA, CANADA, AUSTRALIA ELLER JAPAN ELLER NOEN ANNEN JURISDIKSJON DER SLIK DISTRIBUSJON ELLER OFFENTLIGGJØRING VIL VÆRE ULOVLIG. ANDRE RESTRIKSJONER GJELDER OGSÅ, SE PUNKTET "SALGSRESTRIKSJONER" NEDENFOR.

Regulatoriske forhold: I overensstemmelse med EU-direktivet "Markets in Financial Instruments" ("**MiFID**"), oppstiller lov 29. juni 2007 nr 75 om verdipapirhandel ("**Verdipapirhandelloven**") med tilhørende forskrifter, krav relatert til finansielle investeringer. I den forbindelse må Tilretteleggerne kategorisere alle nye kunder i en av tre kategorier; kvalifiserte motparter, profesjonelle og ikke-profesjonelle kunder. Alle bestillere som bestiller Tilbudsaksjer i Ansattetilbudet og som ikke allerede er kunde hos en av Tilretteleggerne, vil bli kategorisert som ikke-profesjonell kunde. Bestilleren kan ved skriftlig henvendelse til Tilretteleggerne anmode om å bli kategorisert som profesjonell kunde dersom Verdipapirhandellovens vilkår for dette er oppfylt. For ytterligere informasjon om kundekategorisering kan bestilleren kontakte Tilretteleggerne. Bestilleren bekrefter herved å inneha tilstrekkelig kunnskap og erfaring om finansielle og forretningsmessige forhold for å kunne evaluere risikoen ved å investere i Selskapet gjennom å bestille Tilbudsaksjer i Ansattetilbudet, og bestilleren bekrefter å være i stand til å ta den økonomiske risikoen og tåle et fullstendig tap av sin investering i Selskapet.

Kun ordreutførelse: Tilretteleggerne vil behandle bestillingen av Tilbudsaksjer som en instruksjon om utførelse av ordre ("execution only") fra bestilleren, ettersom Tilretteleggerne ikke vil være i stand til å avgjøre om bestillingen er hensiktsmessig for bestilleren. Bestilleren vil derfor ikke kunne påberope seg Verdipapirhandellovens regler om investorbeskyttelse.

Informasjonsbarrierer: Tilretteleggerne er verdipapirforetak som tilbyr et bredt spekter av investeringstjenester. For å sikre at oppdrag som gjennomføres av Tilretteleggernes "corporate finance"-avdelinger holdes konfidensielle, er disse avdelingene adskilt fra Tilretteleggernes andre avdelinger, herunder avdelinger for analyse og aksjemegling, gjennom bruk av informasjonsbarrierer også kjent som "chinese walls". Bestilleren erkjenner at som en konsekvens av dette kan Tilretteleggernes analyse- og aksjemeglingsavdelinger komme til å opptre i strid med bestillerens interesser i forbindelse med transaksjoner i Tilbudsaksjene.

VPS-konto og pålagte hvitvaskingingsprosedyrer: Ansattetilbudet er underlagt gjeldende hvitvaskingslovgivning, herunder kravene i lov 6. mars 2009 nr 11 om tiltak mot hvitvasking og terrorfinansiering samt hvitvaskingsforskriften av 13. mars 2009 nr. 302 ("**Hvitvaskingslovgivningen**"). Bestillere som ikke er registrert som kunde hos en av Tilretteleggerne må bekrefte sin identitet til en av Tilretteleggerne, i samsvar med Hvitvaskingslovgivningen, med mindre det gjelder spesielle unntak. Bestillere som har oppgitt en eksisterende norsk bankkonto og en eksisterende VPS-konto på bestillingsblanketten er unntatt med mindre verifikasjon av bestillerens identitet blir krevet av en av Tilretteleggerne. Bestillere som ikke har gjennomført tilstrekkelig verifikasjon av identitet før utløpet av Bestillingsperioden vil ikke bli tildelt Tilbudsaksjer. Deltakelse i det Ansattetilbudet er betinget av at bestilleren har en VPS-konto. VPS kontonummeret må være angitt i bestillingsblanketten. En VPS-konto kan etableres ved en autorisert VPS-kontofører som kan være en norsk bank, autorisert verdipapirforetak i Norge og norske avdelinger av finansinstitusjoner i EØS. Etablering av en VPS-konto krever bekreftelse på identitet overfor kontoføreren i henhold til Hvitvaskingslovgivningen. Utlandske investorer kan imidlertid benytte en forvalterkonto registrert i VPS i forvalterens navn. Forvalteren må være autorisert av Finanstilsynet.

