Annual Report 2014

Flexible, attractive and environment friendly office properties

entra

Property portfolio of

105 properties

Totaling approximately

1 300 000 sqm

Portfolio market value of

NOK 28.4 billion

Average unexpired lease term of

7.7 years

Occupancy ratio of

94.6%

Content

This is Entra

Business strategy

Our business strategy has three pillars: customer satisfaction, profitable growth and environmental leadership.

Vision

Our vision is to contribute to customers' efficiency and reputation.

Values

Our core values are to be responsible, ambitious and hands-on.

Business idea

Our business idea is to develop, let and manage attractive and environmentally leading buildings.

Areas of concentration

Our strategic areas of concentration are Oslo and the surrounding region, Bergen, Stavanger and Trondheim.

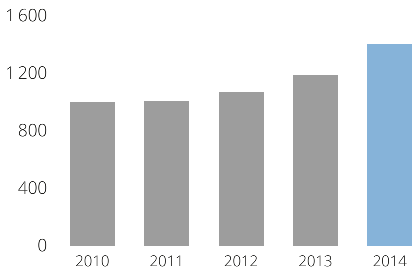
Entra is a leading owner, manager and developer of office properties in Norway, focused on centrally-located, high quality properties in Oslo, Bergen, Stavanger and Trondheim. As of 31 December 2014, Entra had a property portfolio of 105 properties totalling approximately 1.3 million square metres. The market value of the property portfolio was approximately NOK 28.4 billion. Entra has a particular expertise in the public sector, which represented approximately 76 % of the customer portfolio as of 31 December 2014.

Key figures 2014

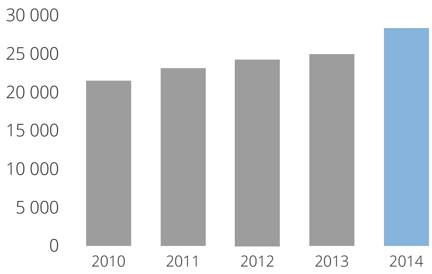
	2014 [1]	2013 [1]	2012
OPERATIONAL			
Market value of real estate portfolio (NOKm)	28 357.9	24 963.3	24 265
Total area (Gross)	1 292 108	1 218 040	1 201 237
Occupancy rate of management portfolio (%)	94.6	95.8	95.8
WAULT (years)	7.7	9.2	9.5
FINANCIAL			
Rental income (NOKm)	1 772.3	1 632.3	1 500.3
Profit before value adjustments and tax (NOKm)	789.6	780.6	984.6
Profit after tax (NOKm)	1 000.1	462.8	772.6
EPRA Earnings (NOKm)	555.0	403.2	337.0
Net cash flow from investment activities (NOKm)	-1 157.0	-999.7	-1 238.2
Net nominal interest-bearing debt (NOKm)	13 889.8	14 350.1	13 462.2
Debt ratio (LTV) (%)	48.4	56.6	54.6
Interest coverage ratio (ICR) (%)	2.0	1.8	1.7
Equity ratio (%)	35.9	30.3	30.9
Net asset value - EPRA NAV (NOKm)	14 028.9	10 948.6	11 378.3
EPRA NNNAV (NOKm)	12 530.5	9 847.3	10 168.8

[1] The numbers are restated as a result of a change in accounting principle for three properties from IFRIC 12 to IAS 40 "Investment properties" at 31.12.2014.

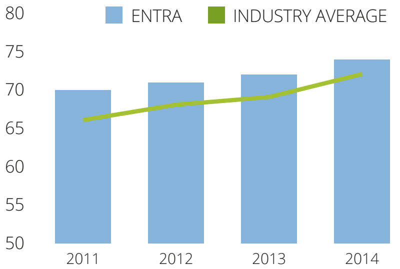
Net income from property management
(NOKm)



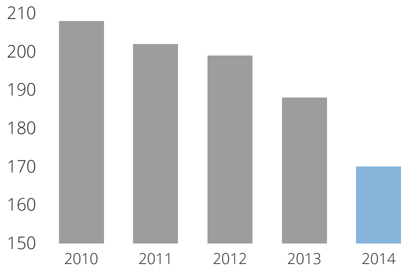
Market value of property portfolio
(NOK bn)



Customer satisfaction
(Score)



Energy consumption in the portfolio
(kWh/sqm)



Highlights 2014

Gullfaks, Hinna Park, Stavanger

Powerhouse Kjørbo, Sandvika/Oslo

MediaCity Bergen

First quarter

January
Construction start for the project in Akersgate 34-36, involving both a new building and refurbishment of an existing building. In total a project of 6,200 sqm of offices, which is let to Amedia. The project is expecting a BREEAM Very Good classification.

February
The acquisition of 50 % of Hinna Park Eiendom AS in Stavanger was completed, comprising three office properties of a total of 28,000 sqm and three land plots with a total development potential of approximately 46,000 sqm office. A lease contract was signed with Wintershall for 14,000 sqm in the planned office building "Gullfaks".

March
Powerhouse Kjørbo in Sandvika was completed and the tenant, Asplan Viak moved into a refurbished building of 6,900 square meters. By optimizing and combining existing technologies in new ways, the office building from the 1980s was renovated into energy-positive building achieving a BREEAM Excellent classification.

Second quarter

May
Sale of Entra's 50 per cent holding in UP Entra AS to Utstillingsplassen Eiendom AS.

May
Signing of lease contracts with TV2, NRK, Bergensavisen, Bergens Tidene, the Media Faculty of Bergen University, and the graphics company Vizrt for the establishment of MediaCity Bergen at Lars Hillesgate 30 in Bergen (50 % owned through Entra OPF Utvikling AS).

June/July
Signing of lease contract with Husbanken and construction start for the project Papirbredden 3 in Drammen (owned 60 % through Papirbredden Eiendom AS). In total a new building project of 11,354 sqm of which some 4,000 sqm is let to Husbanken. The project has been planned and will be constructed in accordance with FutureBuilt's quality criteria, and will be a passive building with Energy class A.

Entra ASA listed on the Oslo Stock Exchange

Third quarter

July
Acquisition of the property Lilletorget 1 in Oslo was completed. The property is 14,000 sqm and Fellesforbundet is the largest tenant.

August
Completion of the project Otto Sverdrups plass 4, Sandvika, comprising an "Education and Knowledge Centre" of 11,547 square metres for Bærum Municipality and Oslo and Akershus University College. Otto Sverdrups plass 4 achieved a BREEAM Very Good classification.

August
Completion of the new school building of 1,967 square metres for Kristiansand International School at Kongsgård Allé 20 in Kristiansand.

August
Construction starts for the property Gullfaks at Hinna Park. Gullfaks is a new office building of 17,400 where Wintershall Norge AS will lease the whole building, except for the 2nd floor and commercial space in the 1st floor. The project is targeting a BREEAM Excellent classification.

Fourth quarter

October
Construction starts for the project Sundtkvartalet in Oslo. Sundtkvartalet will be a new office building of approximately 31,000 sqm. The project is organised through a jointly controlled company with Skanska, where Skanska and Entra own 50 per cent each. Skanska is the building contractor and has signed a lease for approximately 8,000 sqm in the building. The project is targeting a BREEAM Excellent classification.

October
Entra ASA was listed on the Oslo Stock Exchange on 17th of October. In connection with the listing, Entra issued new shares raising gross proceeds of approximately NOK 2.7 billion and the Norwegian Government (Ministry of Trade, Industry and Fisheries) sold shares corresponding to 50.1 % of the company post IPO.

November/December
Sale of non-core properties; Grønnegata 122 and Strandgata 41 in Tromsø, Skansegaten 2 in Stavanger and St. Olavs gate 4 in Oslo.

December
Construction starts for the signature project Media City Bergen in Lars Hillesgate 30 in Bergen through Entra OPF. The property consists of approximately 35,000 sqm and is planned to be extended by a further 10,000 sqm to total approximately 45,000 sqm.

Letter from the CEO

New opportunities ahead as listed company

2014 will be remembered as an important year in Entra's history. After 14 years as an independent company, fully owned by the Norwegian Government, the privatisation of Entra was concluded and Entra was listed on the Oslo Stock Exchange.

The listing of Entra represents the largest Nordic real estate IPO ever. Despite challenging market conditions in October the demand for Entra shares was strong. We are particularly proud of the strong commitment among the employees – as many as 75 percent of the employees in Entra participated in the IPO.

High activity level

High activity level within all business areas characterised 2014 and Entra could report a solid income and value growth. Our rental income grew by 8 % and net income from property management by 19 %. The market value of our property portfolio grew by 15 % to NOK 28.4 billion.

During 2014, Entra signed new and renegotiated leases with an annual rent totalling around NOK 170 million, and completed two major development projects – Powerhouse Kjørbo and Otto Sverdrups plass 4, both in Sandvika just outside Oslo. Projects such as Sundtkvartalet, Media City Bergen and Schweigaardsgate 16 are among ongoing projects we look forward to continue in 2015.

Entra was active in the transaction market in 2014. In line with our strategy of growth in the four largest cities in Norway and divestment of non-core assets we acquired 50 % of the shares in Hinna Park Eiendom AS in February 2014 and purchased the property Lilletorget 1 in the city centre of Oslo in July 2014. Entra furthermore sold five smaller properties in Tromsø, Stavanger and Oslo, as well as its 50 % shareholding in UP Entra during 2014.

Delivering on the strategy

Entra's strategic priorities are to deliver profitable growth, high customer satisfaction and to be an environmental leader. We see environmental leadership as a clear competitive advantage for our customers, our shareholders and for ourselves. In March 2014 the office building Powerhouse at Kjørbo in Sandvika was finalised. The building is refurbished into an energy positive building that produces more energy than it uses over its lifetime. We are very proud that Powerhouse has achieved the BREEAM-NOR Outstanding certification as the first property ever in Norway. We also work hard every day to reduce the energy consumption in our current buildings. During 2014 we reduced the energy consumption in our property portfolio by 10 % to 171 kWh/sqm, compared to a an average of 212 kWh/sqm for the sector according to the latest report from Enova.

Entra has a great customer portfolio of solid tenants on long leases. As of year-end 76 % of our tenants were in the public sector and the average remaining lease length was 7.7 years. Our goal is to be the best in the sector in terms of customer satisfaction. We are humble and proud that our customers seem to appreciate our efforts. In 2014 we achieved a customer satisfaction ratio of 74 against a national average of 72 for the sector.

New era

A new era as listed company means new opportunities ahead. Along with the listing of Entra follows increased interest in the company and its operations. Entering 2015 Entra will focus on the company's core operations:profitable growth through efficient property management and letting activities, prudent project development and value accretive transactions. We will continue to work hard every day to live up to our near 7,000 new shareholder's expectations.

The workplace of the future is changing and in Entra we have considerable insight into how businesses can best handle such change processes. In line with our vision to contribute to our customers' efficiency and reputation, we are glad to share our knowledge with our customers. Based on our values – responsible, ambitious and hands-on – we will continue to do what we do best also in 2015: Office solutions and office buildings of tomorrow.

Arve Regland
Acting CEO

Management


Regland


Horn


Aarebrot


Nerheim


Torp


Haug Lund


Solaas


Østrem


Njå Bjørkmann

Arve Regland
Chief Executive Officer (Acting) and Chief Financial Officer

Arve Regland has worked in Entra 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 held 9,230 shares in Entra as of 31.12.14

Jorunn Nerheim
Executive Vice President South/West Norway

Jorunn Nerheim has worked in Entra 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 held 1,538 shares in Entra as of 31.12.14

Anders Solaas
Executive Vice President Sales and Markets

Anders Solaas has worked in Entra 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 held 461 shares in Entra as of 31.12.14

Sonja Horn
Executive Vice President Central Oslo

Sonja Horn has worked in Entra 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 held 3,846 shares in Entra as of 31.12.14

Karl Fredrik Torp
Executive Vice President Mid/North Norway

Karl Fredrik Torp has worked in Entra 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 held 2,153 shares in Entra as of 31.12.14

Hallgeir Østrem
Executive Vice President Legal

Hallgeir Østrem has worked in Entra 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 held 3,846 shares in Entra as of 31.12.14

Mona Aarebrot
Executive Vice President Greater Oslo

Mona Aarebrot has worked in Entra 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 held 4,615 shares in Entra as of 31.12.14

Kristin Haug Lund
Executive Vice President Development & Technology

Kristin Haug Lund has worked in Entra 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 director 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 Lund held 4,615 shares in Entra as of 31.12.14

Hege Njå Bjørkmann
Executive Vice President Communication

Hege Njå Bjørkmann has worked in Entra 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 Bjørkmann held 2,307 shares in Entra as of 31.12.14

The business

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 31 December 2014, Entra had a property portfolio of 105 properties totalling approximately 1.3 million square metres. The market value of the property portfolio was approximately NOK 28.4 billion. Entra has a particular expertise in the public sector, which represented approximately 76% of rental income at year end.

The company is a professional owner and manager of its own property portfolio. Entra operates the properties with its own staff. Through a high level of technical competence and an on-the-site presence the company's operations staff ensure that its buildings function optimally for customers every day. Entra creates additional value in its portfolio through property and project development. The company has considerable expertise and experience in early phase design, planning and building of new, and renovation of existing, office properties.

Approximately 90 % of Entra's portfolio consists of office properties. In addition Entra owns some major cultural buildings such as the National Library and Rockheim, as well as some buildings that are used for education.

Strategy

Profitable growth

Entra has a solid track record of portfolio growth and value creation since its incorporation. Rental income grew with 8 % and net income from property management with 19 % in 2014. The market value of the property portfolio was NOK 28.4 billion as of 31 December 2014 versus NOK 25.0 as of 31 December 2013. 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. As of 31 December 2014, 61 % of Entra's debt financing came from the capital markets, including NOK 6.2 billion of bonds listed on the Oslo Stock Exchange.

Customer satisfaction

Entra seeks to actively manage its tenant relationships in order to increase tenant satisfaction and maximise lease renewal rates. Entra works together with its tenants to 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. Entra created a separate customer service centre in 2012 to provide consistent and timely follow-up to enquiries. 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.

Entra benefits from the quality of its tenants, which include both a strong public and private sector tenant base. Entra actively develops its relationships with its tenants in order to increase tenant satisfaction and maximise lease renewal rates. In 2014 Entra again achieved above-average customer satisfaction (74 vs 72) according to the Norwegian Tenant Index.

Environmental leadership

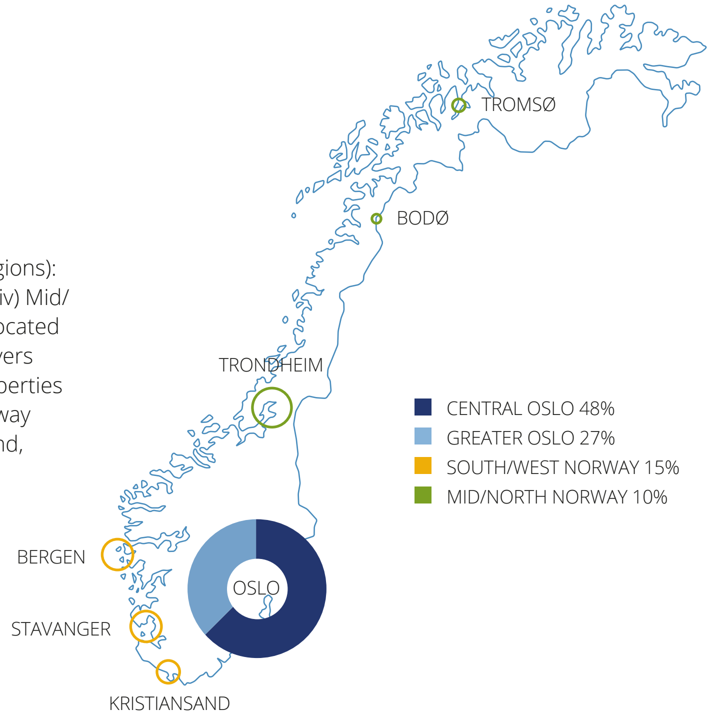
Entra continues to implement and seek new environmental initiatives in order to further reduce costs and meet tenant demand for environmentally sustainable properties. These initiatives also benefit tenants by helping them to control costs and supporting their own environmental and sustainability initiatives. Entra's 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 Entra works with the tenant to propose investments in the property to improve its environmental sustainability. 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 171 kilowatt hours per square metre per 31 December 2014. In 2014, Entra completed renovating Powerhouse Kjørbo, which is expected to generate more energy than it will consume over its lifecycle.

Profitable growth + Customer satisfaction + Environmental leadership

Entra has defined three strategic pilars that create a foundation for the company's priorities and action plans.

The regions

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

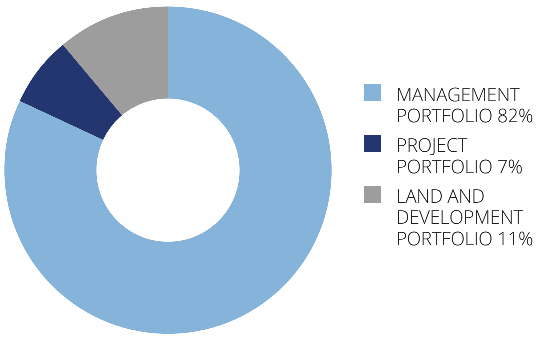


The property portfolio

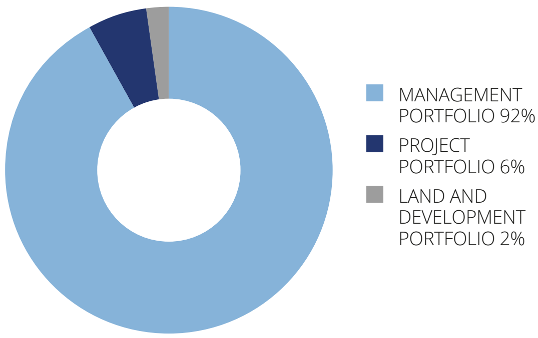
As of 31 December 2014, Entra's property portfolio comprised 105 properties, and the market value of the property portfolio was NOK 28.3 billion. A full list of the properties can be found at the back of this report.

The property portfolio consists primarily of management properties, with a significant concentration in the Oslo area. The portfolio of management properties is diversified between public sector tenants (76 %) and private sector tenants (24 %).

Portfolio by area



Portfolio by value



Management properties

As of 31 December 2014, the management properties comprised 95 office properties with aggregate lettable area of 1,063,327 square metres. Lease maturities are staggered, and the WAULT of the management properties was 7.7 years. As of the same date, the occupancy rate was 94.6 %. A full list of the management properties can be found at the end of this report.

Region / Location	Properties (#)	Managed area (sqm)	Market value NOKm	12 month rolling rent NOKm	Net rent NOKm	Net Yield %	Occupancy %	WAULT Yrs
Oslo								
Central Oslo	28	392 385	12 647	790	737	5.8	92.8	6.7
Total Oslo	**28**	**392 385**	**12 647**	**790**	**737**	**5.8**	**92.8**	**6.7**
Greater Oslo								
Other Oslo	8	109 747	2 482	171	159	6.4	94.9	9.1
Sandvika	8	100 721	2 066	139	129	6.2	95.9	9.3
Drammen	8	61 757	1 322	92	86	6.5	99.1	9.3
Lillestrøm	2	39 795	815	70	65	8.0	100.0	10.0
Moss	2	14 623	243	24	21	8.7	98.8	8.3
Fredrikstad	2	8 500	127	11	9	7.2	99.6	9.6
Total Greater Oslo	**30**	**335 142**	**7 055**	**507**	**469**	**6.7**	**96.8**	**9.3**
South / West								
Stavanger	8	80 698	2 139	147	138	6.5	93.0	8.8
Bergen	6	57 084	1 099	82	73	6.6	99.2	5.8
Kristiansand	8	46 033	574	46	40	6.9	91.0	9.9
Arendal	1	5 807	49	5	4	8.4	94.4	1.5
Skien	1	4 292	21	3	2	11.8	91.4	1.9
Total South / West	**24**	**193 916**	**3 881**	**283**	**257**	**6.6**	**94.6**	**7.8**
Mid / North								
Trondheim	9	117 186	2 270	173	155	6.8	97.9	7.2
Tromsø	2	18 225	248	17	14	5.8	97.1	9.0
Bodø	2	6 474	58	4	3	5.9	94.0	0.7
Total Mid / North	**13**	**141 885**	**2 575**	**194**	**173**	**6.7**	**97.6**	**7.1**
Grand Total	**95**	**1 063 327**	**26 158**	**1 774**	**1 636**	**6.3**	**94.6**	**7.7**

Project properties

As of 31 December 2014, Entra had a portfolio of 8 larger ongoing development projects, being projects with an estimated individual investment of greater than NOK 50 million. Total project area in Entra was approximately 71,334 square metres with estimated total project cost of approximately NOK 2.3 billion. In addition Entra is involved in two large development projects through its jointly controlled entities with a project area of approximately 76,314 square metres and with estimated total project cost of approximately NOK 2.7 billion. The following table sets forth Entra ongoing development projects with an estimated individual investment of greater than NOK 50 million as of 31 December 2014. A full list of the project properties can be found at the end of this report

Project	Ownership (%)	Location	Expected completion	Project area ('000 sqm)	Occupancy %	Estimated total project cost [1] (NOKm)	Of which accrued [1] (NOKm)	Yield on cost [2]
Group								
Ringstadbekkveien 105	100	Sandvika	Q1-2015	11 923	84.4	486	482	-
Langkaia 1	100	Oslo	Q1-2015	8 532	76.1	161	161	13.5
Schweigaards gate 16	100	Oslo	Q2-2015	15 502	87.2	578	519	6.5
Akersgata 34-36	100	Oslo	Q3-2015	6 212	98.6	240	178	6.8
Papirbredden 3	60	Drammen	Q4-2015	11 354	48.3	266	98	8.0
Gullfaks [3]	50	Stavanger	Q3-2016	17 821	100.0	539	92	6.7
Total Group				**71 344**		**2 270**	**1 531**	
Jointly controlled entities								
Sundtkvartalet	50	Oslo	Q4-2016	31 356	27.5	1 055	376	6.7
MediaCity Bergen	50	Bergen	Q3-2017	44 958	59.5	1 677	598	6.1
Total Jointly controlled companies				**76 314**		**2 733**	**965**	

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

2) Estimated net rent (fully let) at completion/total project cost.