Salgsrestriksjoner: Tilbudet er underlagt salgsrestriksjoner i enkelte jurisdiksjoner, se kapittel 19 "Selling and transfer restrictions" i Prospektet. Verken Selgende Aksjonær eller Selskapet påtar seg noe ansvar dersom noen bryter disse restriksjonene. Tilbudsaksjene har ikke vært, og vil ikke bli, registrert i henhold til United States Securities Act av 1933 som endret ("**U.S. Securities Act**") eller i henhold til noen verdipapirlovgivning i noen stat eller annen jurisdiksjon i USA og kan ikke tas opp, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra USA bortsett fra i henhold til et gjeldende unntak fra, eller i en transaksjon som ikke er underlagt, registreringsbestemmelsene i U.S. Securities Act og i overensstemmelse med verdipapirlovgivningen i enhver stat eller annen jurisdiksjon i USA. Det vil ikke forekomme noe offentlig tilbud i USA. Tilbudsaksjene vil, og kan ikke, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra noen jurisdiksjon der tilbud eller salg av Tilbudsaksjer ikke er tillatt, eller til, eller på vegne av eller til fordel for, enhver person med registrert adresse i, eller som bor eller vanligvis bor i, eller er innbygger i, noen jurisdiksjon der tilbud eller salg ikke er tillatt, bortsatt fra i henhold til et gjeldende unntak. I Ansattetilbudet tilbys og selges Tilbudsaksjene til enkelte personer utenfor USA i "offshore transactions" innenfor betydningen av og i overensstemmelse med Rule 903 i Regulation S i U.S. Securities Act.

Selskapet har ikke gitt tillatelse til noe offentlig tilbud av dets verdipapirer i noe medlemsland av EØS bortsett fra Norge. Når det gjelder andre medlemsland i EØS enn Norge som har implementert Prospektdirektivet ("**Aktuelle Medlemsland**"), har det og vil det ikke bli gjort noe for å fremsette et offentlig tilbud av Tilbudsaksjene som krever publisering av et prospekt i noen Aktuelle Medlemsland. Alle tilbud utenfor Norge vil derfor skje i henhold til unntak fra krav om prospekt.

Stabilisering: I forbindelse med Tilbudet og ved utøvelse av Låneopsjonen kan Goldman Sachs International (som "**Stabiliserende Tilrettelegger**"), eller dets agenter, på vegne av Tilretteleggerne, utføre transaksjoner med tanke på å stabilisere, støtte eller på annen måte påvirke kursen på aksjene i opp til 30 dager fra første noteringsdag. Stabiliserende Tilrettelegger kan særlig utføre transaksjoner med formål å stabilisere markedskursen til aksjene på et høyere nivå enn det som ellers kan tenkes å ville gjelde, gjennom å erverve Aksjer i det åpne markedet til priser som er lik eller lavere enn Tilbudsprisen. Stabiliserende Tilrettelegger eller dets agenter har ingen forpliktelse til å foreta stabiliserende handlinger og det er ikke sikkert at stabiliseringshandlinger vil gjennomføres. Slike stabiliseringshandlinger kan, hvis påbegynt, avsluttes når som helst, og vil avsluttes ikke mer enn 30 kalenderdager fra første noteringsdag.

Investeringsbeslutninger må baseres på Prospektet: Investorer må verken akseptere noe tilbud om, eller erverv av, verdipapirer i Selskapet på annet grunnlag enn det fullstendige Prospektet.