3) Gullfaks; Occupancy is reported as 100 % let due to a rental guarantee included in the purchase transaction of Hinna Park AS.

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 senior apartments all of which have been sold. The main part of the commercial premises at Ringhøyden of approximately 3,000 square metres is leased to Bærum municipality. The construction of 49 senior apartments was close to finalised and 28 of these were sold as of year-end. The project will 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 5,250 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. The project will be completed i the first quarter of 2015.

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. The project has an ambition to obtain the classification BREEAM Excellent, and will obtain energy class B. The building is expected to be completed in June 2015.

Akersgata 34/36

Akersgata 34/36 involves a new building and the renovation of an existing building, totalling 6,200 square metres of offices let to Amedia AS. The project expects to recieve a BREEAM Very Good classification, and energy class A. The project is expected to be completed in September 2015.

Papirbredden 3

A new office building of 11,000 square meters at Papirbredden in Drammen where Husbanken has let approximately 4,000 square metres. The property has been planned and will be constructed in accordance with FutureBuilt's quality criteria. Papirbredden 3 will be a passive building with Energy class A. The project is expected to be completed in Q4 2015. The project is owned by Papirbredden Eiendom AS, where Entra owns 60% of the shares.

Gullfaks

The 17,400 square metres office building Gullfaks at Hinna Park in Stavanger is situated close to the seashore and within a short distance of public transportation and high quality residential and commercial areas. Wintershall Norway AS will lease the whole building, except for the 2nd floor and commercial space in the 1st floor. The project, with BREEAM classification Excellent, has an estimated completion date in Q3 2016.


Sundkvartalet, Oslo

Sundtkvartalet
In Sundtkvartalet in Oslo, a new office building of approximately 31,000 square metres is under construction. The foundation work has been completed, and the concrete structures in the basement are in progress. The ambition is to obtain BREEAM classification Excellent, a passive building with Energy class A. The project is organised through a jointly-controlled company with Skanska Commercial Development Norway Holding AS, where Skanska and Entra own 50 per cent each. Skanska is the building contractor and has signed a lease for approximately 8,000 square metres in the building.

Lars Hilles gate 30
In Lars Hilles gate 30 in Bergen, MediaCity Bergen (MCB) is under development. This building comprises 45,000 square metres and will house the largest media companies in Bergen. The project will include the total renovation of the existing 35,000 square metres and an extension of 10,000 square metres. The vision behind the concept is to create an environment for innovation and knowledge development within the media industry, through establishing a cluster of media companies, technology, education and research. TV2, NRK, Bergensavisen, Bergens Tidene, the Media Faculty of Bergen University, and the graphics company Vizrt have signed lease contracts, and the letting process for the remaining areas has started. The project is owned by the jointly controlled entity Entra OPF Utvikling AS where Entra and Oslo Pensjonsforsikring own 50 per cent each.

Land and development properties

Entra's portfolio of land and development properties contains properties with zoned development potential, but where no investment decision has been made. As of 31 December 2014, Entra had 6 properties with land and development area totalling 142,143 square metres. A full list of the properties with defined land and development potential can be found at the end of this report.

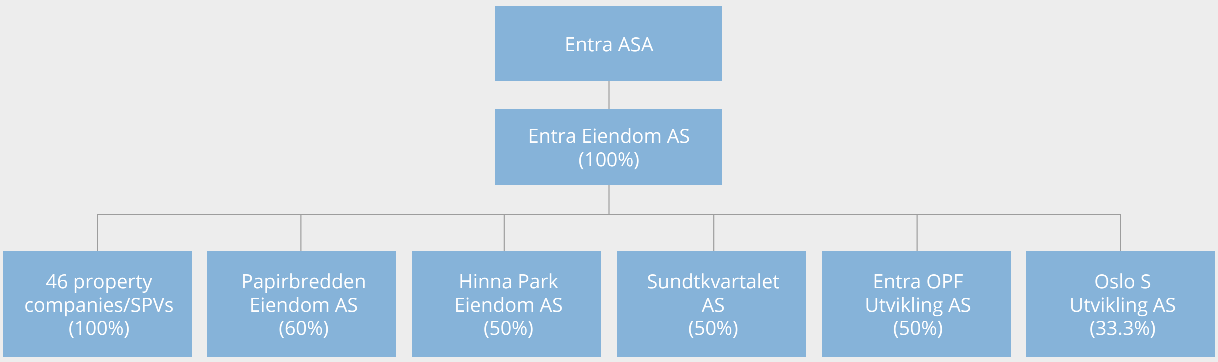
Jointly controlled entities

Entra 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. Entra's interests currently include:

- Oslo S Utvikling AS (33.33%), which is developing approximately 350,000 square metres in the Oslo neighbourhood of Bjørvika, approximately 50% of which had been completed as of 31 December 2014,
- Entra OPF Utvikling AS (50%), which owns one lettable property of 14,104 square metres and is refurbishing and developing approximately 45,000 square metres in central Bergen (MediaCity Bergen),
- Hinna Park Eiendom AS (50%) in Stavanger, which owns three fully let office properties totalling approximately 47,500 square metres and additional land plots zoned for approximately 46,000 square metres of office space. An office building of approx. 17,800 sqm (Gullfaks) is under construction.
- Papirbredden Eiendom AS (60%) in Drammen which owns five close to fully let office properties totalling approximately 28,000 square metres and is developing one property of approximately 11,000 square metres of office space
- Sundtkvartalet AS (50%), which will develop approximately 31,000 square metres at Sundtkvartalet in the city centre of Oslo.

The following condensed chart sets out the Entra's legal structure:

Entra's legal structure



Tenants and lease structure

Entra's tenant base is comprised primarily of public sector tenants with long-term leases, and, as of 31 December 2014, public sector tenants accounted for approximately 76% of the rent. Entra's public sector tenants are, or are wholly owned by, governmental, county or municipal bodies. As of 31 December, Entra 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 1,798 per square metre, while the 12 months rolling rent was NOK 1,774 per square metre, as of 31 December 2014. As of the same date, the management properties had more than 700 leases with weighted average unexpired lease term (WAULT) of 7.7 years. The 20 largest tenants' share of Entra's rental income amounted to 47.6 % with weighted average unexpired lease term (WAULT) of 10 years.

The following table sets forth the 20 largest tenants in Entra's management properties as of 31 December 2014

	Proportion of total contractual rent (%)	WAULT Yrs	Public/private sector
Norwegian Tax Administration	6.0	10	Public
Norwegian Directorate of Health	4.1	4	Public
Norwegian Public Road Administration	4.0	8	Public
National Library of Norway	3.7	15	Public
Oslo and Akershus University College of Applied Sciences	2.6	9	Public
Norwegian Directorate of Customs and Excise	2.6	6	Public
Norwegian Water Resources and Energy Directorate	2.6	11	Public
Norway Post	2.3	3	Public
Municipality Undertaking for Defence Buildings	2.3	4	Public
Borgarting Court of Appeal	1.9	20	Public
Bærum Municipality	1.8	13	Public
Buskerud and Vestfold University College	1.7	11	Public
County Governor of Oslo and Akershus	1.7	5	Public
Norwegian Petroleum Directorate	1.6	18	Public
Norwegian Environment Agency	1.5	13	Public
Asker and Bærum Police District	1.5	18	Public
Norwegian Directorate for Education and Training	1.5	5	Public
Oslo Municipality Undertaking for Social Services Buildings	1.5	8	Public
The National Museum of Art, Architecture and Design	1.4	12	Public
Norconsult AS	1.2	3	Private
Total	**47.6**	**10**	

Transactions

Entra 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 makes the company well-positioned to make acquisitions that meet its acquisition criteria. At the same time, Entra actively divest smaller properties outside of its core focus areas. The acquisition and divestment strategy is flexible, allowing Entra to adapt to on-going feedback from customers and market changes, and to respond to market opportunities as they arise.

Entra was active in the transaction market in 2014 and acquired 50 % of the shares in Hinna Park Eiendom AS in February 2014 and purchased the property Lilletorget 1 in the city centre of Oslo in July 2014. Entra furthermore sold five smaller properties in Tromsø, Stavanger and Oslo, as well as its 50 % shareholding in UP Entra during 2014.

Corporate social responsibility

Entra has a systematic approach and commitment to corporate social responsibility and has a goal to be among the sector leaders within it's key focus areas. Entra's engagement with corporate social responsibility gives value for the environment, for the customers and for society in general. By working actively on these issues Entra is also able to raise the quality of the company's property portfolio. Entra is pleased to share insights and knowledge and to contribute with inspiration.

Entra's core values are to be responsible, ambitious and hands-on. The engagement with society is reflected in these values which support the work to deliver good results, satisfy customers' expectations and collaborate well with stakeholders. Engagement in society is for Entra a natural part of all the business's processes in the value chain.

Three main challenges in the sector

Entra, together with its main stakeholders, works in a targeted manner on the three main challenges that have been identified: global climate change, HSE risk and corruption risk. In these areas Entra can make a difference, contribute to change and inspire others.

Global climate change

The real estate sector represents approximately 40% of the energy consumption in Norway [1]. The sector thus represents a large part of the climate challenge but at the same time has the capability to be part of the solution. Environment friendly solutions are a strategic priority in Entra. The company has worked actively on environmental measures over several years. Today Entra has lower average energy consumption in its property portfolio than the rest of the sector.

Health, safety and environment

Health, safety and environment (HSE) relates to Entra's employees, partners, suppliers, customers and other stakeholders. HSE work contributes to valuable security in day-to-day activities. HSE further contributes to lower sick leave and profitable quality assurance.

Corruption

Corruption involves, among other things, unethical preferential treatment and distortion of competition. Entra has zero tolerance for corruption. The company actively follows up suppliers and combating corruption. Entra has established requirements for socially responsible procurement and internal ethical guidelines that all employees must sign each year.

Reporting on corporate social responsibility

Entra reports its work with respect to corporate social responsibility based on the fundamental values and principles set out in the UN's Global Compact, which has as its objectives to safeguard the environment and working conditions, combat corruption and uphold human rights, as well as the UN's Guiding Principles on Business and Human Rights (UNGP).

Reporting is based on the Report to Parliament no. 27 (2013–2014) "Diverse and value-creating ownership" and the relevant section in the Accounting Act, § 3–3C.

The environment

Entra has an ambition to be an environmental leader in the sector. Based on existing technology, expertise and experience, Entra contributes to reducing energy consumption through measures in existing buildings, through refurbishment and new buildings. Entra complies with national and international environmental requirements. Entra takes an active responsibility for reducing the negative environmental impact beyond such requirements, and take responsibility outside its own value chain by contributing to the sector and to the customers' development. Entra also identifies the risk of changes in operating

1) Source: Zero Emission Resource Organisation (ZERO)

parameters that follow from realistic scenarios for climate change and national and international climate measures

Climate measures give rewards
Entra sees no contradiction between financial profitability and its commitment on global climate change. Both customers and Entra have lower costs over time in environmentally friendly buildings, among other things through lower energy costs.

New buildings and refurbishments represent only 3% of total buildings each year. 80% of today's buildings will still be standing in 40 years' time. In order to create a lasting environmental impact Entra is therefore working not only on environmental measures in new buildings and refurbishments but also on measures in its existing building portfolio. Green Benefit Agreements are an example of an effective tool for reducing the environmental burden of the existing building portfolio.

Entra's environmental strategy and action plans
During 2014 Entra has worked to further define the company's environment strategy, as well as establishing environment targets and completing action plans for further work. The environmental strategy forms the basis for activities in 2015 and subsequent years. Three important priorities for environmental work in Entra are set out below:

1. Develop the property portfolio with the help of innovation and new expertise
Entra's objective is always to have one innovative environmentally friendly building under development

In recent years Entra has established a leading position in the sector by developing new and renovated innovative environmentally friendly buildings. Entra will continue to build profitable, innovative, environmentally friendly buildings and harvest experience that can be used in the existing property portfolio. In 2015 Entra will set out clear, experience-based environmental criteria as a basis for future property transactions and new buildings so that environmental considerations are included in decision-making basis together with commercial considerations.

2. Strengthen customer cooperation through Green Benefit Agreements
Entra's target is to save 17.6 GWh (- 11 %) in the period 2013–2018 through measures under Green Benefit Agreements.

BREEAM-NOR-method

BREEAM-NOR is a widely recognised method for classifying sustainable buildings and is a Norwegian adaptation of the international BREEAM. The Norwegian Green Building Council administers the scheme in Norway. Buildings can be certified in accordance with various BREEAM-NOR standards.

Entra uses BREEAM-NOR as an environment classification tool. Entra aims to achieve BREEAM Excellent or better on new buildings and refurbishments. In addition Entra aim to use BREEAMNOR In-Use as a standard on all existing buildings in the portfolio by the end of 2015. The objective with BREEAM-NOR In-Use is strengthened sustainability in existing buildings. Entra is participating with a pilot building in a trial of this method.

First in Norway with BREEAM NOR Outstanding

Entra is developing buildings that are environmental leaders in a global context, irrespective of whether they are new buildings or refurbishments of existing properties. Powerhouse Kjørbo outside Oslo has attracted much attention far beyond Entra's organisation and Norway's borders. Powerhouse will produce more energy than it uses over the building's lifetime. The buildings are therefore in practice a local power station. Powerhouse Kjørbo is the first refurbished office building in Norway to achieve BREEAM-NOR certification Outstanding.

Entra also has other leading environmental friendly buildings in their portfolio. At Fredrik Selmers vei 4 in Oslo Entra has refurbished Norway's first commercial building to passive house standard, which satisfies energy class A and is approved as BREEAM-NOR Very Good. Papirbredden 2 in Drammen is one of the first office buildings in Norway to be built to passive house standard from the ground up and satisfies FutureBuilt's quality criteria. At Brattørkaia 15 in Trondheim Entra achieved BREEAM-NOR Excellent and energy class A. In addition in 2014 Entra opened the totally refurbished education centre in Sandvika. Energy consumption in the building has been reduced by 60 per cent through the refurbishment.

NOK 30 million saved annually through green measures

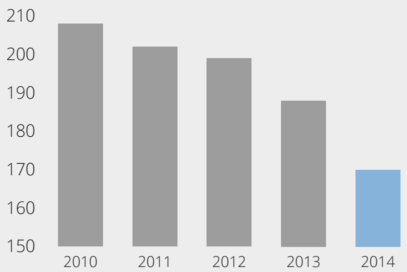
With the help of Green Benefit Agreements Entra's customers have saved roughly NOK 30 million."The environment must be made profitable. Then we will be able to make big advances," comments Arve Regland, CEO of Entra.

So far Entra has signed more than 100 Green Benefit Agreements with its customers. Since 2006 Entra has saved energy corresponding to the consumption of 2,000 Norwegian households through Green Benefit Agreements. This corresponds to a total annual saving of around NOK 30 million.

Entra finances the environmental measures, while customers pay through increased rent. The customer's share of operating costs is reduced by more than the increase in rent. As a result the total balance is in favour of the lessee. Once the investment has been paid down the customer receives the surplus. Examples of buildings with Green Benefit Agreements include Statens Hus in Bergen, Posthuset in Oslo and Kunnskapsparken in Drammen.

Energy consumption in the portfolio

(kWh/sqm)



From cradle to cradle

Entra continues to investigate new opportunities. In the refurbishment of both Powerhouse Kjørbo and Kunnskapsparken in Sandvika Entra has reused materials. As an example Entra used the well-known old glass facades from Kjørbo as internal office glazing. Reused materials give environmental gains as well as cost savings.

Entra undertakes environmental investments in the property portfolio through systematic cooperation with customers and through Green Benefit Agreements. Green Benefit Agreements are Entra's own scheme for working with customers on environmental measures. Entra's role is to identify the potential together with customers and finance the measures. Customers pay for the measures through the rent and obtain environmental gains that reduce their energy costs over time.

Green Benefit Agreements also function as a way of working with customers on energy management, waste reduction and cuts in water consumption. The agreements give documented positive results on energy efficiency and CO_2 emissions.

3. Develop and share expertise

Entra's goal is to develop, maintain and share leading expertise on environmentally friendly buildings in Norway

In order to be a sector leader on the environment over time Entra works actively to develop expertise and raise know-how levels on environmental gains among customers, partners and employees. Communication channels include lectures, articles, board appointments in sector organisations and environmental courses for new employees.

Sector leader in low energy consumption

Energy consumption is an important factor in evaluating the environmental impact of commercial buildings. For several years Entra has worked to reduce energy consumption in the property portfolio. Energy figures from Enova for 2013 show that the aggregate consumption of office buildings in the sector amounted to 212 KWh/sqm. In comparison energy consumption in Entra's property portfolio was 171 KWh/sqm. In 2015 Entra will further systematise work on reducing energy consumption, water consumption, waste quantities and sorting, and thus also CO_2.

External environment: Urban development

Entra's strategic core areas are the four main cities Oslo, Bergen, Stavanger and Trondheim, together with Drammen and Kristiansand. Entra's goal in its core areas is to contribute to urban districts that are attractive, inclusive and accessible for residents. A part of Entra's environment strategy is to look for locations close to important transport intersections, thus contributing to less use of private cars to the benefit of public transport and environmentally friendly alternatives such as bicycles.

For Entra urban development means creating a good atmosphere and secure surroundings in and around buildings for the benefit of customers, visitors and others who pass through the area. Entra ensures that the space around the buildings and building sites is neat, clean and attractive. Entra give consideration to lessee composition in order to create life and variation among visitors and users of the buildings. Where it is natural Entra considers how the ground floors of buildings can be used to create life at street level.

Development in key figures

	2012	2013	2014	Goal
Energy consumption (KWh/m^2)	199	188	171	Ambition of 150 by 2017
Energy reduction through Green Benefit Agreements (GWh)	0	2.6	6	Goal of aggregate energy reduction of 17.6 GWh in period 2013 up to 2018
Water consumption (litre/m^2)	254	262	260	Goal of reduction in water consumption
Waste sorting (% sorted waste)	55	55	54	Goal of increase in waste sorting
CO_2 emissions (kg CO_2/m^2)	52	52	48	Goal of reduction in CO_2 emissions

In its work on urban development Entra place emphasis on a good dialogue with partners and competitors. Entra involves neighbours, local politicians and others who live or work in the group's urban development districts in connection with new buildings and refurbishments. Involvement may constitute meetings and correspondence with neighbours, open meetings, information to the local press and a one-on-one dialogue with the selected target groups.

Examples of areas and buildings where Entra has contributed to positive urban development are the new Know-how Centre in Sandvika, Papirbredden in Drammen and Hinna Park in Stavanger. At Brattørkaia in Trondheim Entra is investing in the external space with art, sculptures and recreation facilities.

Workers' rights and safety

The employees in Entra represent the company's human capital. Together they create the basis for further development and growth. A clear objective is that employees should consider Entra to be a good and attractive place to work. The Entra Manual and work on health, safety and the environment (HSE) are two of several tools for taking care of employee rights and safety. Entra works to establish universal design in all its buildings and consider this to be a competitive advantage in the market.

The Entra Manual

In February 2014 the Entra Manual was launched as a tool within the organisation. The Manual describes Entra's values, management system and group policy and sets out guidelines and expectations in relation to employees and management, working conditions, ethics, procurement, corporate social responsibility, the environment, HSE, etc. The values are the foundation on which Entra build its business and express what characterises the company. In addition the intranet is used actively for information to all employees. The company's personnel manual is also available on the intranet with details of the rights and obligations of employees.

Maintain standards

Entra observes established standards and employment legislation. Entra is a member of the Confederation of Norwegian Enterprise and tariff agreements have been established with employee organisations.

Safety officer, working environment committee and board representation

Entra has a safety officer and working environment committee. Employees are represented on Entra's board with two representatives.

The safety officer's main function is to take care of employee's interests in matters that relate to the working environment. Safety officers are elected for two years at a time from employees with experience and knowledge of working conditions in the company.

Entra's working environment committee is a decision-making and advisory body. The committee's most important function is to work towards a fully secure working environment. The committee takes up issues on its own initiative and at the request of the safety officer. All employees can approach the committee.

Employees in Entra are free to organise themselves and are organised in several different associations. Entra has established an accord with the Norwegian Engineers and Managers Association (FLT). The accord sets out agreement on a number of important matters affecting members' working lives.

Know-how programme through the Entra School

Entra's value chain is broad and imposes significant requirements for relevant experience, expertise and coordination. Entra therefore acknowledges the individual employee's need for ongoing professional education suited to his/her area of work and has developed the Entra School to provide education and training programmes for all levels of the organisation. These include a management development programme that runs for 1.5 years and focuses on the responsibilities and challenges of a management role. Entra has also established an introduction course for new employees, which is intended to enable employees to orient themselves and their role in the company in a wider context. Ethics and dilemma training occupy a central position in both the management development programme and the introduction course.

Health and work environment

Entra has carried out a number of measures to increase to contribute to good health among employees. As an example Entra has an internal sports club that is active in a number of sports such as running, cycling and curling. Sick leave in Entra in 2014 was 3.4 percent. The objective is a continued low level of sick leave.

Entra has established whistle-blowing routines. The routines involve cooperation with the law firm Steenstrup Stordrange. The law firm has been engaged as an experienced, external partner with a duty of confidentiality in order to lower the threshold compared with having to contact someone in Entra. There have been no whistle-blowing cases in 2014

Each year Entra carries out the survey "Great Place to Work", and has an ongoing programme of measures relating to employee satisfaction

HSE

Entra's goal is that no one shall be exposed to injury or become ill (physically or mentally) as a result of the company's working environment. Entra monitors risks in the working environment, and put particular emphasis on following up its employees' health and working conditions.

Entra's business covers the whole value chain in property, from acquisition of sites to zoning, planning, construction and management. This breadth represents many aspects within health, safety and environment (HSE). Entra works continuously for secure operations that protect people, the environment, the community and material assets.

HSE is well established as a natural part of day-to-day operations and is a focus area at all levels of the organisation. Entra regards HSE as a personal responsibility of all employees. Top management are directly involved in practical HSE work. Management are expected to take the lead through behaviour and practical leadership. As part of this a review of the latest HSE report is one of the first points on the agenda at each management meeting. HSE status is also the first item on the agenda at all staff meetings. A serious incident on a construction project is reported directly to the company's chief executive. The contractor's project manager is expected to attend to report on the situation, to state what the relevant person and the contractor could have done to avoid the incident and what future measures are to be implemented.

Entra's view is that accidents can be prevented and that work on HSE can always be improved. In 2015 and 2016 Entra will further develop its goals and strategy for HSE in general, will develop new HSE documents and further develop the HSE reporting system.

Learning from undesired incidents is an important element in strengthening HSE. In 2014 Entra has worked actively to increase awareness with regard to the registration of near accidents and accidents. Reporting of undesired incidents is important in order to be better, and at the same time increase awareness internally among own employees, among suppliers and customers. It is therefore positive that Entra has achieved a more than tripling of reported events in both categories.

Entra has had undesired incidents in 2014 that potentially could have had serious consequences. A lot of work has been carried out subsequently to identify and evaluate the causes and the sequence of events, draw conclusions and implement new routines where this has been necessary. The incidents have documented good readiness and knowledge of the routines.

The group management has participated in HSE inspections on building sites and in the buildings during 2014. These activities will continue in 2015. In 2014 Entra strengthened the organisation through the appointment of an HSE manager and a Safety, Health and Working Environment coordinator

In 2014 large parts of Entra's portfolio have undergone facade checks and these will be completed in 2015. In addition an overall safety assessment has been carried out of Entra's buildings. The H-value for Entra in the end of 2014 was 4.4. The H-value is a measurement of the frequency of working accidents (per one million working hours) that result in absence from work. Entra's target a H-value below 4.

Diversity and equality

Different expertise and experience contribute positively to Entra's development and to a broader and better basis for decision-making.

Therefore equal opportunities and diversity are taken into account in the company's personnel policy. It is an important management function in Entra to promote equal opportunity. Equal opportunity measures are reflected in the composition of senior management: half of the group management and three of seven board members, including the chair, were women at the end of 2014. At 31 December 2014 the Group had 167 employees, of whom 15 are employed in Hinna Park. 44 of the employees were women. The high proportion of men has its background in the sector's history where many men have worked on operations. The work in operating Entra's buildings is however moving steadily more towards service jobs and functions such as IT and customer service deliveries, so that in time Entra expects more women to work in operations. The company will also actively contribute to strengthening the proportion of women by recruiting women in these types of jobs.

Entra's employees have varied backgrounds and expertise from different professional and technical areas and an average age of 46 years.

Combating corruption

Corruption involves unethical preferential treatment, wasting resources, misuse of power, distortion of competition and weakened confidence in democratic institutions.

Entra has a zero tolerance for corruption in all parts of the group's business.Ethical behaviour is a necessary condition for a sustainable business. Entra will conduct its business in an ethical and transparent manner, act within the law, be well within its ethical guidelines and behave in line with its fundamental values of being responsible, ambitious and hands-on.

Active work on ethics in practice

In order to achieve this in practice, Entra requires high ethical standards from its employees, suppliers and partners. In 2014 Entra's ethics programme was reviewed in connection with an audit of the fundamental values. The ethics programme has been restated in the Entra Manual, in management evaluation and management development programmes. The ethics programme is being evaluated by the Board on an annual basis.

In addition ethics are a focus area in the Entra School. Entra has established ethical guidelines in the employment contracts. All Entra's employees each year sign the ethical guidelines, which among other things deal with corruption and the management of suppliers. The company has established guidelines for gifts and entertainment, prioritises time to evaluate difficult ethical issues and builds up expertise through training on ethical dilemmas.

Responsible procurement

Entra wishes to be a responsible purchaser in all parts of the value chain and has prepared a set of processes and routines for purchasing that include requirements on documentation, role/work division (dualism) and equal treatment of suppliers. The routines are intended to counter conflicts of interest and corruption.

All employees in operations have taken a purchasing course focusing on processes, guidelines and tools for implementing good and fair procurement processes. Anti-corruption has also been a theme on these courses. A new purchasing system will be introduced in 2015, which includes, among other things, measures against corruption.

Absolute requirement on suppliers

- Follow Entra's guidelines "Socially responsible procurement". Undertaking also on behalf of sub-suppliers.
- A healthy financial situation – all are credit checked etc.
- In order to be able to enter into agreements for more than NOK 200,000 the supplier must have an environment strategy, be environment certified or be willing to implement an environment strategy within six months.
- Confirmation of VAT and tax payments (large purchases).

In 2015 Entra will review "Socially responsible procurement" together with two or three suppliers in order to ensure that the guidelines are being followed. The goal is closer involvement, raising levels and increased reporting.

ILO's eight core conventions

Entra complies with national legislation and observes established employment standards, including fair pay for the company's employees. The ILO's eight core conventions are central to Entra's work with respect to human rights. The core conventions are mainly taken into account through clauses in contracts with sub-contractors (in Entra's guidelines for socially responsible procurement).

In 2013 Entra carried out a survey of purchasing categories with an emphasis on human rights, working conditions, the environment and anti-corruption. As a consequence there has been a reduction in the number of suppliers and framework agreements and work on pre-qualifying bidders has been further strengthened. In line with the fundamental values Entra wishes to have a "hands-on" relationship with key suppliers and in 2014 Entra has implemented a supplier follow-up programme, which is an established arena for dialogue and cooperation that, among other things, will focus on contributing to solving the sector's challenges relating to working conditions and corruption. The activities will continue in 2015

Close supplier follow-up
In order to enter into an agreement with Entra suppliers must follow the company's guidelines ("Socially responsible procurement"). Suppliers must then take responsibility for healthy and safe working conditions for their own and Entra's employees, take precautions against accidents and occupational illnesses, undertake training, and observe requirements related to HSE and a well-functioning working life.

The guidelines cover prohibitions against the use of materials from threatened species, that can harm the environment or are in conflict with the UN Convention on the Rights of the Child, the European Human Rights Convention etc. Suppliers also give undertakings in relation to their sub-suppliers.

In accordance with the guidelines suppliers must give notice of unsatisfactory conditions or suspicions of the same with respect to themselves, sub-suppliers or Entra.

No unsatisfactory conditions were reported in 2014.
Entra's fundamental purchasing principle is to achieve the best possible total result through competition and the fewest possible suppliers. Purchasing is also to take advantage of economies of scale.

Entra is working actively to reduce the number of suppliers. The number has been reduced since 2012 by approximately 25% and the process is being continued in 2015. Entra chooses its suppliers after a pre-qualification process and works with a limited number of framework agreement suppliers. The number of framework agreement suppliers has been reduced by more than 30% from 2012 to 2014. Entra want long-term framework agreements in order to cooperate with suppliers on the challenges facing the sector relating to, among other things, working conditions, HSE and the working environment.

Human rights
Entra wishes to contribute to diversity and equal opportunities for all and will promote, respect and prevent breaches of internationally recognised human rights.

Entra does not accept discrimination and bullying in the workplace. Everyone is to be treated with respect, irrespective of gender, religion, age, ethnicity, nationality, any disability or sexual orientation. Human rights are included in guidelines and management tools in order to secure observance in practice, including in the fundamental values, ethical guidelines, socially responsible procurement, focus on HSE and the working environment as well as IT security and personal data protection.

Ridderrennet

The group's ethical guidelines build on principles of equal opportunities for all, consideration for the environment and a view of society with an emphasis on ethics, openness, integrity and sincerity. The guidelines described the treatment of stakeholders and expectations of employees. Entra creates ethical awareness through regular training. Each year all employees must sign the ethical guidelines. Entra requires integrity and fairness in all matters that relate to the group's business. Entra has established a scheme where employees can give notice of a breach of the company's values, ethical guidelines and rules, as well as public laws and rules.

Entra's greatest opportunity is to promote, respect and prevent breaches of human rights also beyond its own business by imposing requirements relating to projects and on the purchase of goods and services. All suppliers have undertaken to follow the guidelines for socially responsible procurement. They must respect fundamental workers' rights and have a controlled relationship with their sub-suppliers.

HSE considerations have the highest priority in Entra. The group is to offer a good and secure working environment characterised by an open dialogue. Entra monitors and follow up risks in the working environment and follow up on employees' health and working conditions.

On Entra's building sites one have a duty to ensure routines against social dumping, corruption and any breach of HSE requirements.

It is a fundamental human right that everyone has space for reflection and development. Entra provides its employees with opportunities for professional and personal development. Entra undertakes know-how development to ensure that employees have the right knowledge for the job, and are able to use their expertise and take responsibility.

Entra shows respect for its employees' private life and takes into account requirements for personal data protection through secure IT and HR systems. It is planned to implement a new HR system during 2015.

No breach of the company's values, ethical guidelines and rules, as well as public laws and rules, has been notified in 2014. The ethical guidelines will continue to be reviewed and signed by all employees once a year. Entra has not been involved in any labour conflicts in 2014. The company works continuously and in a targeted fashion on the working environment and carries out each year the "Great place to work" survey as part of these measures

Church City Mission

At the beginning of 2014 Entra began a cooperation project with the Church City Mission, which has as its objective to contribute to positive urban development. Through financial support to the Church City Mission and an open dialogue, the cooperation will strengthen the constructive measures that the Church City Mission is carrying out in connection with social challenges in the cities covered by the agreement: Oslo and the surrounding districts, Bergen and Trondheim. In Oslo Entra is involved, among other things, in the newly started "neighbour cooperation", which involves several companies in the centre of Oslo and Bjørvika. The overall objective of the cooperation project is to create a safer and better local environment for all those passing through the area.

Ridderrennet

For the 15th year running Entra has been the main sponsor of Ridderrennet. Ridderrennet is the world's largest annual winter sports week for people who are visual impaired and disabled. Ridderrennet is important for Entra in order to learn more about the everyday life of people with disabilities.

Entra's employees obtain useful experience that is directly transferable to the Group's continuous work on universal design. At the Athletics Gala 2014 Ridderrennet was awarded the honour prize for 2013.

Corporate governance guidelines

1. Introduction

Entra ASA ("*Entra*", and together with its subsidiaries, "*the group*') is subject to the reporting requirements on corporate governance set out in § 3–3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of 23 October 2012 (as amended on 30 October 2014), issued by the Norwegian Corporate Governance Board (NUES), ("*the Code*"). The code is available at www.nues.no.

Entra's board approved these guidelines at its board meeting on 21 January 2015 in order to express Entra's desire to demonstrate good corporate governance in accordance with the Code ("*the Guidelines*"). Each year the management and board of Entra evaluate the corporate governance principles and how they are incorporated in the group.

The Norwegian state, which has a substantial holding in Entra, requires that all companies where the state has a direct holding should follow the Code. As a consequence, the Report to Parliament no. 27 (2013–2014) - "Diverse and value-creating ownership" is also relevant for the group.

The following elements are central in these guidelines:

- Entra shall maintain open, reliable and relevant communication with the outside world about the groups business and matters related to corporate governance.
- Entra shall have a board that is independent of the group's management.
- Emphasis shall be placed on avoiding as far as possible conflicts of interest between shareholders, the board and management.
- Entra shall have a clear division of work between the board and management.
- Equal treatment of shareholders.

2. Corporate governance statement

2.1 Corporate governance

The board shall ensure that the company has good corporate governance. Entra is divided into four geographic regions/business areas: Central Oslo region, Greater Oslo region, Southern and Western region and Central and Northern region. The regions are supported by central business functions in Sales and Marketing, as well as Projects and Technical, which in addition to acting as support functions for the regions secure a comprehensive market and growth strategy and provide technical and operational support on projects. Group and support functions have been established within accounting and finance, legal, communication and HR. The CEO has set up an authorisation structure within the group based on the board's resolution on authorisations to the CEO.

As part of the management's follow-up of the business, quarterly reports and reviews are prepared for all business areas. Reporting covers all relevant matters related to the business area, including financial results, risk assessments and monitoring of relevant key figures and objectives. The group's financial results, key figures and achievement of objectives are reported to the board quarterly and in association with each board meeting. The targets for the group's work on corporate social responsibility, ethics and HSE/the environment are included in the reporting. The reporting forms a basis for the management's control of the business and follow-up of the group, as well as business reporting to the board.

2.2 Corporate social responsibility and the environment

Entra builds its work in the field of corporate social responsibility on the fundamental values and principles set out in the UN's Global Compact, which is intended to protect the environment, safeguard working conditions, combat corruption and uphold human rights. Entra reports on its work with respect to corporate social responsibility in accordance with the requirements of § 3–3C of the Norwegian Accounting Act.

In Entra, corporate social responsibility involves safeguarding people's surroundings and integrating social and environmental considerations in strategic processes, decisions and day-to-day operations. Entra aims to be a responsible member of society and works continuously in a targeted fashion on sustainable solutions that are of importance for the community.

Entra's engagement is reflected in the group's values: responsible, ambitious and hands-on. Environmental leadership is one of the pillars of the group's business strategy together with profitable growth and customer satisfaction. Entra regards ethics as an integrated part of the manner in which its business is conducted and the ethical guidelines are built upon principles of equal opportunities for all, concern for the environment and a view of society that places emphasis on openness, integrity and sincerity. Entra has established HSE as a natural part of its business and has the objective that no one should be exposed to injury or illness as a result of the group's working environment.

The report on corporate social responsibility in Entra has been approved by the board and is published at www.entra.no.

2.3 Ethical guidelines
Entra's ethical guidelines set out how the group's stakeholders shall be treated and the behaviour that is expected of our employees, providing guidance and support to employees on decision-making and problem-solving issues. The guidelines support the groups corporate social responsibility activities and deal with topics such as health, safety and the environment (HSE) and business ethics, including corruption and bribery. Compulsory training in the group's ethical guidelines, including dilemma training, is held regularly, and all Entra's employees are required annually to confirm that they have read and are aware of Entra's ethical guidelines, which are available at www.entra.no.

2.4 Reporting
The board shall give an overall report on Entra's corporate governance in the annual report or a document referred to in the annual report. The report shall cover each point in the Code. If the Code is not followed, any non-compliance shall be explained and a report given on how the group has acted.

Non-compliance with the Code: None

3. Business
According to the Entra's Articles of Association, Entra shall own, buy, sell, operate, develop and manage real estate, and carry out other activities in this connection. The company can invest in shares or ownership interests and participate in companies engaged in the business referred to above.

The group has a clearly defined strategy, values and overall objectives. Entra's business concept is to develop, let and manage attractive and environmentally leading buildings. Entra's 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. The strategic core areas for growth are Oslo and the surrounding region, Bergen, Stavanger and Trondheim. See www.entra.no for a more detailed description of the group's business.

The purpose clause in the Articles of Association and the company's goals and main strategies are to be set out in Entra's annual report.

Non-compliance with the Code: None

4. Equity and dividends
4.1 Equity
Entra shall maintain a level of equity that is appropriate by reference to the group's goals, strategy and approved risk profile.

4.2 Dividend
The board proposes the dividend to the general meeting. The general meeting determines the dividend in accordance with § 8-1 of the Norwegian Public Companies Act. The board of Entra has an objective to pay an annual dividend corresponding to approximately 60% of Cash Earnings, defined as net income from property management less net realised financial items and tax payable. The dividend policy is available on Entra's website.

4.3 Capital increases and purchases of own shares
Authorisations to the board to undertake a capital increase shall be linked to defined purposes. If the board authorisation covers several purposes, each purpose is to be considered as a separate matter in the general meeting. A board authorisation shall not be given for a period longer than until the next annual general meeting. The same applies to authorisations to purchase the company's own shares.

Non-compliance with the Code: None

5. Equal treatment of shareholders and transactions with related parties
5.1 General
Entra has only one share class. Each share in the company carries one vote and otherwise has equal rights in the company including the right to participate in general meetings.

5.2 Capital increases without preferential rights and transactions in the company's own shares
If existing shareholders' preferential rights are to be waived on a capital increase, this is to be explained. If the board approves a capital increase with a waiver of preferential rights based on an authorisation, the reason is to be published in a stock exchange notice in connection with the capital increase.

The company's transactions in its own shares shall take place over the stock exchange or otherwise at market price. If there is limited liquidity in the share, consideration shall be given to meeting the requirement for equal treatment in other ways.

5.3 Approval of agreements with shareholders and other related parties
Entra considers it important to be transparent and cautious in relation to transactions where there might be considered to be a close relationship between the company and a shareholder, a shareholder's parent company, a board member, a senior employee or closely related parties of any of these. The guidelines for the board regulate the board members' duty to report any other directorships, roles and related parties. The guidelines for the board state that board members and the CEO cannot participate in discussions or decisions on issues that affect them personally or affect a related party, where they

have a significant personal or financial interest in the matter. The board has also approved guidelines for transactions with related parties, describing the rules and procedures for these types of transactions.

In the case of not immaterial transactions between Entra and a shareholder, a shareholder's parent company, board member, a member of the senior management or persons related to them, the board is to ensure that a valuation is in place from an independent third party. This does not apply when the general meeting is to consider the matter in accordance with the rules in the Norwegian Public Companies Act. An independent valuation shall also be provided in the case of transactions between companies in the same group where there are minority shareholders in such companies.

Non-compliance with the Code: None

6. Free transferability

Shares in Entra shall be freely transferable. There are no restrictions on the transferability of shares in Entra in the Articles of Association.

Non-compliance with the Code: None

7. General meeting

7.1 Exercise of rights

The board shall arrange for as many shareholders as possible to be able to exercise their rights to participate in the company's general meeting, and for the general meeting to be an effective meeting place for shareholders and the board, through, among other things, ensuring that:

- the notice and agenda documents for the general meeting, including the election committee's recommendations, are published on the company's website at the latest 21 days before the general meeting is to be held;
- agenda documents are sufficiently detailed for shareholders to be able to take a position on all matters that are to be considered;
- the deadline for notice of attendance is to be set as close to the meeting as practically possible and in accordance with the provisions in the Articles of Association;
- the board and the person chairing the meeting shall ensure that the general meeting is able to vote on each of the candidates for appointment to the company's governing bodies;
- the board, election committee and auditor attend the general meeting; and
- routines are in place to ensure that the person chairing the general meeting is independent

7.2 Participation by proxy

Shareholders who are not able to be present at the general meeting shall be given the opportunity to vote through a proxy or through electronic participation. The company shall:

- give information on the procedure for attending by proxy;
- appoint a person who can vote for shareholders as proxy; and
- prepare a proxy form, which as far as possible is laid out in such a way that votes can be given for each matter that is to be considered and candidates who are to be elected.

Non-compliance with the Code: None

8. Election committee

The company shall have an election committee. The general meeting shall elect the Chair of the committee and its members and determine their remuneration. The Articles of Association shall provide for the election committee.

The composition of the election committee shall be such that account is taken of the interests of the shareholders as a whole. The majority of the election committee shall be independent of the board and senior management. A member of the board, the group CEO or other member of the senior management shall not be a member of the committee.

The election committee shall give recommendations to the general meeting on the election of shareholder-elected members, and any deputy members, to the board, including the Chair of the board. The election committee shall also present proposals on the remuneration of members of the board. The election committee shall also present proposals for members of the election committee, including the Chair of the election committee, as well as the remuneration of the election committee's members. Reasons shall be given for the committee's recommendations.