Vilkår for betaling med engangsfullmakt — verdipapirhandel: Betaling med engangsfullmakt er en banktjeneste tilbudt av samarbeidende banker i Norge. I forholdet mellom betaler og betalers bank gjelder følgende standard vilkår:

1. Tjenesten "Betaling med engangsfullmakt — verdipapirhandel" suppleres av kontoavtalen mellom betaler og betalers bank, se særlig kontoavtalen del C, Generelle vilkår for innskudd og betalingsoppdrag.
2. Kostnader ved å bruke "Betaling med engangsfullmakt — verdipapirhandel" fremgår av bankens gjeldende prisliste, kontoinformasjon og/eller opplyses på annen egnet måte. Banken vil belaste oppgitt konto for påløpte kostnader.
3. Engangsfullmakten signeres av betaler og leveres til betalingsmottaker. Betalingsmottaker vil levere belastningsoppdraget til sin bank som igjen kan belaste betalers bank.
4. Ved et eventuelt tilbakekall av engangsfullmakten skal betaler først ta forholdet opp med betalingsmottaker. Etter finansavtaleloven skal betalers bank medvirke hvis betaler tilbakekaller et betalingsoppdrag som ikke er gjennomført. Slikt tilbakekall kan imidlertid anses som brudd på avtalen mellom betaler og betalingsmottaker.
5. Betaler kan ikke angi et større beløp på engangsfullmakten enn det som på belastningstidspunktet er disponibelt på konto. Betalers bank vil normalt gjennomføre dekningskontroll før belastning. Belastning ut over disponibelt beløp skal betaler dekke inn umiddelbart.
6. Betalers konto vil bli belastet på angitt belastningsdag. Dersom belastningsdag ikke er angitt i engangsfullmakten vil kontobelastning skje snarest mulig etter at betalingsmottaker har levert oppdraget til sin bank. Belastningen vil likevel ikke skje etter engangsfullmaktens gyldighetsperiode som er angitt foran. Betaling vil normalt være godskrevet betalingsmottaker én til tre virkedager etter angitt belastningsdag/innleveringsdag.
7. Dersom betalers konto blir urettmessig belastet på grunnlag av en engangsfullmakt, vil betalers rett til tilbakeføring av belastet beløp bli regulert av kontoavtalen og finansavtaleloven.

Forsinket og manglende betaling: Forsinket betaling belastes med gjeldende forsinkelsesrente i henhold til forsinkelsesrenteloven av 17. desember 1976 nr. 100, som per dato for Prospektet er 9,50 % p.a. Dersom betaling ikke skjer ved forfall, vil Tilbudsaksjene ikke bli levert til bestilleren, og Tilretteleggerne forbeholder seg retten til å, for tegnerens regning og risiko, når som helst kansellere og reallokere eller på annen måte disponere over de allokerte Tilbudsaksjene, på de vilkår og på den måten Tilretteleggerne bestemmer (og bestilleren ikke vil være berettiget til noe overskudd derfra). Den opprinnelige bestilleren vil fortsette å være ansvarlig for betaling av Tilbudsprisen for Tilbudsaksjene tildelt bestilleren, sammen med enhver rente, kostnader, gebyrer og utgifter påløpt, og Selskapet, Selgende Aksjonær og/eller Tilretteleggerne kan inndrive betaling for alle utestående beløp.

For å legge til rette for rask registrering av de Nye Aksjene i Foretaksregisteret, og slik at de Nye Aksjene kan leveres til bestillere i det Offentlige Tilbudet raskt etter betaling vil Swedbank tegne og betale for de Nye Aksjene allokert i Tilbudet for en total tegningspris lik Tilbudsprisen multiplisert med antallet Nye Aksjer.

APPENDIX H:

PROPERTY APPRAISAL REPORTS FOR THE GROUP'S PROPERTIES

DTZ Realkapital Verdivurdering AS
Real Estate Valuation for Entra Eiendom AS

Oslo, 30th June 2014
DTZ REALKAPITAL VERDIVURDERING AS

Jørn Høistad
Managing Director

Job No/Ref: Valuation letter

maintaining today
creating tomorrow

Valuation Report

1. INTRODUCTION

DTZ Realkapital Verdivurdering AS has been instructed by Entra ASA to undertake a valuation of the Company's real estate portfolio.

We are aware that our valuation will be made available to external parties during a divestment process initiated by the current owner, and have approved use of our valuation for this purpose.

2. ABOUT THE VALUER

DTZ GLOBAL

DTZ Realkapital Verdivurdering AS is an affiliate of DTZ global - one of the world's leading real estate advisers and a leading name in all the world's major business centers, with 47,000 people operating in 52 countries. In Europe, DTZ global has one of the strongest market presences of any real estate adviser. DTZ is part of the UGL group, headquartered in Sydney, Australia.