The company shall provide information on the members of the committee, and any deadlines for presenting proposals to the committee. The election committee wishes to ensure that shareholders' views are taken into account when qualified members are nominated to the governing bodies of Entra, and shareholders are invited to provide input to the election committee. See www.entra.no for more information on the members of the company's election committee and the election committee's contact details.

Non-compliance with the Code: None

9. Corporate assembly and board, composition and independence

The group does not have a corporate assembly. The shareholders elect between five and seven shareholder-elected members, including the Chair, for a period of two years. The group has established a group scheme for the election of employees to the board of Entra Eiendom AS. The same employees have been elected as board members of Entra for the employees by the company's general meeting. Entra has established a group scheme for the election of employees to the board of Entra.

Emphasis shall be placed in the election committee's approach on the combined board being able to safeguard the interests of the shareholders as a whole and the company's need for expertise within the company's main business and board work. In addition the board shall have the capacity to carry out its tasks. Consideration shall be given to the board being able to function well in a collegiate manner. Participants in the group management shall not be members of the board.

The board shall be composed so that it can act independently of special interests. The majority of the shareholder-elected members shall be independent of senior management and significant business connections. At least two of the shareholder-elected members shall be independent of the company's main shareholders.

The board shall provide information in the annual report on participation at board meetings and on matters that can illustrate the board members' expertise. In addition information shall be given on which board members are considered to be independent. Board members shall be encouraged to own shares in the company.

Non-compliance with the Code: None

10. The work of the board

10.1 The functions of the board

The board has responsibility for the management and control of the company, including determining the company's overall strategy and objectives, and ensuring proper management and organisation of the group's business. The board shall also supervise day-to-day management and the group's business in other respects. The board adopts the overall governing documents for the group's business, including, among others, the business plan and investment limits.

The board is to keep itself informed with regard to the group's financial situation and ensure that its business, financial reporting and asset management are subject to adequate controls and in accordance with applicable legislation. The board shall ensure that the group has good internal controls and appropriate systems for risk management in relation to the extent and nature of the group's business.

The board's functions also include considering all matters that in relation to the group are of an unusual nature or of major importance. The board shall further consider matters that are specifically accorded to the board by law.

10.2 Organisation of the board's work

The Chair of the board chairs board meetings. The board shall have a Deputy Chair who chairs meetings when the Chair cannot or should not lead the work of the board. A thematic plan for the board's work over the year has been established. Based on the annual plan, the Chair of the board – in consultation with the company's CEO – sets out the final agenda for board meetings. Emphasis is placed on the importance of good preparation for board meetings, and of allowing all board members to take part in decision-making processes. The CEO, CFO and Legal Director (Company Secretary) attend all board meetings. The company's auditor attends when the annual financial statements are adopted or on other occasions where the auditor's expertise is relevant. The board has prepared guidelines for its work.

Each year the board assesses its own work and way of working as a basis for assessing the need for changes and other measures. This assessment includes an evaluation of the board's expertise, collectively and for each member, and how well the board works as a team.

10.3 Guidelines for the CEO

The board has adopted guidelines that regulate the CEO's tasks and the relationship with the board. The CEO is responsible for the day-to-day management of the company's and the group's business and ensuring that the board's resolutions are implemented, as well as ensuring that the company's employees and other involved parties receive sufficient information on the board's resolutions. The CEO is responsible for ensuring that the board receives all the information that is necessary for it to be able to exercise its functions in accordance with applicable statutory requirements at the relevant time and with board procedures

The CEO is obliged to inform the Chair of the board if he/she finds that circumstances exist that require the board to consider a matter, and he/she is to notify the board when the assumptions for a previous decision that is relevant to the business have changed significantly.

10.4 Board committees

The board has established an audit committee and a remuneration committee. The board has established mandates for the work of the committees, which are subject to annual revision. In accordance with their respective mandates, the audit committee and the remuneration committee shall have two or three shareholder representatives from the current board. The representatives are to be elected by the board for two years at a time, to coincide with the board's term of office. The committees assist the board with preparing its work, but decisions are taken by the whole board.

The audit committee shall act as a preparatory body and support the board in the exercise of its responsibility relating to financial reporting, auditing, internal controls, compliance with ethical guidelines and overall risk management. The board appoints two or three persons to the audit committee from among its members. A majority of the members of the audit committee shall be independent of the business. The CFO, the group's Head of Group Accounting and the committee's secretary always attend as representatives of the management. The company's auditor also participates. The CEO and other members of the management attend as required. The audit committee has an established calendar of meetings, and meets at least five times a year.

The purpose of the remuneration committee is to act as a preparatory body for the board's consideration of compensation issues. The remuneration committee's main task is to prepare the board's consideration of matters relating to the salary and employment terms of the CEO and senior management, as well as changes to them. In addition the remuneration committee prepares the board's consideration of principle issues relating to salary levels, result-related pay schemes (including share schemes), the pension scheme/conditions, employment contracts and similar for the group management of Entra, as well as other matters relating to compensation that are of particular importance for the group's competitive position, profile, ability to recruit, reputation etc. The CEO shall discuss the handling of individual conditions of senior management with the remuneration committee. The remuneration committee shall further discuss and present proposals to the board on guidelines for the remuneration of senior management, prepare the board's statement on the determination of salaries and other remuneration of senior management in accordance with § 6-16a of the Norwegian Public Companies Act, and deal with other statutory reporting.

The remuneration committee is composed of the Chair of the board and a shareholder-elected member of the board, and shall be independent of senior management. The CEO and CFO always attend as representatives of the management. The CEO does not participate in discussions on issues that affect the CEO personally or matters that relate to the group management as a whole. The company's head of HR shall act as the committee's secretary. A calendar of meetings has been established for the remuneration committee, which meets approximately six times a year.

Information shall be given on the use of board committees in the annual report.

Non-compliance with the Code: None

11. Risk management and internal controls

11.1 General

The board is responsible for ensuring that the group's business, financial reporting and asset management are subject to adequate control and in accordance with applicable law. Entra's risk management shall support the groups strategic and financial goals and help the group avoid events that may have an adverse impact on the groups operations and reputation.

Entra works systematically to ensure continuous improvement of its internal controls linked to financial reporting and efficient operation. The group has a proactive approach towards risk management, and potential risks are to be identified, assessed, quantified and managed. The management has established routines for identifying and managing the business's risk exposure. Entra has drawn up a risk chart, where the main risks are considered to be: commercial risk, operational risk, project risk and business and strategic risk. Commercial risk includes the group's financial risk and is managed in accordance with the adopted financial strategy, with financial instruments as one of the ways of limiting risk exposure. The group's commercial risk also includes the risk associated with entering into and renegotiating contracts, which is continuously monitored. Operational risk is managed through procedures for day-to-day operations, compliance and HSE work. Project risk is managed continuously over the course of projects by monitoring progress, financial and contractual issues. Business and strategic risks include the possible impact on the group of political issues, regulation and external events.

11.2 Reporting

As part of the management's follow-up of the business, quarterly reports and reviews are prepared for all business areas. Reporting covers all relevant matters related to the business area, including financial results, risk assessments and monitoring of relevant key figures and objectives. The group's financial results, key figures and achievement of objectives are reported to the board quarterly and in association with each board meeting. In addition to this the group has established systems for handling and following up health, safety and the environment as an integrated part of management reporting.

The board undertakes an annual review of the group's risk and internal control activities. The board is also informed quarterly of developments in the groups risk exposure. This, combined with the management's risk assessments and information on ongoing measures, put the board in a good position to judge whether the groups risk management procedures are satisfactory. Risk management and internal controls are also considered by the board's audit committee.

11.3 Monitoring and control of financial reporting

Procedures have been established for financial reporting that involve carrying out a high-level review of significant estimates, provisions and accruals in conjunction with preparation of the quarterly and annual financial statements. Separate notes to the accounts are prepared for significant accounting items and non-routine transactions, which are approved by the CFO. The valuation of the groups properties is subject to a separate review and assessment at management level at the close of each quarter. This involves, among other things, holding meetings with the external valuers, with a particular emphasis on discussing perceptions of the market, risk premiums and documentation.

The group reconciles and documents all balance sheet items in the group companies each quarter. Balance sheet items such as liabilities, bank deposits, projects and non-current assets are subject to special reviews. Projects are reviewed on a quarterly basis by the project and accounting departments together to assure the quality of the accounting and tax calculations. System-generated items linked to liabilities and interest rate hedging are subject to manual reconciliation each month. Significant profit and loss accounts are subject to reconciliation each quarter. All reconciliations are reviewed and quality assured, as well as being analysed against the group's forecasts and previous accounting periods.

The management reports significant operational and financial matters to the board at the group's board meetings. Nine ordinary board meetings are planned for 2015. Any significant matters and situations that arise outside board meetings are discussed with the Chair of the board and if necessary additional board meetings are held.

In connection with quarterly reporting, the group's external auditor performs an audit review, without issuing an audit report.

The group's quarterly and annual financial statements are reviewed by the audit committee before they are considered by the board. As part of this process management prepares a memorandum for the audit committee that describes significant accounting and financial assessments made during the quarter. The audit committee reviews annually the external auditor's audit report, as well as the findings and assessments of audits in conjunction with interim and annual reports. Significant issues in the auditor's report are presented to the whole board.

11.4 Financial management

The group is managed by means of financial targets linked to the return on equity, the management of the debt portfolio and the return on the property portfolio. Risk assessments and profitability calculations are performed in connection with acquiring property and commencement of building projects, in accordance with the groups fixed calculation model and required rate of return. The present value of building projects is monitored throughout the course of the project. Long-term projections are made of expected financial developments as a component of the group's risk management, using a model with detailed assumptions concerning the business's results, 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 prepared for various developments. The simulations provide good information for the board and management in their monitoring of developments in central balance sheet key figures and cash flow.

Allocation of capital and risk profiles are important parameters for guiding financial operations. Entra's finance policy contains a framework for the day-to-day management of the group's financial risk. Principles have been defined for borrowing, management of liquidity risk and interest rate risk, and credit and counterparty risk. The group's model for financial projections provides updated key figures, which are monitored on a continual basis. Reports are made to the management monthly in accordance with the management guidelines for the financial operations, and to the board through the business report.

Systematic monitoring of the general economic situation and its impact on the group's financial risk is carried out. Based on expected developments in the economy and analysis of the company's financial position, expected developments in both short-term and long-term interest rates, the strategy for interest rate positioning, capital requirements and planned financing activities are discussed, as well as opportunities in the financing market.

11.5 Monitoring of risk management and internal controls

In consultation with the audit committee, the management defines areas where the group shall carry out a review of internal controls. Both internal and external resources are used on these reviews. The results of the most important reviews related to internal control are presented to the audit committee and the board on an annual basis. An internal control plan is presented to the board.

11.6 Monitoring ethical guidelines and socially responsible procurement

The group follows up issues relating to ethical guidelines and corporate social responsibility. The environmental perspective is an integral part of the assessments made in connection with the groups potential investments. Special requirements have been defined for the groups suppliers in the document "Socially responsible procurement", and a supplier verification process is conducted each year to ensure that the group's suppliers are familiar with and adhere to the contractual conditions.

In order to follow up on the groups requirements regarding corporate social responsibility in the supply chain, the Entra uses external consultants to perform supplier audits on selected projects. These audits include a focus on Entra's standard requirements for corporate social responsibility and the suppliers' follow-up of these standards, e.g. those related to procurement processes, environmental monitoring and waste segregation as well as further control of pay, and working and living conditions in accordance with laws and regulations.

Internal controls linked to Entra's core values, ethical guidelines and corporate social responsibility policy are under development and are implemented in the group's businesses on an ongoing basis. The management continuously strives to prevent corruption and undesirable incidents, with a focus on the groups values and ethical guidelines. Systematic training in ethical guidelines and dilemma training for all employees contributes to increase awareness among Entra's employees.

Entra's Legal Director is the recipient of, and follows up, notifications submitted via the group's reporting system. The ethical guidelines set out how employees can report breaches of the company's ethical guidelines or legislation, and this information is also available on the company's intranet. Employees are encouraged to report unsatisfactory situations. In addition to internal reporting, the company has also established an external reporting channel to a firm of lawyers, who can receive notifications on behalf of the company. The board is informed annually of any "whistle blowing" cases.

Non-compliance with the Code: None

12. Remuneration of the board

The general meeting determines each year the remuneration of the board based on the election committee's proposal. The board's remuneration shall reflect the board's responsibilities, expertise, and use of time and the complexity of the business.

Remuneration shall not be dependent on results and no options shall be issued to board members.

Board members or companies to which they are connected should not undertake separate assignments for the group in addition to the board appointment. If nevertheless they do so, the whole board shall be informed. Fees for such assignments shall be approved by the board. If remuneration has been paid above the normal board fee, this is to be specified in the annual report.

Non-compliance with the Code: None

13. Remuneration of senior employees

13.1 Board statement regarding senior management remuneration

The board shall prepare a statement on the determination of salaries and other remuneration of senior management in accordance with § 6–16a of the Norwegian Public Companies Act. The statement is to be presented to the general meeting. The statement shall set out the main principles for the company's senior management salary policy, and shall seek to contribute to the alignment of interests between the shareholders and senior management. The statement shall specify the guidelines that are advisory for the board and any that are mandatory.

13.2 Determination of salaries and compensation of senior management

The board assesses the CEO's terms and conditions of employment once a year following a recommendation from the board's remuneration committee. The CEO consults the remuneration committee in connection with the annual adjustment of the salaries of the group's senior management team.

13.3 Performance-related pay

Remuneration of senior management dependent on results in the form of any options, bonus programmes or similar, shall be linked to value creation for the shareholders or the development in the groups results over time. Such schemes, including option schemes, shall be performance-related and based on measurable criteria that the employee can influence. A ceiling is to be placed on performance-related remuneration.

Non-compliance with the Code: None

14. Information and communication

14.1 Financial reporting and communication

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. Reporting must fulfil statutory requirements and provide sufficient information to allow the company's stakeholders to form as accurate a picture of the business as possible. Entra shall report in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Stock Exchange for companies with listed shares and bonds.

The company shall at all times provide its shareholders, the Oslo Stock Exchange and the financial market in general with timely and precise information. Such information will be given in the form of annual reports, quarterly reports, press releases, stock exchange notices and investor presentations. The group's report on corporate social responsibility shall be integrated in the annual report. The board has set guidelines for the company's reporting of financial and other information.

The company shall publish each year a financial calendar with details of the dates of important events such as the general meeting, publication of interim reports, open presentations and payment of the dividend.

The board has approved insider rules relating to the handling of inside information.

14.2 Information to the company's shareholders

The group considers that it is very important to inform the company's shareholders about the group's development and economic and financial status. The management (CEO and Investor Relations Officer) shall make themselves available for discussions with important shareholders in order to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the board shall ensure that the shareholders' viewpoints are communicated to the whole board.

Information to the company's shareholders shall be published on the company's website at the same time as it is sent to the shareholders. The board shall set guidelines for the company's contact with shareholders outside the general meeting.

Non-compliance with the Code: None

15. Takeover

The Board will handle takeover bids in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance. In a bid situation, Entra's board of directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the company's business activities are not disrupted unnecessarily. The Board will not hinder or obstruct take-over bids for the company's activities or shares. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a take-over offer is made, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer.

Non-compliance with the Code: None

16. Auditor

The general meeting elects the group's auditor.

16.1 Plan for the auditor's work

Each year the auditor presents a plan for his work to the audit committee, which in turn informs the board of its most important aspects.

16.2 Auditor's relationship to the board

The auditor attends the meetings of the audit committee, as well as board meetings to consider and adopt the annual report and financial statements. At the meetings the auditor shall go through any significant changes in the company's accounting principles, the evaluation of material accounting estimates and all material matters where there has been disagreement between the auditor and the management. There is one annual meeting between the audit committee and the auditor, and one meeting between the whole board and the auditor, which is not attended by representatives of the group management.

16.3 Auditor's review of the company's internal controls and financial reporting

When presenting the results of the interim audit to the audit committee, the auditor focuses on the groups internal controls, identified weaknesses and proposals for improvements. The auditor summarises the findings and assessments of the annual audit for the group management and audit committee. Material issues are summarised for the board.

16.4 Auditor's independence

Each year the auditor's independence is assessed by the audit committee. The board has drawn up guidelines on the engagement of the external auditor, governing what work the auditor can do for the company in view of the requirement for independence. Any major assignments other than statutory audits shall be approved by the audit committee in advance. The management informs the audit committee of additional services supplied by the external auditor under a fixed item on the agenda at each meeting.

16.5 General meeting

The auditor attends the annual general meeting for consideration of the annual financial statements. The auditor's fee for the statutory audit and other services is approved by the general meeting.

Non-compliance with the Code: None

Report of the Board of Directors 2014

2014 represents an important milestone in Entra's history. The Norwegian Government decreased its shareholding to 49.9 per cent and Entra was listed on the Oslo Stock Exchange. The board wishes to take this opportunity to welcome more than 6,700 new shareholders who have invested in the company.

In 2014 Entra had operating revenues of NOK 1,772.3 (NOK 1,632.3) million. The net income from property management was NOK 1,399.2 (NOK 1,188.7) million. Positive value changes in the portfolio of investment properties of NOK 1,194.5 (NOK - 506.7) million and share of profit from associates and jointly-controlled entities of NOK 35.6 (NOK 235.5) million contributed to the Group's operating profit being NOK 2,629.3 (NOK 917.5) million. Net realised financial costs of NOK - 645.2 (NOK - 643.6) million and negative unrealised change in value on financial instruments of NOK - 607.0 (NOK 183.7) million gave net financial items of NOK - 1,252.2 (NOK - 460.0) million. The profit before tax was NOK 1,377.1 (NOK 457.6) million.

During 2014 Entra signed new and renegotiated leases with an annual rent totaling NOK 171 million (85,900 square metres) and received notices of termination on leases with an annual rent of NOK 15 million (10,700 square metres). Entra also completed three major development projects. In March 2014, the office building "Powerhouse" at Kjørbo in Sandvika was finalised. The building has been refurbished into an energy positive building, one that produces more energy than it uses over its lifetime. The office building is the first in Norway to obtain a Breeam Outstanding certification. Otto Sverdrups plass 4 in Sandvika, comprising a total 15,500 square metres, was finalised in August 2014 containing an "Education and Knowledge Centre" for Bærum Municipality and Oslo and Akershus University College. Otto Sverdrups plass 4 achieved a Breeam Very Good certification. Kongsgård Allé 20 in Kristiansand has been extended by 2,000 square metres to a total of 12,000 square metres and was finalised in August 2014. The property house three educational institutions, Kristiansand International School (KIS), Adult Education/Kongsgård School Centre as well as a Reception school.

Entra has been active in the transaction market in 2014, in line with the strategy of growth in the four largest cities in Norway and divestment of non-core assets. The acquisition of 50 % of the shares in Hinna Park Eiendom AS was completed in February 2014 and the purchase of the property Lilletorget 1 in the city centre of Oslo was completed in July 2014. Entra has furthermore sold five smaller properties in Tromsø, Stavanger and Oslo as well as its 50 % shareholding in UP Entra during 2014.

THIS IS ENTRA

Entra is one of Norway's leading real estate companies, focusing on high quality, flexible office buildings with central locations close to transportation hubs. The property portfolio is characterised by solid tenants, long leases and a high occupancy ratio. As of 31 December 2014 Entra owned and managed approximately 1.3 million square metres, divided between 105 buildings. At the end of the year the real estate portfolio had a market value of NOK 28.4 billion and the average remaining lease period was 7.7 years. The public sector represented approximately 76 % of the customer portfolio.

Entra is a solid and well-run Group. The values responsible, ambitious and hands-on are to characterise all activities in the Group. Entra's business concept is to develop, let and manage attractive and environmentally leading buildings. The Group's business strategy has three pillars: customer satisfaction, profitable growth and environmental leadership.

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, South/West Norway and Mid/North Norway. Entra has its head office in Oslo and regional offices in Bergen and

Trondheim. Approximately 70 % of the property value is located in the Oslo area.

THE BUSINESS IN 2014

The Board's work

The Board has supervised the management and followed up the Group's business. The Board's work in 2014 was influenced by the privatisation process including preparations for being a listed company. The Board set up a privatisation committee who worked closely with Entra's management and the Ministry of Trade, Industry and Fisheries in the privatisation process. In addition the Board focused on active portfolio management (acquisitions and divestments), new and ongoing development projects, health environment and safety (HES) and management training.

On 2 February 2015 it was announced that Klaus-Anders Nysteen would resign from his position as CEO of Entra to take on the position as CEO of Lindorff Group. Mr. Nysteen resigned with immediate effect and the board appointed CFO Arve Regland as acting CEO.

The letting market

Rent levels increased by around 5 % in 2014 compared to around 9 % in 2013. As in the previous year it was high-quality office premises in central Oslo that saw the highest growth. The letting activity in the market was lower in 2014 compared to 2013. This can to a large extent be explained by few large expirations in 2015 and 2016 as well as uncertainty about the outlook for the Norwegian economy. In the end of 2014 the rental growth showed signs of flattening out. At the end of the year office vacancy for the Oslo area had increased to around 8 % compared to around 7.5 % at the end of 2013.