DTZ IN NORWAY

DTZ operates in all Scandinavian countries, through national subsidiaries and affiliates. In Norway, DTZ operates through its affiliate DTZ Realkapital. Our valuation has been carried out by DTZ Realkapital Verdivurdering AS, which is part of the DTZ Realkapital group.

VALUATION EXPERTISE AND CAPACITY

DTZ employs around 700 full time valuation professionals worldwide. Capacity in Norway includes three full time valuation professionals and draws upon the combines resources of another 31 staff employed by the Realkapital group, including two full time analysts.

INDEPENDENCE

We confirm that we have undertaken the valuations acting as an External Valuer qualified for the purpose of the valuation.

We currently have a fee earning relationship with the client as external valuers of their property portfolio on a quarterly basis. We also perform occasional ad-hoc valuation work for Entra Eiendom on particular projects where such services are required.

We have no other current or anticipated fee earning relationship with Entra Eiendom apart from completing this assignment and subsequent updates thereof, and two ongoing valuations of special development projects. We do not have any ownership in any of the properties included in the valuations, nor will we acquire any such ownership in the future.

LIMITATION

We have not undertaken any technical inspection of the properties. We have not undertaken any assessment of legal concerns related to the properties such as title, tenure, rights of use, zoning issues, completion certificates for buildings, covenants or other legal issues. We have assumed that there is no further information regarding the properties' conditions, possible restrictions, covenants or other matters that would have had material impact on our assessments and valuations, other than what we have already received.

DTZ inspected all properties in 2010. Occasional re-inspections have occurred subsequently.

We have not been provided with any report or other information concerning the possibility of ground contamination at the sites, use of deleterious materials, or the absence or presence of other environmental problems material to our valuation.

DTZ does not have the expertise to assess the plausibility of such problems, nor have we been instructed to perform any such assessments. Our valuations are therefore based on the presumption that any environmental findings of material value will be compensated in full by the divesting party, thus leaving our valuation of the market purchase price intact. If it is subsequently established that contamination exists at any property or on any neighbouring land, or that premises have been or are being put to any contaminative use, and that the cost of correcting such issues exceeds any compensation provided by the divesting party, then this might reduce the value now reported.

DTZ has undertaken the valuation based upon material we believe to be reliable in our possession or supplied to us. Whilst every effort has been made to ensure its accuracy and completeness, we cannot offer any warranty that factual errors may not have occurred. DTZ takes no responsibility for any damages or loss suffered by reason of the inaccuracy or incorrectness of our valuation.

Our valuations are governed by the laws of the Kingdom of Norway.

3. VALUATION METHOD FOR YIELDING ASSETS

GENERAL

The basis for valuation is discounted net cash flows from the properties, and discounted residual values at the end of the forecast period.

Valuation Report

TENANCIES

We have been provided with tenancy schedules that state the names of all tenants, annual rent amount, expiry dates of their leases, and type and area of their leased space.

Most lease agreements have clauses for annual indexation of the lease amounts, based on the Norwegian Consumer Price Index (CPI). DTZ has prepared individual forecasts for revenues from each lease agreement, based on an average of CPI forecasts published by DnB, Statistics Norway, and Norges Bank, up to and including 2017. For the period beyond 2017, we have applied the Central Bank's monetary inflation target, which is 2.5%.

Our cash flow forecast applies 31 March 2014 as the starting date of projections. Subsequent to the expiry of each lease, we have estimated revenues from the next tenant by applying a rent level that DTZ considers to be market rent for the property and space category in question, adjusting for inflation up to the time of commencing the next lease. Depending on DTZ's assessment of the property, an applicable void period and reletting cost have been factored into the cash flow forecast.

CONTINGENT RENT

Some lease contracts stipulate rent amounts which depend in whole or in part on external factors such as tenant performance. Individual assessments of plausible rents have been made in such cases.

NON-COMMENCED RENTS

Our valuation reflects occasional instances of rents which have been agreed between Entra Eiendom and the tenant, but where rent payment has not yet commenced. Entra Eiendom may, in such situations, be required to provide certain facilities to the tenant before lease payment can commence. Such agreements have been factored into our cash flow forecasts and our valuation insofar as we have found it prudent, based on information provided by Entra Eiendom, to assume that no material outstanding risk factor remains that would hinder the implementation of the lease at its due date.