Rents in Bergen were relatively stable again in 2014. There was good demand for modern centrally located office premises. Office vacancy increased slightly and was around 8 % at the end of the year.

In Stavanger, office vacancy continued to rise to a level of around 8 % at the end of the year, up from around 7 % in 2013. Lower activity within the oil and oilservice sector may contribute to a further increase in the vacancy level. The Forus area is particularly exposed towards this trend and has started experiencing downward pressure on rents. In Stavanger city and at Hinna Park the vacancy rate is lower and rent levels remain more stable.

The rental market in Trondheim was relatively stable throughout 2014. Strong competition in the new building market put pressure on rental growth and contributed to somewhat higher office vacancies at the end of 2014 compared to 2013. The vacancy level was around 6 % at the end of the year.

Letting activity in 2014

In 2014 Entra signed leases with an aggregate annual rent of NOK 171 million, divided between 85,900 square metres of which the largest contracts were:

- New contract with Wintershall for 15 years and 13,800 sqm in the new office building Gullfaks at Hinna Park in Stavanger
- New contract with Husbanken for 10 years and 4,005 sqm at the new office building Papirbredden 3 at Grønland 51 in Drammen
- New contract with Eniro for 7 years and 5,172 sqm at Langkaia 1 in Oslo
- Renegotiated contract with Sør-Trøndelag fylkesskattekontor for 5 years and 7,269 sqm at Kongensgate 87 in Trondheim
- New contract with Jernbaneverket for 3.2 years and 3,900 sqm in Biskop Gunnerusgate 14 in Oslo

The proportion of vacant premises in Entra's portfolio has increased slightly and the Group had an occupancy level of 94.6 % as at 31 December 2014 compared to 95.8 % at 31 December 2013. The vacancy level was lowest in the Mid/North region at 2.7 % and highest with 7.2 % in the Central Oslo region. The Greater Oslo and South and West regions had vacancy levels of 3.1 % and 5.2 %, respectively.

Customer satisfaction

Entra's goal is to be the best in its sector in terms of customer satisfaction. The Norwegian Tenant Index is used to measure customer satisfaction. Entra achieved an aggregate customer satisfaction score of 74 (72) in 2014 against a national average for the sector of 72 (71). On environmental questions in the survey Entra achieved a score of 76 (74), compared with a national average of 65 (63). It is pleasing that customers value Entra's environmental efforts.

In the autumn of 2012 Entra opened a customer service centre, which has been very well received by the customers. The score for handling fault reports increased to 78 (76). The national average in the sector is 72 (70) points. The customer centre contributes to increasing customer satisfaction and lays the foundation for more efficient management of Entra's properties.

Project development

The following projects are the most important projects Entra completed in 2014:

- In March 2014 Powerhouse Kjørbo in Sandvika was completed and the tenant, Asplan Viak moved into a refurbished building of 6,900 square metres. By optimising and combining existing technologies in new ways, an office building from the 1980s was renovated into an energy-positive building achieving Breeam Outstanding certification.
- In the third quarter, the project Otto Sverdrups plass 4 in Sandvika was completed, comprising an "Education and Knowledge Centre" of 11,547 square metres for Bærum Municipality and Oslo and Akershus University College. Otto Sverdrups plass 4 achieved a BREEAM Very Good classification
- In the third quarter the new school at Kongsgård Allé 20 of 1,967 square metres was completed and delivered to Kristiansand International School.

The following projects are the most important projects that were started up or were ongoing during 2014:

- At Schweigaardsgate 16 in Oslo a new office building of 15,500 square metres is under construction, where Statoil Fuel & Retail will be the largest tenant with 12,100 square metres. The project has an ambition to obtain the classification BREEAM Excellent and energy class B. The building will be completed in June 2015.
- At Langkaia 1 in Oslo, the 9th and 10th floors were refurbished. The project comprises around 6,200 square metres and the tenant Eniro will occupy 5,250 square metres from February 2015. In addition, the old "loading-balcony" on the 1st and 2nd floors is in process of being developed into new office premises totalling approximately 2,400 square metres.
- The project in Akersgata 34-36 involves both development of a new building and refurbishment of an existing building, in total a project of 6,212 square metres of offices which is let to Amedia. The project is scheduled to be completed and handed over in September 2015.
- At Papirbredden 3 construction started in the third quarter of 2014, with a planned completion in Q4 2015. A lease has been signed with Husbanken of 4,000 square metres out of a total of 11,000 square metres. The property has been planned and will be constructed in accordance with FutureBuilt's quality criteria and will be a passive building with Energy class A. The project is owned by Papirbredden Eiendom, where Entra owns 60%.
- The project Ringstabekkveien 105 in Bærum consists of Ringhøyden (3,000 square metres of commercial premises and 49 apartments) and Slottshagen (24 apartments). All the apartments at Slottshagen are sold, of which 8 were delivered in Q4 2014 and the remaining will be delivered in Q1 2015. At Ringhøyden, Bærum Municipality has moved into the commercial premises. 28 of the apartments were sold in 2014 of which 25 were handed over to the buyers. The remaining 21 apartments are expected to be sold during 2015.
- At Hinna Park in Stavanger construction of the parking basement under the Gullfaks building was started. The 17,400 square metre office building is expected to be completed in Q3 2016. Wintershall Norway AS will lease the whole building, except for the 2nd floor and commercial space in the 1st floor. The project plans for a BREEAM Excellent classification.
- In Sundtkvartalet in Oslo, the building of a new, environmentally leading office building of approximately 31,000 square metres was commenced in Q3 2014. The ambition is to obtain BREEAM classification Excellent, a passive building with Energy class A. The project is organised through a jointly controlled company with Skanska Commercial Development AS, where Skanska and Entra own 50 percent each.
- In Lars Hilles gate 30 in Bergen, the Media City Bergen (MCB) project started in Q4 2014. This building comprises 45,000 square metres and will provide premises for the largest media companies in Bergen. The project will include the total renovation of the existing 35,000 square metres and the addition of 10,000 square metres. The project is owned by the jointly controlled entity Entra OPF Utvikling AS where Entra and OPF own 50 % each.

At the end of 2014 Entra's project portfolio contained 86,637 square metres.

In addition, 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:

- Entra has continued to work on the plans to develop the Tullin quarter in Oslo. Entra is in dialogue with Oslo University in connection with a new building for the law faculty.
- At Brattørkaia in Trondheim Entra is planning to build Norway's first energy-positive new built office block. In December the City Council in Trondheim accepted the plans to build Powerhouse Brattørkaia. The new building will be approximately 13,500 square metres above ground. The project is awaiting tenants.
- Entra is in the process of arranging an international architect- and innovation competition for a new project at the property Lilletorget 1 in Oslo. Submissions for the competition are due in February 2015. Entra is planning to demolish the existing building and build an urban energy plus house.

The transaction market

Commercial property transactions in Norway in 2014 totalled approximately NOK 57 billion, up from approximately NOK 40 billion in 2013. The transaction market is active and driven by favourable financing terms for property investors. International investors are showing increased interest in the Norwegian market. The interest for modern and central properties close to transportation hubs is high. However, also more normal properties outside the most central office clusters are in demand and the historically high gap between prime and normal yield properties is contracting. The prime yield in Oslo decreased to around 4.75 % (5.25%) by the end of 2014. The yield gap is at a record high as a result of decreasing interest rates

Property transactions in Entra

In accordance with the strategy of growth in the four largest cities Entra acquired the following properties/companies during 2014:

- Lilletorget 1 in the Oslo city centre. A 14,000 sqm property with Fellesforbundet as the largest tenant. Entra is currently making plans for a large project on the property when the lease expires and intends to build a new high rise office building on the property.
- Acquisition of 50 % of Hinna Park Eiendom AS, which owns 3 office properties and 3 land plots at Hinna Park in Stavanger.

Entra has furthermore taken advantage of the strong transaction market and sold several of its non-core properties. During 2014 Entra signed contracts to sell the following properties/property companies: 50 % holding in UP Entra AS, Pilestredet 30 AB CD in Oslo, St. Olavs gate 4 in Oslo, Grønnegata 122 AS, Strandgata 41 in Tromsø and Skansegaten 2 in Stavanger. At the year-end all the properties had been transferred to new owners with the exception of Skansegaten 2 and Grønnegata 122 AS, which will be transferred in January and April 2015 respectively.

On 22 January 2015 it was announced that Entra had entered into an agreement with Hemfosa Fastigheter AB regarding the sale of a portfolio of six properties in Østfold and Lillestrøm. The total property value was NOK 1.375 bn, which was about 15 per cent above book values as at 31.12.14.

Associates and jointly-controlled entities

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. OSU is developing around 350,000 square metres above ground and around 105,000 square metres below ground, of which approximately 177,000 square metres above ground and approximately 70,000 square metres below ground have been developed.

OSU's strategy of developing properties for sale means that the properties are not accounted at fair value in the financial statements, but at historical cost. In the consolidated financial statements the investment is included using the equity method, and equity after tax is recorded at NOK 578.1 million in the consolidated financial statements as at 31 December 2014.

The market value of the properties and projects in OSU is estimated at approximately NOK 3.5 billion (100 per cent). Entra's ownership of 33.33 per cent gives a market value of NOK 1.2 billion of the properties and projects in OSU. 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 December 2014 was NOK 0.8 billion after taking into account estimated latent deferred tax of 10 per cent, which gives an excess value of approximately NOK 0.2 billion compared to book values of OSU.

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.

In Lars Hilles gate 30, Media City Bergen (MCB) is under development as described under project development above. The property Allehelgens gate 6 is fully let to the police, with a remaining lease term of just above 4 years as of 31 December 2014.

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.

Hinna Park Eiendom AS (50% ownership)

Hinna Park Eiendom AS is owned by Entra Eiendom (50%) and Camar Eiendom AS (50%). Entra Eiendom acquired its 50 per cent interest in the newly established Hinna Park Eiendom AS in February 2014 based on a property value of approximately NOK 1.3 billion (100%).

The company owns Hinna Park AS of which owns eight subsidiaries. Fjordpiren AS, Troll Næring AS and HP Stadion-blokken C AS are property companies holding individual existing properties. The companies Gullfaks AS, Oseberg Næring AS and Ormen Lange AS are all project companies holding individual land plots. Hinna Park Logistikk AS has commenced building parking hall no 2 (Gullhallen). In Gullfaks AS the construction of Gullfaks has been initiated. The project, with BREEAM classification Excellent, has an estimated completion date in Q3 2016.

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.

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.

The construction of Papirbredden 3 on parts of the site Grønland 51 in Drammen has commenced as described under project development above. Zoning work is ongoing for the property Kreftingsgate 33 in Drammen.

Corporate Social Responsibility

Entra reports its work with respect to corporate social responsibility based on the fundamental values and principles set out in the UN's Global Compact, which has as its objectives to safeguard the environment and working conditions, combat corruption and uphold human rights, as well as the UN's Guiding Principles on Business and Human Rights (UNGP).

See the separate section in the annual report on corporate social responsibility for a more detailed discussion and reporting based on the Report to Parliament no. 27 (2013–2014) and the relevant section in the Accounting Act, § 3–3C.

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 2014. Entra's LTI rate (the number of work-related injuries resulting in absence per million work-hours) was 4.4 in 2014, compared with 7.1 in 2013. Entra has implemented several initiatives to improve the HSE situation both in on-going projects and in the operations. HSE is an important focus area for the Board. The Board is satisfied with the dedicated HSE work in the organisation and the initiatives taken to prevent serious incidents.

At the end of 2014, the Group had 167 employees (corresponding to 167 full-time equivalents), of whom 15 are employed in Hinna Park. Staff turnover in 2014 was 11.7 % compared to 20 % in 2013. The high level in 2013 is explained by an organisation and development project that was carried out.

Sickness absence at Entra Eiendom AS was 3.4 % in 2014, which was at the same level as in 2013. 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.

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 content of the guidelines and undertakes to observe them. The ethical guidelines are signed by all employees annually and on new appointments.

Cooperation with employee organisations was good and constructive during 2014, and made a positive contribution to the operation of the Group.

Equality and diversity

At 31 December 2014, 44 (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 Group's recruitment procedures. In 2014 three out of seven Board members were women. As of 31 December 2014 there were as many women as men in the group management and three out of the four regional directors 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 opportunities.

The Group 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 1,772.3 million in 2014 compared to NOK 1,632.3 million in 2013. The growth in rental income was 8.6 per cent, of which underlying like-for-like growth amounted to 3.3 per cent. The increase in rental income relates to the purchase of Hinna Park Eiendom AS with effect from 1 February 2014, Lilletorget 1 in July 2014 and the purchase of Vahlsgate 1-3 in July 2013. In addition, completion of the projects at Fredrik Selmers vei 4 in Oslo, Otto Sverdrups plass 4 in Sandvika and Brattørkaia 15 in Trondheim, has contributed significantly to higher rental income compared to 2013. The increase in rental income was partly offset by the divestment of the properties Spelhaugen 12 in Bergen, Wergelandsveien 27 in Oslo and Storgata 14 in Lillestrøm.

Other operating revenue amounted to NOK 224.9 million against NOK 24.9 million in 2013. The Group delivered 25 apartments at Ringhøyden and 8 apartments at Slottshagen at Ringstabekk to buyers and thus recognised an income of NOK 177.3 million in 2014. Otherwise other operating income consists mainly of income from administration charges and invoicing of additional services to tenants.

Maintenance and operating costs amounted to NOK 148.1 million in 2014 against NOK 157.4 million in 2013. Other property costs amounted to NOK 223.0 million in 2014 compared to NOK 88.2 million in 2013. Other property costs in 2014 mainly consist of apartments sold at Ringstabekk (as referred to above) of NOK 189.4 million. In 2013 other property costs were affected by rental costs related to the rebuilding of Fredrik Selmers vei 4.

Administrative owner costs amounted to NOK 227.0 million in 2014 against NOK 223.0 million in 2013. In 2014 the administrative owner costs have been affected by the consolidation of Hinna Park Eiendom AS, as well as NOK 15.3 million related to the IPO. In 2013 the item was affected by costs related to the reorganisation project.

For 2014 the net income from property management totalled NOK 1,399.2 million compared to NOK 1,188.7 million in 2013.

The valuation of the property portfolio resulted in positive value changes of NOK 1,194.5 million in 2014 compared with NOK -506.7 million in 2013. The positive value changes are mainly due to decreasing yield levels as well as commencement and completion of projects.

The share of the result from associated companies and jointly controlled entities amounted to NOK 35.6 million in 2014 against NOK 235.5 million in 2013. In 2013 the result was impacted by the sale of the Deloitte building by Oslo S Utvikling AS. In 2014, the results have been affected by a positive contribution from Oslo S Utvikling, offset by a negative change in the market value of the property Lars Hillesgate 30 in Entra OPF, mainly due to revised assumptions in relation to the start-up of the renovation project "MediaCity Bergen".

The net unrealised negative value change on financial instruments was NOK – 607.0 million (NOK 183.7 million) in 2014. The negative development is mainly due to falling market interest rates and increased liabilities on the Group's fixed rate loans as a result of a reduction in market valued credit margins.

Net realised financial costs amounted to NOK -645.2 million (NOK -643.6 million). After the IPO in October, the Group repaid NOK 1.9 billion of debt and at year end 2014 debt was at about the same level as at year end 2013. However, the average interest bearing debt during the year has been higher than in 2013.

Falling market interest rates and the expiry of historical interest hedging agreements have contributed to only a minor increase in realised financial expenses.

For 2014 the profit before tax totalled NOK 1,377.1 million, against NOK 457.6 million in 2013, and total comprehensive income after tax was NOK 1,000.1 million against NOK 462.8 million in 2013.

Balance sheet

The Group's assets amounted to NOK 30,849.6 (NOK 26,809.1) million as at 31 December 2014. Of this, investment property amounted to NOK 26,679.5 (NOK 24,429.8) million and investment property held for sale to NOK 1,550.8 (NOK 388.2) million. Nine properties were classified as held for sale as at 31 December 2014.

The Group has recognised goodwill of NOK 145.9 million (NOK 0) in connection with the acquisition of 50 per cent of Hinna Park Eiendom AS. The purchase of Hinna Park was a purchase of a business and the provision of the excess value of identifiable assets is recognised as non-identifiable goodwill.

Investments in associated companies and jointly controlled entities were NOK 1,074.5 (NOK 1,128.3) million. The decrease is mainly due to the sale of Entra's shares in the associated company UP Entra.

The Group's interest-bearing debt as of 31 December 2014 was NOK 14,646.7 (NOK 14,608.5) million. During the year 2014 the Group has increased interest bearing debt to finance property projects and improvements, the purchase of Hinna Park, payment of a dividend of NOK 900 million (of which NOK 650 million was paid from paid-in capital in connection with the IPO) and the acquisition of Lilletorget 1 for a net purchase price of NOK 287.3 million. Interest bearing debt was however reduced by net proceeds from the IPO in connection with the listing on Oslo Stock Exchange of Entra ASA in October 2014.

The pension liability was NOK 81.8 (NOK 53.1) million as of year-end 2014. The increase is due to changes in actuarial assumptions, particularly impacted by a lower discount rate on the pension liability.

Trade payables and other payables were NOK 520.7 (NOK 457.9) million. The increase is due to a higher level of investments particularly impacted by projects run by Hinna Park and dividend not yet paid to shareholders of NOK 25 million in Hinna.

The Group's equity capital, including non-controlling interests, was NOK 11,064.0 (NOK 8,131.3) million as at 31 December 2014 which corresponds to an equity ratio of 35.9 per cent (30.3 per cent). The IPO in October resulted in a net increase of the equity of NOK 2,660.1 million, after IPO costs of NOK 39.9 million after tax. In connection with the acquisition of Hinna Park, the Group has recorded a non-controlling ownership interest of NOK 257.4 million.

Cash flow

The Group's cash flow from operations for 2014 amounted to NOK 668.2 (NOK 508.4) million. The change from 2013 is mainly due to an increased profit from property management.

The net cash flow from investments was NOK -1,157.0 (NOK -999.7) million.

Proceeds from sales of investment properties, companies and housing-units include proceeds from sale of investment properties and sales of housing-units at Ringstabekk totalling NOK 511.4 (NOK 596.9) million in 2014.

The Group had a net negative cash effect of NOK 213.3 million related to the purchase of 50 per cent of the shares in Hinna Park of NOK 218.9 million and a net positive cash effect of NOK 5.5 million from the purchase of the remaining shares in Sørlandet Kunnskapspark Eiendom AS.

Investments in the property portfolio amounted to NOK 1.587.9 (NOK 1,798.8) million, of which NOK 1,106.5 (NOK 998.0) million is related to improvements of the existing property portfolio. NOK 287.3 million was related to the purchase of the investment property Lilletorget 1 in 2014. In 2013 NOK 592.1 million was related to the purchase of Schweigaardsgate 16.

The Group received net payments from associates and jointly controlled entities of NOK 132.7 (NOK 202.2) million in 2014 of which NOK 125.2 is related to proceeds from the sale of the shares of UP-Entra. In addition, the Group has received a dividend from Entra OPF of NOK 79.6 million in 2014.

Net cash flow from financing was NOK 509.6 (NOK 603.9) million. During 2014 the Group increased its interest bearing debt related to the purchase of Hinna Park in the first quarter, to the purchase of Lilletorget 1 in the second quarter, to improvements to the existing property portfolio, and to dividend payments of NOK 900 million to the Norwegian Ministry of Trade, Industries and Fisheries and of NOK 60 million to the non-controlling shareholder in Hinna. In connection with the net share issue proceeds of NOK 2.645.4 million in the fourth quarter of 2014, the Group repaid approximately NOK 1.9 billion of interest bearing debt.

The net change in liquid assets was NOK 20.7 (NOK 112.6) million in 2014.

Going concern

The financial statements have been prepared based on 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 December 2014. There have not been any events since 31 December 2014 that have significant impact on the financial statements.

FINANCIAL STRUCTURE AND EXPOSURE

The Group´s financing is diversified between various bank and capital market instruments. At year-end 2014 the nominal interest-bearing debt was NOK 14.088 (NOK 14.528) million. The interest-bearing debt has a diversified maturity structure, with an average term to maturity of 5 years. Entra's financing is based on negative pledge of the Group´s assets, a structure which enables a broad and flexible financing mix.

The capital markets funding as at 31 December 2014 consisted of bonds and commercial paper outstanding of respectively NOK 7,300 million and NOK 1,350 million, which accounted for 61 per cent of total interest-bearing debt. Bank funding of NOK 5,438 million represents the remaining part of the financing mix. The Group´s bank facilities are mainly revolving credit facilities, which enable an active liquidity management by adjusting the revolving facilities according to any ongoing cash needs or surplus. The Group's liquid assets amounted to NOK 198.2 (NOK 177.4) million as at 31 December 2014. In addition, the Group had committed, unutilised credit facilities totalling NOK 3,965 (NOK 3.425) million.

The Group's average interest cost as at 31 December 2014 was 4.45 (4.47) per cent. As at 31 December 2014, 63 (62) 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 (3.0) years. Market interest rates have fallen significantly during 2014, as the market discounts lower growth in the Norwegian economy. However, the average interest rate on the Group funding has only been subject to a minor reduction. This effect is explained by lower interest-bearing debt and reduced floating interest rate exposure, as IPO proceeds was used to repay floating rate debt.

The Group has adopted a conservative financial strategy with a moderate loan to value ratio that secures financial flexibility throughout an economic cycle. Entra will in this regard target a loan to value ratio of approximately 50 per cent. The Group´s loan to value ratio as at 31 December 2014 was 48.4 per cent, reduced from 56.6 per cent in 2013. The reduction in the loan to value ratio is mainly due to debt repayment from the IPO proceeds. Approximately NOK 1,900 million of interest-bearing debt was repaid in connection with the IPO in the fourth quarter 2014.

The Group manages financial risks in accordance with a framework included in the financial policy. The main financial risks, in addition to financial leverage above, are financing risk, interest rate risk, credit risk and currency exposure. The Group's financial policy has been adopted by the Board and is up for revision on an annual basis.

CORPORATE GOVERNANCE

Entra's board has approved guidelines for good corporate governance in accordance with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES)

The following elements are central in these guidelines:

- Entra shall maintain open, reliable and relevant communication with the outside world about the Group's business and matters related to corporate governance.
- Entra shall have a board that is independent of the group's management.
- Emphasis shall be placed on avoiding as far as possible conflicts of interest between shareholders, the board and management.

FINANCIAL RISK

	31.12.2014	Financial policy
Financial leverage		
Loan to value	48%	approx. 50 %
Financing risk		
Unutilised credit facilities and cash/short-term interest-bearing debt	142%	at least 100%
Weighted average time to maturity	5.0	at least 4 years
Short-term interest-bearing debt/total interest-bearing debt	20%	max 30%
Interest rate risk		
Interest coverage ratio	2.0	at least 1.65 times
Duration	3.2	2-5 years
Interest rate maturity within next 12 months	37%	max 50%
Credit risk/currency exposure		
Counterpart's credit rating	Fulfilled	at least A-/A3
Share of debt per counterparty	13%	max 30%
Currency exposure	0	0

- Entra shall have a clear division of work between the board and management.
- Equal treatment of shareholders.

See the section of this annual report on corporate governance for a more detailed description of the corporate governance principles and reporting pursuant to Section 3-3b of the Norwegian Accounting Act.

SHAREHOLDER INFORMATION

Entra's share capital is NOK 183,732,461 divided into 183,732,461 shares, with each share having a par value of NOK 1.00. All the shares have been issued in accordance with the Norwegian Public Limited Companies Act and are fully paid. Entra has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the shares carries one vote. There are no share options or other rights to subscribe for or acquire shares issued by Entra. Neither Entra nor any of its subsidiaries directly or indirectly owns shares in the company.

As of 31 December 2014 Entra had 6,709 shareholders, with 66 % of the shares being held by Norwegian investors and 34 % by foreign investors. The 10 largest shareholders as of 31 December 2014 were as set out in the table below.

Dividend policy

Entra targets a dividend payout ratio of approximately 60 % of Cash Earnings, defined as the result from property management less net realised financial items and payable tax. In line with the dividend policy, the board of Entra proposes a dividend of NOK 2.50 per share for 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 Group aims to reduce rental risks through systematic customer support, by keeping track of when contracts expire and planning how to find new tenants. 76 % of the Group's customers are from the public sector as of 31.12.14 and changes in operating parameters and efficiency improvements in the public sector may affect the Group's risk exposure. The market value of the Group's property portfolio is affected by cyclical fluctuations in the economy amongst other factors. A decrease in the market value of the portfolio 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 Group 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 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 mean that credit and counterparty risk is limited. The

THE 10 LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2014

NAME	SHAREHOLDING	%
MINISTRY OF TRADE, INDUSTRY AND FISHERIES	91,668,389	49.9 %
GEVERAN TRADING CO LTD	18,400,000	10.0 %
FOLKETRYGDFONDET	8,375,000	4.6 %
J.P. MORGAN CHASE BANK N.A. LONDON	4,556,194	2.5 %
JP MORGAN CLEARING CORP.	4,356,045	2.4 %
BNP PARIBAS SEC. SERVICES S.C.A	2,736,133	1.5 %
J.P. MORGAN CHASE BANK N.A. LONDON	2,568,221	1.4 %
CITIBANK, N.A.	2,376,427	1.3 %
VARMA MUTUAL PENSION INSURANCE	2,162,000	1.2 %
DANSKE INVEST NORSKE INSTIT. II.	2,129,748	1.2 %
SUM 10 LARGEST	**139,328,157**	**75.8 %**
OTHER	44,404,304	24.2 %
TOTAL	**183,732,461**	**100.0 %**

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 Group 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 equity return 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 2014, Entra ASA made a profit after tax of NOK 487.8 (NOK 250) million, as set out in the financial statements prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

In accordance with the defined dividend policy the Board proposes that Entra ASA distributes profit for the year as follows:

- Proposed dividend from retained earnings is NOK 459.3 million (NOK 2.5 per share)
- Transferred to other equity, NOK 28.5 million

The board confirms that the company has sufficient equity and liquidity following payment of the proposed dividend.

OUTLOOK

General

In 2015 Entra will focus on its core operations hereunder property management and project development as well as further streamlining of an efficient organisation. Going into 2015 Entra is well established as a listed company. In the latter part of 2014 and beginning of 2015 Entra has taken advantage of the favourable market conditions in the transaction market and the divestment of non-core assets strategy is far progressed. Entra will focus on profitable growth through efficient property management and letting activities as well as value accretive project development and transactions.

Market development

A weaker macro-economic development is expected in Norway. The current economic situation with lower oil prices is expected to lead to higher unemployment and increased uncertainty.

Office vacancies have increased slightly throughout 2014 despite the low volume of new buildings being completed. Sub markets with a high level of international tenants and oil exposure are expected to experience further increase in vacancies and pressure on rents. As seen in previous periods, modern offices located near public transportation still attract tenants and obtain solid rents compared to premises located in fringe areas. Rental growth is however expected to see a slow-down in 2015 compared to previous years.

Property investors seek quality properties with good locations and/ or long and secure cash flows. Centrally located properties with development potential are also greatly in demand. Entra is experiencing a favourable credit market environment with low interest rates and contracting credit margins. The market is characterised by high competition and willingness to lend, both by banks and in the debt capital markets. Entra expect these market conditions to continue and to support a positive value development for Entra's property portfolio.

Oslo, 25 March 2015
The Board of Directors of Entra ASA

Siri Hatlen
Chair of the Board

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Frode Halvorsen
Board member

Birthe Smedsrud Skeid
Board member

Arve Regland
Acting CEO

Brattørkaia, Trondheim

Board of Directors

Siri Beate Hatlen
Chair

Siri Beate Hatlen has been the Chair of the board of directors of Entra ASA (Entra Eiendom AS) since May 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 held 1.091 shares in Entra as of 31.12.14

Kjell Bjordal
Board member

Kjell Bjordal has been a member of the board of directors of Entra ASA (Entra Eiendom AS) since 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 held 14,551 shares in Entra as of 31.12.14

Frode Erland Halvorsen
Board member

Frode Erland Halvorsen has been an employee representative of the board of directors of Entra ASA (Entra Eiendom AS) since 2014. 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 held 230 shares in Entra as of 31.12.14

Martin Mæland
Vice Chair

Martin Mæland has been a member of the board of directors of Entra ASA (Entra Eiendom AS) since 2007. 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 held 2.183 shares in Entra as of 31.12.14

Arthur Sletteberg
Board member

Arthur Sletteberg has been a member of the board of directors of Entra ASA (Entra Eiendom AS) since 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 held 727 shares in Entra as of 31.12.14

Ingrid Therese Tjøsvold
Board member

Ingrid Therese Tjøsvold has been a member of the board of directors of Entra ASA (Entra Eiendom AS) since 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 held 437 shares in Entra as of 31.12.14

Birthe Helén Smedsrud Skeid
Board member

Birthe Helén Smedsrud Skeid has been an employee representative of the board of directors of Entra ASA (Entra Eiendom AS) since 2012. 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 Skeid held 2,307 shares in Entra as of 31.12.14

Consolidated financial statements

Statement of total comprehensive income 1 January to 31 December

All amounts in NOK million

	Note	2014	2013
Rental income	6	1 772.3	1 632.3
Other operating revenue	10	224.9	24.9
Total operating revenue		**1 997.3**	**1 657.2**
Repairs & maintenance		52.5	65.9
Operating costs	11	95.6	91.5
Other property costs	12	223.0	88.2
Administrative owner costs	13, 14	227.0	223.0
Total operating costs		**598.0**	**468.5**
Net income from property management		**1 399.2**	**1 188.7**
Changes in value from investment properties	19	1 194.5	-506.7
Share of profit from associates and jointly controlled entities	20	35.6	235.5
Operating profit		**2 629.3**	**917.5**
Interest and other finance income	16	21.2	14.5
Interest and other finance expense	16	-666.3	-658.1
Net realised financials		**-645.2**	**-643.6**
Unrealised changes in value of financial instruments		-607.0	183.7
Net financial items		**-1 252.2**	**-460.0**
Profit before tax		**1 377.1**	**457.6**
Tax payable	27	-	-
Change in deferred tax	27	-351.4	8.1
Profit for year		**1 025.7**	**465.7**
Pension estimate difference	26	35.0	4.0
Change in deferred tax on comprehensive income	27	- 9.4	-1.1
Total comprehensive income for the year		**1 000.1**	**462.8**
Profit attributable to:			
Equity holders of the Company		1 026.8	449.1
Non-controlling interest		-1.1	16.6
Total comprehensive income attributable to:			
Equity holders of the Company		1 001.2	446.2
Non-controlling interest		-1.1	16.6
Earnings per share			
Continuing operations			
Basic=Diluted (NOK)	35	21.7	3 137.7

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Balance sheet – assets

All amounts in NOK million

	Note	31.12.2014	31.12.2013	01.01.2013
NON-CURRENT ASSETS				
Goodwill	17	145.9	-	-
Other intangible assets	18	34.3	30.9	36.3
Total intangible assets		**180.2**	**30.9**	**36.3**
Investment property	19	26 679.5	24 429.8	23 499.1
Property used by owner	18	7.0	6.7	5.8
Other operating assets	18	34.4	30.5	26.2
Total property, plant & equipment		**26 720.8**	**24 467.0**	**23 531.1**
Investments in associates and jointly controlled entities	20	1 074.5	1 128.3	1 100.3
Loan to associates and jointly controlled entities	32	62.4	-	6.7
Financial derivatives	7	550.1	203.5	214.3
Other long-term receivables		48.9	63.1	6.8
Total financial assets		**1 735.9**	**1 394.9**	**1 328.1**
TOTAL NON-CURRENT ASSETS		**28 637.0**	**25 892.8**	**24 895.5**
CURRENT ASSETS				
Housing-units for sale		196.6	227.0	120.2
Trade receivables	21	44.6	27.9	20.1
Other receivables	22	222.5	95.8	49.9
Total current receivables		**463.7**	**350.6**	**190.2**
Cash and bank deposits	23	198.2	177.4	64.8
TOTAL CURRENT ASSETS		**661.9**	**528.1**	**255.0**
Investment property held for sale	19	1 550.8	388.2	734.2
TOTAL ASSETS		**30 849.6**	**26 809.1**	**25 884.8**

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Balance sheet
– equity and liabilities

All amounts in NOK million

	Note	31.12.2014	31.12.2013	01.01.2013
EQUITY				
Paid-in equity	24	3 739.4	1 729.3	2 145.9
Retained earnings	24	7 038.8	6 287.5	5 841.2
Non-controlling interests		285.8	114.6	98.0
TOTAL EQUITY		**11 064.0**	**8 131.3**	**8 085.1**
LIABILITIES				
Interest-bearing debt	25	11 825.5	11 799.4	9 736.5
Pension liability	26	81.8	53.1	58.0
Deferred tax liability	27	2 984.3	2 515.1	2 528.1
Financial derivatives	7	1 352.7	848.0	1 005.2
Other liabilities	28	129.0	100.1	102.6
Total non-current liabilities		**16 373.3**	**15 315.7**	**13 430.4**
Trade payables and other payables	29	520.7	457.9	379.2
Interest-bearing debt	25	2 821.2	2 809.1	3 910.0
Tenant prepayments and provisions	30	70.4	95.0	80.1
Total current liabilities		**3 412.4**	**3 362.1**	**4 369.3**
TOTAL LIABILITIES		**19 785.6**	**18 677.7**	**17 799.7**
TOTAL EQUITY AND LIABILITIES		**30 849.6**	**26 809.1**	**25 884.8**

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Oslo, 25 March 2015
The Board of Directors of Entra ASA

Siri Hatlen
Chair of the Board

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Frode Halvorsen
Board member

Birthe Smedsrud Skeid
Board member

Arve Regland
Acting CEO

Consolidated statement of changes in equity

All amounts in NOK million

	Share capital	Other paid-in capital	Retained earnings	Non-controlling interest	Total equity
Equity at 31.12.2012	**142.2**	**2 003.7**	**5 698.7**	**98.0**	**7 942.6**
Change in accounting principles IFRIC 12			142.5		142.5
Equity at 01.01.2013	**142.2**	**2 003.7**	**5 841.2**	**98.0**	**8 085.1**
Profit for the year			449.1	16.6	465.7
Other comprehensive income			-2.9		-2.9
Repaid paid-in capital		-416.6			-416.6
Equity at 31.12.2013	**142.2**	**1 587.1**	**6 287.5**	**114.6**	**8 131.3**
Capital increase	41.5	2 658.5			2 700.0
Share issue cost net of tax		-39.9			-39.9
Additions with non-controlling interests				257.4	257.4
Profit for the year			1 026.8	-1.1	1 025.7
Other comprehensive income			-25.5	-	-25.5
Dividend paid		-650.0	-250.0	-	-900.0
Repaid paid-in capital non-controlling interests				-85.0	-85.0
Equity at 31.12.2014	**183.7**	**3 555.7**	**7 038.8**	**285.8**	**11 064.0**

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows 1 January to 31 December

All amounts in NOK million

	Note	2014	2013
Profit before tax		1 377.1	457.7
Net expensed interest and fees on loans from financial institutions		694.9	687.5
Interest and fees paid on loans from financial institutions		-739.7	-705.4
Share of profit from associates and jointly controlled entities	20	-35.6	-235.5
Depreciation and amortisation		16.1	44.8
Change in market value investment properties	19	-1 199.9	506.7
Change in market value financial instruments	7, 25	607.0	-183.7
Change in working capital		-51.8	-63.7
Net cash flow from operating activities		**668.2**	**508.4**
Proceeds from sales of property plant and equipment and housing-units		511.4	596.9
Purchase of business net of cash	9	-213.3	-
Purchase of investment properties	19	-287.3	-592.1
Cost of upgrades of investment properties	19	-1 106.5	-998.0
Investment in housing units for sale		-154.0	-106.8
Purchase of intangible assets and other plant and equipment	18	-40.1	-101.8
Repayment of loans to associates and jointly controlled entities	20	-62.2	-5.2
Net payments in associates and jointly controlled entities	20	115.3	-
Dividends from associates and jointly controlled entities	20	79.6	207.4
Net cash flow from investment activities		**-1 157.0**	**-999.7**
Proceeds interest-bearing debt	25	11 910.0	10 412.0
Repayment interest-bearing debt	25	-13 085.8	-9 391.5
Proceeds from issuance of shares	24	2 645.4	-
Dividends paid	36	-960.0	-416.6
Net cash flow from financing activities		**509.6**	**603.9**
Change in cash and cash equivalents		20.7	112.6
Cash and cash equivalents at beginning of period		177.4	64.8
Cash and cash equivalents at end of period	**23**	**198.2**	**177.4**

Notes 1 through to 36 form an integral part of the consolidated financial statements.

Summary of Notes

Notes

NOTE 1 GENERAL INFORMATION

Entra ASA ("the company") was listed on the Oslo Stock Exchange on 17 October 2014. The largest shareholder with 49.9 per cent of the shares is the Ministry of Trade, Industry and Fisheries. The comany's head office is located at Biskop Gunnerusgate 14, Oslo, Norway.

Entra ASA and its subsidiaries (together "the Group") are 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 1,292,107 square metres and 1,063,327 square metres under management.

The management portfolio's economic occupancy level was 94.6 per cent at the year-end. Entra's head office is situated in Oslo. Regional offices are located in Oslo, Bergen and Trondheim.

The Group mainly has public-sector tenants, and at 31 December 2014 the proportion of public-sector tenants was 76 (81) per cent.

The consolidated financial statements were adopted by the company's Board on 25 March 2015.

NOTE 2 ACCOUNTING POLICIES

ACCOUNTING POLICIES

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 ubjective judgement.

The consolidated financial statements have been presented on the assumption of the business being a going concern.

Application of new and revised International Financial Reporting Standards (IFRSs) in 2014.

No new or amended IFRS or IFRIC interpretations came into effect for the 2014 financial year that have a significant impact on the consolidated financial statements.

New and amended standards brought into use by the Group, but which do not have an effect on the financial statements at this time:

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has legally enforceable right of set-off" and "simultaneous realisation and settlement". The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36 Recovarable Amounts Disclosures for Non-Financial Assets

The amendment removed certain disclosures of the recoverable amount of cash-generating unit (CGU) to which goodwill and other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new discloures include fair value hierachy, jey assumptions and valuation technicques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements. The applications of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendment to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting
The amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the Group consolidated financial statements as a result.

IFRIC 21 Levies
The interpretation sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The amendments have been applied retrospectively. The Group is not currently subjected to significant levies so the impact on the Group's consolidated financial statements is not material.

Standards, amendments and interpretations of existing standards that have not come into force and where the Group has not chosen early implementation:
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9 Financial Instruments
The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ""hedged ratio"" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess IFRS 9's full impact.

IFRS 15 Revenue from Contracts with Customers
The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of IFRS 15.

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 Group's consolidated financial statements.

CHANGE IN ACCOUNTING PRINCIPLES

The Group has changed accounting principle for the three properties, Vøyenenga school, Borgarting Court of Appeal and the National Library from IFRIC 12 to IAS 40 "Investment properties" at 31 December 2014.

In order to present comparable figures, the Group has restated accounting periods starting after 31 December 2012 and presents comparable figures at 1 January 2013. The implications for the Group's accounting of the change in principle for the financial year ended 2013 is set out below.

All amounts in NOK million

	Before change in principle 2013	After change in principle 2013	Change 2013		Before change in principle 01.01.2013	After change in principle 01.01.2013	Change 01.01.2013
Total operating revenue	**1 575.4**	**1 657.2**	**81.8**	Investment property	22 202.5	23 499.1	1 296.8
Total operating costs	**468.7**	**468.5**	**-0.2**	Other long-term receivables	1 129.5	6.8	-1 122.6
Net income from property management	1 106.8	1 188.7	82.1	**Total assets**	**25 710.8**	**25 884.8**	**174.0**
Changes in value from investment properties	**-495.1**	**-506.7**	**-11.7**	Total equity	7 942.6	8 085.1	142.5
Operating profit	847.2	917.5	70.3	Deferred tax liability	2 472.7	2 528.1	55.4
Interest and other finance income	109.9	14.5	-95.4	Other non-current liabilities	126.5	102.6	-23.9
Interest and other finance expense	**-674.8**	**-658.1**	**16.7**	**Total equity and liabilities**	**25 710.8**	**25 884.8**	**174.1**
Profit before tax	**466.0**	**457.6**	**-8.4**				
Total comprehensive income	**467.0**	**462.8**	**-4.2**				

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 ("de facto control"). De facto 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 de facto 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. Jointly controlled entities where the Group controls the entity are consolidated in the Group. This will occur when the Group has the power over the jointly controlled entity, and where the Group has the exposure, or rights, to variable returns from its involvement with the jointly controlled entity and the ability to use its power over the jointly controlled entity to affect the amount of the investor's.

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 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 Group's highest decision-making authority. The Group'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 and the CEO.

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 net 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 as change in value from investment properties.

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 value from investment property".

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 subject only to terms that are usual and customary for sales of such assets (or disposal groups). For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification

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, normally 5 years. 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 value in use 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 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 "Unrealised changes in 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 both defined benefit and defined contribution pension schemes. A defined benefit pension scheme 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.

Contributions to defined contributions plans are recognised in the income statement in the period in which they accrue.

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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaires and associates, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary differences and it is probable that the temprorary difference will not reverse in the forseeable 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. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease inception date or, where the partnership is required to make additions to the property in the form of tenant improvements which enhance the value of the property, upon substantial completion of those improvements. 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 2014 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)[1]
Inflation	+ 1.00	286.0
Market rent	+ 10.00	2 180.8
Discount rates	+ 0.25	-818.7
Exit yield	+ 0.25	-519.4

[1] Estimates by DTZ Realkapital Verdivurdering AS in conjunction with valuations at 31 December 2014.

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 8.

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.