OPERATIONAL EXPENSES (OPEX)

For the purpose of this report, the term "Operational expenses" (OPEX) refers to costs which are the responsibility of the property owner. Estimates of OPEX have been prepared by DTZ, based on industry comparables and available information on asset-specific costs. No operating budgets have been available to DTZ. Headquarter costs are not included in our OPEX estimates.

DISCOUNT RATE

Projected net cash flows have been discounted at interest rates that represent nominal rates of return on total capital. Applicable risk premiums have been used to arrive at these nominal discount rates. Income from existing lease agreements have been discounted at rates between 5.5% and 8.5%, depending mainly on the solidity of the tenant. Income from subsequent leases has been discounted at rates between 7.875% p.a. an12.25% p.a., depending mainly on the property risk estimated by DTZ.

RESIDUAL VALUES

At the end of the cash flow review period, we have estimated a residual value for each property. This has been done by dividing the net income in the subsequent year by an exit yield. The exit yield varies between 5.375% and 9.75%, depending on the perceived liquidity and marketability of the property.

4. VALUATION METHOD FOR NON-YIELDING ASSETS

Asset-specific methods have been applied for valuation of assets that do not produce rental revenue, and for valuation of future development potential of some of the yielding assets. These methods include computation of risk-adjusted, hypothetical development margins, and collection of applicable comparables.

5. ACCRUED INVESTMENT COSTS

Accrued investment costs on development projects and major reletting projects are worked successively into our valuation by reducing the expected capital expenditure accordingly when expenditure occurs. Information on accrued capital expenditure, projected to the valuation date, has been provided to us by Entra Eiendom. If there is any inaccuracy in the projected level of accrued investment thus provided to us, then this might affect the value now reported.

6. PARTLY OWNED ASSETS

The values of partly owned projects have been estimated by valuing the projects first on a hypothetical 100% basis, and then multiplying this value by Entra Eiendom's ownership share. No minority discount or premium has been applied.

7. OPTIONS

The portfolio includes assets where tenants have a right to extend their lease, terminate the lease, or purchase the property at certain terms. Individual assessments have been made with respect to the plausibility of such options being exercised.

Valuation Report

8. VALUATION PER 30.6.2014

ESTIMATED MARKET VALUES BEFORE ADJUSTMENT FOR OWNERHIPS SHARE

Significant Properties*	Region	Sq m	Gross rent mNOK	Duration years 1/	Occupancy rate %	Market value mNOK 2/
Biskop Gunnerus gate 14 (f)	Central Oslo	50,575	138.8	3.6	97.5 %	2,356.4
Fredrik Selmers vei 4 (f)	Greater Oslo	30,828	61.7	13.7	100.0 %	992.2
Professor Hansens Vei 10-12 (f)	South-West	37,219	50.0	17.8	84.2 %	898.9
Middelthuns gate 29 (f)	Central Oslo	21,606	50.1	11.4	100.0 %	858.7
Universitetsgaten 2 (f)	Central Oslo	27,297	64.8	4.1	98.4 %	842.1
Brynsengfaret 4,6AB & F (f)	Greater Oslo	35,505	65.9	8.0	95.3 %	806.6
H110 Nasjonalbiblioteket (f)	Central Oslo	17,930	45.3	15.9	100.0 %	746.9
Schweigaardsgate 15B (f)	Central Oslo	14,492	38.3	5.4	99.8 %	632.6
Tordenskioldsgate 12 (f)	Central Oslo	12,920	35.9	5.2	97.9 %	593.0
Akersgt 51/Apotekergt 6 (f)	Central Oslo	17,850	32.8	4.2	95.1 %	571.3

*Excludes projects and project value

Other Properties	Region					
Freeholds (f)	Central Oslo	180,105	282.2	9.0	90.2 %	4,547.1
Leaseholds (l)	Central Oslo	40,230	84.2	4.3	99.0 %	768.5
Freeholds (f)	Greater Oslo	222 494	316,2	8,9	95,7 %	4,287.9
Leaseholds (l)	Greater Oslo	29 871	40,5	5,3	97,8 %	304.8
Freeholds (f)	South-West	148,967	217.4	5.7	96.9 %	2,998.9
Leaseholds (l)	South-West	1,432	0.9	2.9	58.0 %	12.6
Freeholds (f)	Central-North	95,171	119.1	5.5	95.7 %	1,395.3
Leaseholds (l)	Central-North	53,245	81.9	8.8	96.6 %	1,135.6