31.12.2014	Total change in profit after tax [1]	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	**333.0**	**-28.3**	**361.3**
Interest-bearing debt	134.7	-64.6	199.3
Derivatives	198.2	36.2	162.0
Market rates fall by 1 percentage point	**-347.6**	**28.3**	**-375.9**
Interest-bearing debt	-134.7	64.5	-199.3
Derivatives	-212.9	-36.2	-176.6

1) A positive figure signifies an increase in profit after tax.

31.12.2013	Total change in profit after tax [1]	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

1) A positive figure signifies an increase in profit after tax.

Pension

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 2014, the discount rate was determined on the basis of bonds with preference rights.

The table below sets out a 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	1.80 %	16.9	8.7 %
Discount rate at 31.12.2014	2.30 %	-	-
0.5 percentage point increase	2.80 %	-14.8	-7.7 %

Wage growth		Impact on liabilities	Impact as a percentage
0.5 percentage point reduction	2.25 %	-6.9	-3.5 %
Expected wage growth at 31.12.2014	2.75 %	-	-
0.5 percentage point increase	3.25 %	6.4	3.3 %

NOTE 4 FINANCIAL RISK MANAGEMENT

All amounts in NOK million

Governance structure, exposure and reporting

The Board of Entra ASA 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:

- Financing risk
- Capital management and solvency
- Interest rate risk
- Credit/counterparty risk
- Currency risk

Financing risk

Financing 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 financing 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 Group. The Group has defined a target for the Loan-To-Value ratio of approximately 50 per cent over the economic cycle. 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 Group's cash flows and the market value of the Group's liabilities. The main purpose of the Group's strategy to manage interest rate risk is to ensure that the Group 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 50 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. Entra considers that the ability of creditors to behave predictably over the long term is often dependent on their creditworthiness. For this reason, Entra wants the Group's creditors to be of a good credit quality and has established credit rating limits for the Group's creditors. The credit ratings of the Group's financial counterparties are continuously monitored.

Currency risk

The Group shall not incur any currency risk and at 31 December 2014, 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 December 2014, 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

	REMAINING TERM								
31.12.2014	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
Interest-bearing bank loans – principal	-	250.0	1 950.0	1 050.0	1 500.0	145.2	-	339.0	5 234.2
Interest-bearing bank loans – amortising	5.3	15.9	21.2	42.4	42.4	28.6	24.0	24.0	203.8
Interest-bearing bank loans – estimated interest	34.1	102.8	132.2	161.8	58.4	18.5	14.8	14.4	537.1
Bonds – principal	-	1 200.0	-	2 800.0	1 700.0	-	500.0	1 100.0	7 300.0
Bonds – estimated interest	52.7	215.0	233.5	385.9	247.4	151.6	126.6	304.9	1 717.8
Commercial paper – principal	850.0	500.0	-	-	-	-	-	-	1 350.0
Commercial paper – estimated interest	11.8	5.2	-	-	-	-	-	-	16.9
Financial instruments									
- interest rate derivatives	56.1	127.0	160.1	226.5	87.7	1.9	-34.9	-88.7	535.7
Trade payables	323.7								323.7
Other financial liabilities	90.5								90.5
Total	**1 424.3**	**2 415.8**	**2 497.1**	**4 666.7**	**3 635.9**	**345.9**	**630.5**	**1 693.6**	**17 309.9**

	REMAINING TERM								
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
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	114.6	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	23.6	-33.1	-95.5	559.8
Trade payables	290.0	-	-	-	-	-	-	-	290.0
Other financial liabilities	58.8	-	-	-	-	-	-	-	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**

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

	TERM TO MATURITY								
31.12.2014	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
Unused credit facilities Entra Eiendom AS	-	250.0	1 500.0	1 650.0	-	-	-	-	3 400.0
Unused credit facilities subsidiaries	-	-	-	350.0	160.0	55.0	-	-	565.0
Total unused credit facilities	**-**	**250.0**	**1 500.0**	**2 000.0**	**160.0**	**55.0**	**-**	**-**	**3 965.0**

UNUSED CREDIT FACILITIES

	TERM TO MATURITY								
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
Unused credit facilities Entra Eiendom AS	-	-	250.0	2 410.0	700.0	-	-	-	3 360.0
Unused credit facilities subsidiaries	-	-	-	-	-	65.0	-	-	65.0
Total unused credit facilities	**-**	**-**	**250.0**	**2 410.0**	**700.0**	**65.0**	**-**	**-**	**3 425.0**

At 31 December 2014, the Group had NOK 161.7 (NOK 142.2) million of available liquid assets. See Note 23.

Interest rate risk
The Group's liabilities are subject to fixed interest rates (63 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 2014, the weighted average duration was 3.2 (3.0) years. The average credit interest rate was 4.45 (4.47) per cent at 31 December 2014.

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 2014	31.12.2015	31.12.2016	31.12.2018	31.12.2020	31.12.2022	31.12.2024	31.12.2024+	
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	Total
Percentage	37 %	5 %	14 %	24 %	7 %	9 %	4 %	100 %
Amount	5 166.0	770.0	2 042.0	3 350.0	1 000.0	1 250.0	510.0	14 088.0

At 31 Dec 2013	31.12.2014	31.12.2015	31.12.2017	31.12.2019	31.12.2021	31.12.2023	31.12.2023+	
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	Total
Percentage	38 %	5 %	13 %	22 %	15 %	2 %	4 %	100 %
Amount	5 565.5	750.0	1 852.0	3 250.0	2 250.0	350.0	510.0	14 527.5

KEY FIGURES FOR THE GROUP'S FINANCIAL INSTRUMENTS

	2014	2013
Nominal value of interest rate derivatives on the balance sheet date [1]	13 972.0	13 554.5
of which		
- Fixed-to-variable swaps [1]	3 300.0	3 992.5
- Variable-to-variable swaps	0.0	0.0
- Variable-to-fixed swaps	10 672.0	9 512.0
- Options or option-related products	0.0	50.0
Range of fixed interest rates	From 2.116 % to 5.950 %	From 2.377 % to 5.950 %
Variable rate basis	NIBOR	NIBOR
Average fixed rate excl. forward starting swaps	4.44 %	4.67 %
Average fixed rate incl. forward starting swaps	3.90 %	4.49 %
Fair value of derivatives on the balance sheet date (NOKm)	802.5	644.5
Change in fair value of bank loans over the year	0.0	0.0
Change in fair value of bonds over the year	-477.7	38.5
Change in fair value of interest rate derivatives over the year	-129.3	146.4
Premiums/discounts, loan drawings		-1.2
Total change in fair value of financial instruments	**-607.0**	**183.7**

[1] NOK 3 300 (NOK 3 993) 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 10 672 (NOK 9 562) million. At 31 December 2014 the Group has no interest rate options or option-related products.

NOTE 5 RISK LEASE MANAGEMENT

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

	2014	2013
≤ 1 year	1 686.0	1 650.7
1 year < 5 years	6 515.7	5 442.4
≥ 5 years	5 259.8	7 941.7
Total [1]	**13 461.5**	**15 034.7**

THE GROUP'S LEASE CONTRACTS AT 31.12 HAVE THE FOLLOWING MATURITY STRUCTURE MEASURED IN ANNUAL RENT [1]

	2014			2013		
Remaining term	No. of contracts	Contract rent	Contract rent, %	No. of contracts	Contract rent	Contract rent, %
≤ 1 year	188	77.9	4	127	59.9	4
1 year < 5 years	285	601.3	34	329	342.6	21
5 years < 10 years	127	557.6	32	127	557.9	35
≥ 10 years	51	514.3	29	62	656.3	41
Total	**651**	**1 751.1**	**100**	**645**	**1 616.7**	**100**

The table above shows the remaining non-terminable contractual rent for current leases without taking into account the impact of any options.

[1] 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 LEASE PORTFOLIO

	2014				2013			
	Area (sqm)	Occupancy (%)	Wault (yrs)	Share of public sector tenants (%)	Area (sqm)	Occupancy (%)	Wault (yrs)	Share of public sector tenants (%)
Region Central Oslo	392 385	92.8	6.7	73	395 732	95.2	7.6	73
Region Greater Oslo	335 142	96.8	9.3	82	310 335	96.9	9.4	85
Region South and West	193 916	94.6	7.8	66	164 583	93.7	8.4	89
Region Central and Northern	141 885	97.5	7.1	89	147 485	97.7	7.5	91
Total management portfolio	**1 063 327**	**94.6**	**7.7**	**76**	**1 018 136**	**95.7**	**8.2**	**81**
Project portfolio	86 637		11.0	10	67 495		11.1	34
Regulated development sites	142 143		0.6	62	123 602		0.0	0
Total property portfolio	**1 292 107**		**8.0**		**1 209 233**		**8.3**	

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 6 SEGMENT INFORMATION

All amounts in NOK million

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance. The accounting policies of the reportable segments are the same as for the Group's accounting policies. The Group reports its business 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.

Segment information is reported to the group management team and to the CEO, which are the Group's highest decision-making authority.

Costs related to staff and support functions for the operating segments and group eliminations are included in the segment Group.

31.12.2014	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	781.1	501.9	285.1	204.3	-	1 772.3
Other operating revenue	7.0	184.0	25.7	6.5	1.6	224.9
Total operating revenue	**788.2**	**685.8**	**310.8**	**210.8**	**1.6**	**1 997.3**
Repairs & maintenance	24.7	14.4	9.6	3.8	-	52.5
Operating costs	31.2	25.1	21.3	17.6	0.4	95.6
Other property costs	18.2	187.4	0.8	1.6	15.0	223.0
Administrative owner costs	14.4	13.1	26.4	6.9	166.1	227.0
Total operating costs	**88.5**	**239.9**	**58.2**	**29.9**	**181.6**	**598.0**
Net income from property management	**699.6**	**445.9**	**252.7**	**180.9**	**-179.9**	**1 399.2**
Carrying amount of investment property						
Investment property	13 704.3	6 172.0	4 291.4	2 511.9	-	26 679.5
Investment property held for sale	-	1 193.1	110.0	247.7	-	1 550.8

31.12.2013	Central Oslo	Greater Oslo	South/West	Mid/North	Group	Consolidated
Rental income	745.2	463.6	222.4	201.2	-0.1	1 632.3
Other operating revenue	15.2	1.7	3.5	3.7	0.8	24.9
Total operating revenue	**760.4**	**465.3**	**226.0**	**204.9**	**0.7**	**1 657.2**
Repairs & maintenance	33.4	10.4	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	**108.4**	**77.5**	**44.7**	**39.5**	**198.5**	**468.6**
Net income from property management	**652.0**	**387.8**	**181.3**	**165.4**	**-197.8**	**1 188.6**
Carrying amount of investment property						
Investment property	12 080.0	6 658.9	2 990.7	2 700.1	-	24 429.8
Investment property held for sale	264.2	44.0	80.0	-	-	388.2

NOTE 7 CATEGORIES OF FINANCIAL INSTRUMENTS

All amounts in NOK million

31.12.2014	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total		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				**0.0**	Interest-bearing non-current liabilities		3 858.7	7 966.8	**11 825.5**
- other financial assets				**0.0**	Interest-bearing current liabilities		1 350.0	1 471.2	**2 821.2**
Financial derivatives			550.1	**550.1**	Financial derivatives	1 352.7			**1 352.7**
Trade receivables	44.6			**44.6**	Trade payables			323.7	**323.7**
Other current receivables	222.5			**222.5**	Other current liabilities			90.5	**90.5**
Cash and cash equivalents	198.2			**198.2**					
Total financial assets	**465.2**	**0.0**	**550.1**	**1 015.4**	**Total financial liabilities**	**1 352.7**	**5 208.7**	**9 852.3**	**16 413.6**

31.12.2013	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total		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	-	0.6	-	**0.6**	Interest-bearing non-current liabilities	-	3 365.7	8 435.0	**11 800.7**
- other financial assets	62.6	-	-	**62.6**	Interest-bearing current liabilities	-	2 357.7	450.0	**2 807.7**
Financial derivatives	-	-	203.5	**203.5**	Financial derivatives	848.00	0.0	-	**848.0**
Trade receivables	27.9	-	-	**27.9**	Trade payables	0.0	-	290.0	**290.0**
Other current receivables	95.8	-	-	**95.8**	Other current liabilities	-	-	58.6	**58.6**
Cash and cash equivalents	177.4	-	-	**177.4**					
Total financial assets	**363.7**	**0.6**	**203.5**	**567.7**	**Total financial liabilities**	**848.0**	**5 723.5**	**9 233.6**	**15 805.1**

NOTE 8 INFORMATION ABOUT FAIR VALUE

All amounts in NOK million

Investment properties are valued at fair value based on independent external valuations.

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

	31.12.2014	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
- Investment properties	26 679.5			26 679.5
- Derivatives	550.1		550.1	
Financial assets available for sale				
- Investment properties	1 550.8			1 550.8
- Equity instruments	0.6			0.6
Total	**28 781.0**		**550.1**	**28 230.8**

FINANCIAL LIABILITIES AT FAIR VALUE

	31.12.2014	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss				
- Derivatives	1 352.7	-	1 352.7	-
- Bank loans	-	-	-	-
- Bonds	3 858.7	-	3 858.7	-
- Commercial paper	1 350.0	-	1 350.0	-
- Other	-	-		-
Total	**6 561.4**	**-**	**6 561.4**	**-**

FINANCIAL ASSETS AT FAIR VALUE

	31.12.2013	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
- Investment properties	24 429.8	-	-	24 429.8
- Derivatives	203.5	-	203.5	-
Financial assets available for sale	-	-	-	-
- Investment properties	388.2	-	-	388.2
- Equity instruments	0.6	-	-	0.6
Total	**25 022.0**	**-**	**203.5**	**24 818.5**

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**	**-**

INFORMATION ABOUT THE FAIR VALUE OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2014		2013	
	Fair value	Carrying amount	Fair value	Carrying amount
Loans to associates	62.4	62.4	-	-
Trade receivables	44.6	44.6	27.9	27.9
Closing balance	**107.0**	**107.0**	**27.9**	**27.9**

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.

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 25. Other financial liabilities are short term and the difference between the fair value and the amortised cost is marginal.

NOTE 9 BUSINESS COMBINATION

All amounts in NOK million

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, Oseberg Næring 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.

	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	-46.0	3.9	-42.1
Net identified assets and liabilities	**90.0**	**498.7**	**588.7**
Consideration for shares			294.3
Cash taken over			-75.5
Net outgoing cash flow			**218.9**

EFFECT OF MERGER ON CONSOLIDATED FIGURES

	2014
Operating revenue	92.6
Net income from property management	35.1

PRO FORMA FIGURES – CONSOLIDATED FROM BEGINNING OF YEAR

	2014
Operating revenue	2 005.7
Net income from property management	1 401.8

NOTE 10 OTHER OPERATING REVENUE

All amounts in NOK million

	2014	2013
Sales of maintenance services to tenants	8.4	8.4
Administrative mark-ups	11.2	8.8
Sales of housing-units	177.4	0.0
Other operating revenue	27.9	7.7
Total other operating revenue	**224.9**	**24.9**

NOTE 11 OPERATING COSTS

All amounts in NOK million

	2014	2013
Operating costs		
Administrative costs	40.0	40.3
Payroll and personell expenses	0.9	1.2
Rent related expenses	5.5	6.8
Operating expenses	47.7	43.2
Other operating costs	1.4	-0.0
Total operating costs	**95.6**	**91.5**

[1] A total of NOK 1.6 (NOK 0.4) million of the total operating expenses are related to properties that do not generate any income.

NOTE 12 OTHER PROPERTY COSTS

All amounts in NOK million

	2014	2013
Other property costs		
Rental costs	17.3	34.1
Project operating expenses	2.7	21.3
Development costs - housing-units for sale	184.4	0.1
Depreciation and write-downs	18.5	32.7
Total other property costs	**223.0**	**88.2**

NOTE 13 ADMINISTRATIVE OWNER COSTS

All amounts in NOK million

	2014	2013
Administrative expenses		
Payroll and personnel expenses	126.6	132.8
Office expenses, furnishings and equipment	25.2	27.1
Consultancy fees	49.6	45.2
Other administrative owner costs	25.6	17.9
Total administrative owner costs	**227.0**	**223.0**

NOTE 14 PERSONNEL COSTS

All amounts in NOK million

PERSONNEL COSTS

	2014	2013
Salaries, performance-related pay and other taxable benefits [1]	144.2	148.1
Employers' National Insurance contributions	22.1	20.7
Pension expenses	13.7	12.9
Other personnel costs	14.1	12.5
Total personnel costs	**194.2**	**194.3**
Of which capitalised as projects under development	-17.6	-13.1
Of which shared costs to be distributed amongst tenants	-43.9	-38.3
Of which related to the ongoing operation of properties	-6.1	-5.7
Total salary and personnel costs	**126.6**	**137.2**
Number of full-time equivalents at 31.12	169	150

[1] Salaries, performance-related pay and other taxable benefits includes a NOK 11.4 (NOK 8.8) million provision for performance-related pay for all employees in 2014, which has not yet been paid out.

NOTE 15 STATEMENT ON THE DETERMINATION OF SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES

All amounts in NOK million

STATEMENT ON THE DETERMINATION OF SALARIES AND OTHER REMUNERATION OF SENIOR EXECUTIVES

The statement on the remuneration of the company's Chief Executive Officer (CEO) and other senior executives has been prepared in accordance with the provisions of the Norwegian Public Limited Companies Act.

Basis for Entra's senior management remuneration in 2014

The Norwegian state has set guidelines on senior executive remuneration in companies in which the State has a shareholding. Until October 2014 Entra was 100 per cent owned by the Norwegian state and these guidelines formed the basis for the Board's remuneration policy.

Remuneration of senior executives is based on the Group's general HR strategy and remuneration policy in accordance with the Norwegian state guidelines and is determined in accordance with the following general principles:

- Entra shall be a professional organisation that attracts and retains skilled personnel and develops the competence of its staff. Entra thus needs to use remuneration, including competitive salaries, in order to ensure that the Group can recruit and retain competent and attractive expertise.
- Moderation in the development of salaries of the Group's employees is of importance, amongst other to avoid any negative impact on the Group's reputation.
- Management remuneration shall be competitive, but not leading.
- The fixed salary shall be the main element of the remuneration, and the individual elements included in remuneration shall be considered in total.
- To the extent that a performance-related pay scheme is used, the targets shall be objective, measurable and definable, and there should be a clear correlation between the Group's business goals and the targets in the performance-related pay scheme.
- Senior executive remuneration shall be transparent, and in line with the principles of good corporate governance, as well as the state's guidelines on senior executive remuneration.

The Board's follow-up of remuneration of senior executives

The Board has established a remuneration committee consisting of two representatives from the Board of Directors to follow up on the remuneration of the Group's senior executives. The remuneration committee is chaired by the Chair of the Board.

The committee considers the Group's remuneration principles and systems and recommends guidelines for remuneration before final approval by the Board.

Each year the Board sets the CEO's remuneration based on a recommendation made by the remuneration committee, without the presence of the CEO. The CEO consults the remuneration committee when determining the remuneration of the Group's other senior executives.

Senior executive remuneration in 2014
Total remuneration consists of fixed salary and variable benefits and includes the following elements:

Fixed basic salary
The base salary is the main element in the remuneration of the Group's senior executives and CEO.

Pension benefits
The Group management has a defined benefit pension in the State Pension Fund with a limit of 12 x the National Insurance basic amount ("12G"), in line with other employees. In addition, the CEO, in line with the state's guidelines (valid in 2014), has a defined contribution pension covered from operations, which amounts to 30 per cent of the annual fixed salary above 12G.

Performance-related pay
For several years the Group has operated performance-related pay schemes for senior executives. The annual performance-related pay for the Group management cannot exceed 25 per cent of their annual base salary. The CEO had no performance-related pay scheme in 2014 but was awarded an extraordinary bonus for his achievements in 2014.

For the Group's senior management team, performance-related pay in 2014 is based on targets defined at Group and business level, as well as predefined personal targets.

There were no option or share schemes in place for senior executives in 2014.

Other benefits
Senior executives have company car or mileage agreements. Entra also provides other benefits to senior management in line with the benefits offered to the other employees in Entra and in accordance with normal practice in Norwegian companies.

Insurance
Senior executives have insurance coverage at the same level as other employees.

Board fees
The CEO and the rest of the management group have a number of internal directorships in subsidiaries and partly-owned companies. They do not receive special remuneration for these directorships.

Employee-elected members of the Board of Entra ASA receive fees in line with shareholder-elected Board members.

Severance package arrangements
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 the employment. No other members of the group management have severance pay agreements.

Loans for share purchases
In connection with the listing of Entra in October 2014 all Entra employees, including management, received an offer to buy shares on terms corresponding to those for other private investors. The employees were given the opportunity to take up an interest-free loan of maximum NOK 50,000 related to the share purchase, to be paid down in equal instalments over the following 12 months.

Determination of remuneration in 2014
Determination of senior executive remuneration for 2014 has been carried out in accordance with the above-mentioned guidelines. The CEO's base salary was increased by 4.5 per cent in 2014.