All Properties	Region					
Freeholds (f)	Central Oslo	342,774	688.8	7.5	94.4 %	11,148.1
Leaseholds (l)	Central Oslo	40,230	84.2	4.3	99.0 %	768.5
Freeholds (f)	Greater Oslo	288 828	445,7	9,4	96,3 %	6,086.7
Leaseholds (l)	Greater Oslo	29 871	40,5	5,3	97,8 %	304.8
Freeholds (f)	South-West	186,186	267.4	8.1	94.2 %	3,897.8
Leaseholds (l)	South-West	1,431	0.9	2.9	58.0 %	12.6
Freeholds (f)	Central-North	95,171	119.1	5.5	95.7 %	1,395.3
Leaseholds (l)	Central-North	53,245	81.9	8.8	96.6 %	1,135.6
Freeholds (f)	**Total**	**912,958**	**1,520.6**	**8.0**	**94.2 %**	**22,527.9**
Leaseholds (l)	**Total**	**124,777**	**207.5**	**7.0**	**97.8 %**	**2,221.5**
All properties		**1,037,735**	**1,728.1**	**7.8**	**95.3 %**	**24,749.4**
Development						
Projects	**Total**					**1,828.2**
Zoned developments	**Total**					**472.2**

f= freehold; l=leasehold

1/ Duration excluding options to extend or terminate the lease period. For contracts with where no termination date has been specified, DTZ have made individual assessments.
2/ St Olavsgate 4, Youngskvartalet, Ringstadbolig and Pilestredet 30 has been added to the value even if DTZ did not value the properties by 30.6.14 as the property was sold prior to the valuation, but not physical taken over by the purchaser.

Real estate valuation
Q2 – 2014
Entra Eiendom AS

30. juni 2014

Valuation report

1. Introduction

Akershus Eiendom AS ("AE") has been instructed by Entra Eiendom AS ("Entra") to undertake quarterly valuations of the Company's real estate portfolio. The valuations are prepared for accounting purposes and for creditors only.

We are aware that our valuations will be made available to external parties during a privatisation process initiated by the current owner, and have approved use of our valuations for this purpose.

2. About the Valuer

Akershus Eiendom AS
AE is Norway's leading commercial real estate agent with 30 employees and partners.

AE is an independent property advisor focusing on commercial property; offices, warehouse facilities, shops/shopping centers, hotels, land and related types of property. AE advises its clients on sales, leasing, development, research, valuations and other areas of commercial property business.

In 2001, AE entered into a co-operation agreement with JLL (Jones Lang LaSalle), one of the world's leading commercial real estate agents. AE is JLL's exclusive partner in Norway.

JLL
JLL is a financial and professional services firm specialising in real estate services and investment management. JLL has more than 40,000 people in more than 1,000 locations in 70 countries, and is one of the leading real estate advisors internationally.

Valuation expertise and capacity
AE employs 7 full time analysts and 2 research assistants at the research and valuation desk. The analysts draws upon the combined resources of another 21 partners/employees at AE and, if necessary, the capacity of JLL's valuation department.

Independenece
We confirm that we have undertaken the valuations acting as an External Valuer qualified for the purpose of the valuation.

We currently have a fee earning relationship with the client as external valuers of their property portfolio on a quarterly basis. We also perform occasional ad-hoc valuation work for Entra on particular projects where such services are required, and our leasing department provides leasing services in connection with two properties owned by Entra, situated in Oslo. In addition AE has an ongoing yearly research agreement with Entra. We do not have any ownership in any of the properties included in the valuations, nor will we acquire any such ownership in the future.

Limitation
AE has not performed any independent verification in respect of the information provided by Entra and it is presupposed that this information is correct. Furthermore, no assessment has been made regarding the technical condition of any buildings on the properties. It is also assumed that there is no information, not made available to us, concerning the condition of the properties, actual or potential encumbrances, etc. that, had we been made aware of this information, would have affected our conclusions.

AE's information database includes data gathered over time from AE's property leasing and brokerage business areas, from our associated partners and from as general knowledge of the rental and investment market for commercial property. AE does not represent that the information is true, accurate or complete and it should not be relied upon as such. Whilst every effort has been made to ensure this information is accurate and complete, AE cannot offer any warranty that factual errors may not have occurred in the process of making this Report.

We have not been provided with any report or other information concerning the possibility of ground contamination at the sites, use of deleterious materials, or the absence or presence of other environmental problems material to our valuation.

Valuation report

AE does not have the expertise to assess the plausibility of such problems, nor have we been instructed to perform any such assessments. Our valuations are therefore based on the presumption that any environmental findings of material value will be compensated in full by the divesting party, thus leaving our valuation of the market purchase price intact. If it is subsequently established that contamination exists at any property or on any neighbouring land, or that premises have been or are being put to any contaminative use, and that the cost of correcting such issues exceeds any compensation provided by the divesting party, then this might reduce the value now reported.

Any opinions expressed are the opinions of employees of AE and reflect their best judgment at the date of the Report, and these opinions are from time to time subject to change.

AE assumes no responsibility for any damages or loss suffered by reason of any inaccuracy or incorrectness in the Report. In no event shall AE, AE's board of directors, AE's executive partners or any of AE's employees be liable to any person for any direct, indirect, special or consequential damages arising out of any use of this Report and/or the information in this Report.

The Report has been prepared and shall be interpreted according to Norwegian law.

3. Valuation method for yielding assets

General
The basis for valuation is discounted net cash flows from the properties, and discounted residual values at the end of the forecast period.

Tenancies
We have been provided with tenancy schedules that state the names of all tenants, annual rent amount, expiry dates of their leases, and type and area of their leased space.

Most lease agreements have clauses for annual indexation of the lease amounts, based on the Norwegian Consumer Price Index (CPI). AE has prepared individual forecasts for revenues from each lease agreement, based on an average of CPI forecasts published by DNB, Statistics Norway, and Norges Bank, up to and including 2017. For the period beyond 2017, we have applied the Norges Bank's monetary inflation target, which is 2.5%.

Our cash flow forecast applies 31 March 2014 as the starting date of projections. Subsequent to the expiry of each lease, we have estimated revenues from the next tenant by applying a rent level that AE considers to be market rent for the property and space category in question, adjusting for inflation up to the time of commencing the next lease. Depending on AE's assessment of the property, an applicable estimate for a void period and reletting costs, often including refurbishment costs, have been factored into the cash flow forecast.

Contingent rent
Some lease contracts stipulate rent amounts which depend in whole or in part on external factors such as tenant performance. Individual assessments of plausible rents have been made in such cases.

Non-commenced rent
Our valuation reflects occasional instances of rents which have been agreed between Entra and the tenant, but where rent payment has not yet commenced. Entra may, in such situations, be required to provide certain facilities to the tenant before lease payment can commence. Such agreements have been factored into our cash flow forecasts and our valuation insofar as we have found it prudent, based on information provided by Entra, to assume that no material outstanding risk factor remains that would hinder the implementation of the lease at its due date.

Valuation report

Operational expenses (OPEX)
For the purpose of this report, the term "Operational expenses" (OPEX) refers to costs which are the responsibility of the property owner. Estimates of OPEX have been prepared by AE, based on industry comparables and available information on asset-specific costs. No operating budgets have been available to AE. Headquarter costs are not included in our OPEX estimates.

Discount rate
Projected net cash flows have been discounted at interest rates that represent nominal rates of return on total capital. Applicable risk premiums have been used to arrive at these nominal discount rates.

Residual values
At the end of the cash flow review period, we have estimated a residual value for each property. This has been done by dividing the net income in the subsequent year by an exit yield. Applicable risk premiums have been used to set the exit yield.

4. Valuation method for non-yielding assets

Asset-specific methods have been applied for valuation of assets that do not produce rental revenue, and for valuation of future development potential of some of the yielding assets. These methods include computation of risk-adjusted, hypothetical development margins, and collection of applicable comparables.

5. Capital expenditures and remaining investment costs

Capital expenditures on development projects and major reletting projects are determined on the basis of either cost estimates received from Entra or an unbiased estimate based on comparable projects. When expenditure occurs, new levels of remaining investment costs will be worked successively into our valuation. Information on remaining capital expenditure, projected to the valuation date, has been provided to us by Entra. If there is inaccuracy or changes in the projected level of remaining investment thus provided to us, then this might affect the value now reported.

6. Partly owned assets

The values of partly owned projects have been estimated by valuing the projects first on a hypothetical 100% basis, and then multiplying this value by Entra's ownership share. No minority discount or premium has been applied.

7. Options

The portfolio includes assets where tenants have a right to extend their lease, or purchase the property at certain terms. Individual assessments have been made with respect to the plausibility of such options being exercised.

Valuation report

8. Valuation per 30 June 2014 (MNOK)

ESTIMATED MARKET VALUES BEFORE ADJUSTMENT FOR OWNERSHIP SHARE

(All figures below excludes project values)

Significant Properties	Region	Sq m	Gross rent mNOK	Duration years	Occupancy rate %	Market value mNOK
Biskop Gunnerus gate 14 (f)	Central Oslo	50,576	138.8	3.6	97%	2,264
Fredrik Selmers vei 4 (f)	Greater Oslo	30,827	61.7	13.7	100%	1,028
Universitetsgata 2 (Munch-Kvartalet) (f)	Central Oslo	27,297	64.8	4.1	98%	850
Middelthuns gate 29 (f)	Central Oslo	21,606	50.1	11.4	100%	849
Brynsengfaret 4 og 6 AB+F (f)	Greater Oslo	35,505	66.1	8.0	95%	814
Prof. Olav Hanssens vei 10 (f)	South-West	37,219	50.0	17.8	82%	813
Henrik Ibsens gate 110 (Nasjonalbiblioteket) (f)	Central Oslo	17,930	45.3	15.9	100%	730
Schw eigaards gate 15b - Oslo Z (f)	Central Oslo	14,492	38.3	5.4	100%	644
Tordenskiolds gate 12 (f)	Central Oslo	12,920	35.9	5.2	98%	623
Akersgata 51 (f)	Central Oslo	17,850	32.8	4.2	95%	567

Other Properties	Region	Sq m	Gross rent mNOK	Duration years	Occupancy rate %	Market value mNOK
Freeholds (f)	Central Oslo	180,103	282.4	9.1	90%	4,518
Leaseholds (l)	Central Oslo	40,230	84.1	4.1	99%	799
Freeholds (f)	Greater Oslo	222,494	317.4	8.8	96%	4,119
Leaseholds (l)	Greater Oslo	29,871	40.5	5.3	97%	323
Freeholds (f)	South-West	148,967	217.4	5.6	97%	2,831
Leaseholds (l)	South-West	1,432	0.9	2.9	59%	10
Freeholds (f)	Central-North	95,171	120.6	5.5	96%	1,438
Leaseholds (l)	Central-North	53,246	81.9	8.8	96%	1,065

All Properties	Region	Sq m	Gross rent mNOK	Duration years	Occupancy rate %	Market value mNOK
Freeholds (f)	Central Oslo	342,773	688.4	7.6	94%	11,046
Leaseholds (l)	Central Oslo	40,230	84.1	4.1	99%	799
Freeholds (f)	Greater Oslo	288,826	445.2	9.4	96%	5,961
Leaseholds (l)	Greater Oslo	29,871	40.5	5.3	97%	323
Freeholds (f)	South-West	186,186	267.3	8.0	94%	3,644
Leaseholds (l)	South-West	1,432	0.9	2.9	59%	10
Freeholds (f)	Central-North	95,171	120.6	5.5	96%	1,438
Leaseholds (l)	Central-North	53,246	81.9	8.8	96%	1,065
Freeholds (f)	Total	912,956	1,521.5	8.0	95%	22,088
Leaseholds (l)	Total	124,779	207.4	6.2	97%	2,197
All properties		1,037,735	1,728.9	7.8	95%	24,285

f= freehold; l=leasehold or partly leasehold

Development		
Projects	Total	1,842
Zoned development	Total	486

1) Occupancy rate calculations shown in the list above is based on market rent vacant space and total market rent
2) Minor differences in contract rent in the valuations compared to the received schedule of tenants may occur. Some newly signed contracts have a contractual right to delay the CPI adjustment. In the valuations CPI adjustment has been done every year for these contracts in order to receive the correct CPI adjusted rent when the contractual rights no longer are valid.
3) Four properties have not been valued by AE in Q2-14 due to an ongoing sales process of the properties. Property specific parameters and value has been added to the list above.
4) One property included in the list above as leasehold has been valued as a freehold property after instructions from Entra. The calculated property value for this property is less than mNOK 50.

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