Senior executive remuneration in 2015
Following the stock exchange listing, the Board has undertaken a review of the senior executive remuneration in Entra. The proposed remuneration is in accordance with the Norwegian state's revised guidelines for senior executive remuneration published at 15 February 2015. For companies where state ownership is below 90 per cent the state expects the companies to comply with the guidelines, or explain why the guidelines are not applied.

In general, the Board will apply guidelines to remuneration for the Group management in 2015 corresponding to those in 2014. The Board will update the existing performance-related pay scheme ("STI") for 2015. In addition, the Board will propose to the Annual General Meeting to establish a long-term performance based share incentive program for Group management ("LTI").

STI scheme
The STI scheme is based on set targets at Group and business level in accordance with Board approved scorecards for 2015, as well as predefined personal targets. The Board sets individual targets for the CEO and assess the actual achievements. Individual targets and the corresponding assessment of achievement for the Group management is made by the CEO and approved by the Board.

For the CEO the STI scheme is proposed to have a maximum limit of 50 per cent of base salary and for other members of group management the proposed maximum limit is 30 per cent of base salary. The expected payout for the STI scheme in 2015 is approximately 50 per cent of the maximum limit for both CEO and group management.

LTI scheme
The proposed LTI scheme is based on a return on equity target and a Total Shareholder Return target, each weighting 50 per cent. LTI remuneration will be share-based and have a vesting period of one year and a lock-up period of three years. LTI remuneration will not be taken into account when determining the basis for pensionable salary.

For the CEO the LTI scheme is proposed to have a maximum limit of 30 per cent of base salary and for other members of group management the proposed maximum limit is 20 per cent of base salary. The expected payout for the LTI scheme in 2015 is approximately 50 per cent of the maximum limit for both CEO and group management.

Share purchase scheme
It is proposed to establish a share saving scheme in 2015, offering all employees, including management, the opportunity to purchase shares in Entra ASA at a 20 per cent discount.

Pension scheme

Following the stock exchange listing Entra no longer fulfill the conditions for membership in the State Pension Scheme (SPK). Entra considers the establishment of a contribution-based service pension scheme for all employees, and is in dialogue with SPK in order to find a solution for closing the current defined benefit-based scheme for all or the majority of the current employees.

In connection with an appointment of new CEO or other senior executives, the basis for the contribution pension scheme will not exceed 12G which is in compliance with the state's guidelines for senior executive remuneration from 15 February 2015.

OVERVIEW OF TOTAL REMUNERATION TO SENIOR EXECUTIVES IN 2014
PAYMENTS TO SENIOR EXECUTIVES

All amounts in NOK thousand	Salary	Performance related pay [1) 2)]	Benefits in kind	Commuting costs	Estimated pension costs	Total remunderation 2014
Senior executives as at 31.12.2014						
Klaus-Anders Nysteen, CEO	3 015	500	133	-	767	4 415
Arve Regland, CFO from 01.02.2014	2 166	413	128	-	166	2 873
Anders Solaas, EVP Sales and Markets	1 680	361	139	-	181	2 361
Hege Njå Bjørkmann, EVP Communication	1 408	294	141	-	181	2 024
Hallgeir Østrem, EVP Legal	2 046	388	142	-	181	2 757
Kristin Haug Lund, EVP Development and Technology	1 643	354	130	-	181	2 308
Mona Aarebrot, EVP Greater Oslo	1 340	292	141	-	181	1 954
Karl Fredrik Torp, EVP Mid/North Norway	1 162	257	139	-	181	1 739
Sonja Horn, EVP Central Oslo	1 690	366	135	-	181	2 372
Jorunn Nerheim, EVP South/West Norway	1 166	258	137	-	181	1 742
Total	**17 316**	**3 483**	**1 365**	**-**	**2 381**	**24 545**

1) The CEO had no performance-related pay scheme in 2014 but was awarded an extraordinary bonus for his achievements in 2014.

2) Performance-related pay is based on a provision based on targets met in 2014, which will be paid out in 2015.

The above amounts are subject to National Insurance contributions of 14.1 per cent.

The former CFO, Anne Harris, has received salary during the notice periode until 30 June 2014 of NOK 1,290 and severance pay for the six months ending 31 December 2014 of NOK 1,290. She will receive severance pay until 30 June 2015.

Total loans given by Entra to senior executives were NOK 201 at 31 December 2014. The loans are interest free and will be repaid within a year.

The Group does not have any share-based long-term incentive program or option scheme for its executive management.

OVERVIEW OF TOTAL REMUNERATION TO SENIOR EXECUTIVES IN 2013
PAYMENTS TO SENIOR EXECUTIVES

All amounts in NOK thousand	Salary	Performance related pay [2]	Benefits in kind	Commuting costs	Estimated pension costs	Total remunderation 2013
Senior executives as at 31.12.2013						
Klaus-Anders Nysteen, CEO from 29.01.2013 [4]	2 436	-	121	-	161	2 718
Anders Solaas, EVP Sales and Markets	1 622	330	164	-	175	2 291
Hege Njå Bjørkmann, EVP Communication from 02.02.2013	796	-	109	-	133	1 038
Hallgeir Østrem, EVP Legal from 01.10.2013	410	-	1	-	44	455
Kristin Haug Lund, EVP Development and Technology from 01.10.2013	1 124	44	113	-	170	1 451
Mona Aarebrot, EVP Greater Oslo [3]	1 261	81	139	-	175	1 656
Karl Fredrik Torp, EVP Mid/North Norway [3]	1 119	127	144	-	175	1 565
Sonja Horn, EVP Central Oslo from 19.08.2013	593	-	51	-	69	713
Jorunn Nerheim, EVP South/West Norway [3]	1 088	116	151	-	175	1 530
Astrid Tveten - Acting CFO from 01.11.2013 to 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 [1]	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**	**522**	**13 606**

The Group appointed a temporary Director of Communications and Corporate Social Responsibility in part of 2013.

1) 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.
2) Performance-related pay is based on targets met in 2012, which was paid in 2013.
3) Member of group management after reorganisation effective 1.7.2013.
4) In addition there is an estimated pension cost for an individual scheme above the State Employees Pension Fund of NOK 419 excluding employer's National Insurance contributions.

The above amounts are subject to National Insurance contributions of 14.1 per cent.

All amounts in NOK thousand	Board fees	Committee fees [1]	Total remuneration 2014 [2]	Total remuneration 2013 [3]
Board				
Siri Hatlen, Chair	402.5	102.3	505	421
Martin Mæland, Deputy Chair	202.3	42.8	245	236
Ingrid Tjøsvold	202.3	42.8	245	173
Arthur Sletteberg	202.3	135.8	338	182
Kjell Bjordal	202.3	24.5	227	160
Birthe Smedsrud Skeid, employee representative [4]	202.3	-	202	191
Tore Benediktsen, employee representative until 25 August 2014 [4]	99.3	-	99	191
Frode Halvorsen, employee representative from 25 August 2014 [4]	103.0	-	103	-
Total [1]	**1 616**	**348**	**1 964**	**1 554**

1) Include fees for the privatisation committee paid to the chair of the commitee, Siri Hatlen, of NOK 59.5 and the member of the commitee, Arthur Sletteberg, of NOK 75.0.
2) The overview of the remuneration of the Board of Directors shows remuneration earned in 2014.
3) 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.
4) Does not include ordinary salary.

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.

NOTE 16 FINANCIAL ITEMS

All amounts in NOK million

	2014	2013
Interest income	21.1	13.1
Other finance income	0.1	1.4
Total interest and other finance income	**21.2**	**14.5**
Interest expenses	681.6	670.2
- of which capitalised borrowing costs	-37.5	-45.3
Other finance expenses	22.2	33.2
Total interest and other finance expense	**666.3**	**658.1**
Average interest on capitalised borrowing costs	4.2 %	4.9 %

NOTE 17 GOODWILL

All amounts in NOK million

MOVEMENT IN CARRYING AMOUNT OF GOODWILL

	2014	2013
Opening balance at 01.01	-	-
Additional amounts recognised from business combination occuring during the year (note 9)	145.9	-
Closing balance at 31.12	**145.9**	**-**

The goodwill relates to the acquisition of 50 percent of the shares of the business in Hinna Park Eiendom AS with effect from 1 February 2014. The excess value between the purchase price and the carrying amount of the business at the date of the acquisition has been allocated on the properties in the company. The goodwill derive from the deferred tax provision on the allocated excess value and is not identifiable. There are no indication of impairment related to the goodwill as at 31 December 2014.

NOTE 18 INTANGIBLE ASSETS, PROPERTY USED BY OWNER AND OTHER PROPERTY, PLANT AND EQUIPMENT

All amounts in NOK million

	2014			2013		
	Intangible assets [1]	Property used by owner	Other property, plant and equipment	Intangible assets [1]	Property used by owner	Other property, plant and equipment
Acquisition cost at 01.01.	64.7	7.3	49.0	62.2	7.5	68.0
Acquisitions	15.4	0.4	10.3	16.5	1.0	21.7
Disposals	-2.5	0.0	-0.1	-14.0	-1.2	-40.7
Acquisition cost at 31.12.	**77.6**	**7.6**	**59.2**	**64.7**	**7.3**	**49.0**
Accumulated depreciation and write-downs at 01.01.	33.9	0.6	18.5	25.9	1.8	41.8
Depreciation and write-downs	11.9	0.1	6.4	22.0	0.1	4.8
Disposals	-2.5	0.0	-0.1	-14.0	-1.2	-28.1
Accumulated depreciation and write-downs at 31.12.	**43.3**	**0.6**	**24.8**	**33.9**	**0.6**	**18.5**
Carrying amount at 31.12.	**34.3**	**7.0**	**34.4**	**30.9**	**6.7**	**30.5**

[1] Intangible assets mainly relate to software.

NOTE 19 INVESTMENT PROPERTIES

All amounts in NOK million

VALUE OF INVESTMENT PROPERTIES

	2014	2013
Closing balance previous year	24 818.0	22 936.6
Change in accounting principle IFRIC 12 (note 2)		1 296.8
Opening balance at 01.01	**24 818.0**	**24 233.4**
Other movements		
Purchase of investment property	1 581.2	591.2
Investment in the property portefolio	1 076.5	1 045.4
Capitalised borrowing costs	37.5	45.3
Sale of investment property	-477.3	-590.5
Change in value from operational lease	36.0	-39.8
Change in value from investment properties	1 158.5	-466.9
Closing balance at 31.12	**28 230.3**	**24 818.0**
Of which investment properties held for sale	1 550.8	388.2
Investment properties	**26 679.5**	**24 429.8**

Investment properties held for sale comprise 9 (5) 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 2014, the Group has identified 9 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 8.

For information about valuations and fair value calculations for investment properties, see Note 3 "Critical accounting estimates and subjective judgements".

Certain of the Group's properties are subject to purchase options, as 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 31 December 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 1,429.5 million as of 31 December 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 105.2 million as of 31 december 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 (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 74.2 million as of 31 December 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 27.3 million as of 31 December 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 4.1 million as of 31 December 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 711.7 million as of 31 December 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 million).

NOTE 20 ASSOCIATES AND JOINTLY CONTROLLED ENTITES

All amounts in NOK million

Investments in associates and jointly controlled entities are recognised using the equity method.

31.12.2014	Acquisition date	Business office	Shareholding/ voting rights
Associated companies			
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00 %
Greenfield Property AS	26.09.2011	Måløy	33.00 %
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.26 %
Jointly controlled entities			
Entra OPF Utvikling AS	21.04.2012	Oslo	50.00 %
Sundtkvartalet Holding AS	02.01.2014	Oslo	50.00 %
Oslo S Utvikling AS	01.07.2004	Oslo	33.34 %

31.12.2013	Acquisition date	Business office	Shareholding/ voting rights
Associated companies			
Ullandhaug Energi AS	07.07.2009	Stavanger	44.00 %
Tverrforbindelsen AS [1]	24.04.2009	Trondheim	33.33 %
Greenfield Property AS	26.09.2011	Oslo	33.00 %
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.26 %
Jointly controlled entities			
Sørlandet Kunnskapspark Eiendom AS	02.06.2005	Kristiansand	51.00 %
UP Entra AS	31.12.2003	Hamar	50.00 %
Entra OPF Utvikling AS	21.04.2012	Oslo	50.00 %
Oslo S Utvikling AS	01.07.2004	Oslo	33.34 %

[1] Tverrforbindelsen AS was wound up on 17 December 2013.

MOVEMENT IN CARRYING AMOUNT OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Carrying amount 31.12.2013	Share of profit for 2014	Capital injection/ reduction	Carrying amount 31.12.2014	Change in value in share of profit [1]
Associated companies	**6.8**	**0.4**	**0.0**	**7.1**	**0.0**
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS [2]	6.1	-0.2	-5.9	0.0	-
UP Entra AS [3]	103.9	21.3	-125.2	0.0	13.5
Entra OPF Utvikling AS	393.7	-11.3	-19.7	362.7	-23.4
Sundtkvartalet Holding AS	0.0	15.1	111.4	126.5	15.5
Oslo S Utvikling AS	617.9	10.3	-50.0	578.1	-
Total associates and jointly controlled entities	**1 128.3**	**35.6**	**-89.4**	**1 074.5**	**5.5**

MOVEMENT IN CARRYING AMOUNT OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Carrying amount 31.12.2012	Share of profit for 2013	Capital injection/ reduction	Carrying amount 31.12.2013	Change in value in share of profit [1]
Associated companies	**6.7**	**0.0**	**0.0**	**6.8**	**0.0**
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS	4.3	1.7	-	6.1	2.8
UP Entra AS	113.1	-9.2	-	103.9	-15.9
Entra OPF Utvikling AS	403.3	20.1	-29.7	393.7	-8.0
Oslo S Utvikling AS	572.8	222.8	-177.7	617.9	-9.7
Total associates and jointly controlled entities	**1 100.3**	**235.5**	**-207.4**	**1 128.3**	**-30.7**

[1] Changes in value consist of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.
[2] Entra increased its shareholding from 51 per cent to 100 per cent of the shares in Sørlandet Kunnskapspark Eiendom AS on 20 November 2014.
[3] UP-Entra AS was sold 15 May 2014.

AGGREGATE FINANCIAL INFORMATION FOR ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(Figures stated refer to Entra's ownership interest)

	Associates and Jointly controlled entities	
	2014	2013
Total operating revenue	376.1	873.9
Total operating expenses	-337.5	-586.1
Net income from property management	**38.6**	**287.8**
Adjustment to value from investment property	66.9	-29.1
Net financial items	-31.2	-23.7
Profit before tax	**74.3**	**235.0**
Tax expense	-39.1	0.4
Profit after tax	**35.2**	**235.4**
Total comprehensive income	**35.2**	**235.4**
Total assets	1 713.3	1 619.7
Equity	1 148.6	1 120.2
Total liabilities	564.8	499.5

The Group owns 33.33 per cent of Oslo S Utvikling AS, which represents a significant asset to the Group. 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.

There has not been any change in the share of ownership or voting rights in OSU in 2014.

SUMMARY OF SIGNIFICANT ACCOUNTING ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS OF OSLO S UTVIKLING AS AFTER IFRS ADJUSTMENTS FOR 2014 AND 2013 (100 PER CENT)

	2014	2013
Income statement:		
Rental income	66.4	51.5
Other operating revenue	992.3	2 277.7
Operating revenue	**1 058.7**	**2 329.2**
Operating costs	32.8	28.8
Other property costs	767.9	1 568.3
of which depreciation and write-downs	120.9	0.7
Administrative owner costs	40.6	43.3
Total operating costs	**841.3**	**1 640.4**
Net income from property management	**217.4**	**688.7**
Interest and other finance income	3.1	0.4
Interest and other finance expense	-97.8	-21.6
Net financial items	**-94.7**	**-21.3**
Profit before tax	**122.7**	**667.5**
Tax expense	88.9	-29.8
Profit after tax	**33.7**	**697.2**
Total comprehensive income	**33.7**	**697.2**
Balance sheet:		
Current assets	2 813.2	1 987.2
of which cash and cash equivalents	56.5	62.7
Non-current assets	66.3	242.8
Current liabilities	907.4	285.5
of which current financial liabilities other than accounts payable and provisions	0.0	0.0
Non-current liabilities	389.7	245.9
of which non-current financial liabilities other than accounts payable and provisions	389.7	245.9

RECONCILIATION OF CARRYING AMOUNT

	Shareholding	2014	2013
Net assets	100 %	1 582.3	1 698.6
Group's shareholding in the company	33.33 %	527.4	566.1
Added value	33.33 %	50.7	51.7
Carrying amount of Group's shareholding	**33.33 %**	**578.1**	**617.8**

CONTRACTUAL OBLIGATIONS

All contractual obligations on the balance sheet date that have not been capitalised are included in the table below

	2014	2013
Property, plant and equipment	138.3	192.0
Total contractual obligations	**138.3**	**192.0**

NOTE 21 TRADE RECEIVABLES

All amounts in NOK million

	2014	2013
Trade receivables	51.0	30.1
Provisions for bad debts	-6.4	-2.2
Net trade receivables	**44.6**	**27.9**

At 31 December 2014, NOK 29.2 (NOK 21.2) million in trade receivables were overdue. Provisions for a loss of NOK 6.4 (NOK 2.2) million have been made for overdue trade receivables. The age analysis of these trade receivables is as follows:

TRADE RECEIVABLES

	2014	2013
Up to 3 months	7.3	7.3
Over 3 months	22.0	13.9
Total overdue	**29.2**	**21.2**

NOTE 22 OTHER RECEIVABLES

All amounts in NOK million

OTHER RECEIVABLES

	2014	2013
VAT owed	38.7	38.7
Accrued interest	38.2	39.0
Receivables in connection with sale of housing-units	83.8	0.0
Accrued not invoiced	38.4	0.0
Advance payments and accruals	7.3	2.0
Other current receivables	16.1	16.0
Total other current receivables	**222.5**	**95.8**

NOTE 23 BANK DEPOSITS

All amounts in NOK million

	2014	2013
Bank deposits	161.7	142.2
Tied bank deposits	36.5	35.2
Total bank deposits	**198.2**	**177.4**

Tied bank deposits relate to the withholding tax account and guarantees for loans.

NOTE 24 SHARE CAPITAL AND SHAREHOLDER INFORMATION

On 17th October, Entra ASA was listed on the Oslo Stock Exchange. In connection with the listing the Norwegian Government (Ministry of Trade, Industry and Fisheries (MTIF)) sold 50,525,611 of its shares in a public offering of new and existing shares in Entra. In addition, Entra issued 41,538,461 new shares in connection with the transaction raising gross proceeds of approximately NOK 2.7 billion. The share price of the issued shares was NOK 65 per share. As of 31 December 2014 there are a total of 183,732,461 shares outstanding in the company. The MTIF's shareholding post the offering is 91,668,389 shares corresponding to 49.9 per cent of the outstanding share capital.

The table below sets out the change in share capital in connection with the listing of Entra ASA on the Oslo Stock Exchange, the number of shares in the last two years, the largest shareholders at year end, and shares owed by directors at 31 December 2014.

	No. of shares	Share capital (NOKm)	Share premium (NOKm)	Face value (NOK)
Balance at 01.01.2013	142 194	142.2	2 003.7	1 000
Capital decrease to other paid in equity	-	-	-2 003.7	1 000
Beginning of year 01.01.2014	142 194	142.2		1 000
Share split (1:1000)	142 194 000	142.2		1
Issue of shares	41 538 461	41.5	2 658.5	1
IPO costs	-	-	-39.9	1
End of year 31.12.2014	183 732 461	183.7	2 618.6	1

Paid-in capital amounts to NOK 3,739.4 million (NOK 1,729.3 million) and consists of NOK 183.7 million (NOK 142.2 million) in share capital and NOK 3,555.7 million (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 416.6 million was paid out to the shareholder.

Entra ASA has one class of shares and each of the shares carries one vote. All shares provide equal right including the right to any dividend.

For other changes in shareholders' equity, see the consolidated statements of changes in equity.

The 20 largest shareholders as registered in the VPS as of 31 December 2014 were as follows:

Shareholder	No of shares per 31.12.2014	Shareholding %	Account type	Country
Norwegian Government Ministry of Trade, Industry and Fisheries	91 668 389	49.9		Norway
Geveran Trading Co Ltd	18 400 000	10.0		Cyprus
Folketrygdfondet	8 375 000	4.6		Norway
JPMorgan Chase Bank N.A. London	4 556 194	2.5	NOM	UK
JPMorgan Clearing Corp.	4 356 045	2.4	NOM	US
BNP Paribas Sec. Services S.C.A	2 736 133	1.5	NOM	France
JPMorgan Chase Bank N.A. London	2 568 221	1.4	NOM	UK
Citibank, N.A.	2 376 427	1.3	NOM	UK
Varma Mutual Pension Insurance	2 162 000	1.2		UK
Danske Invest Norske Instit. II.	2 129 748	1.2		Norway
State Street Bank & Trust Company	2 041 612	1.1	NOM	US
The Bank of New York Mellon SA/NV	1 986 659	1.1	NOM	Belgium
State Street Bank & Trust Company	1 776 703	1.0	NOM	US
Goldman Sachs & Co Equity Segregat	1 462 083	0.8	NOM	US
State Street Bank and Trust Co	1 297 632	0.7	NOM	US
Danske Invest Norske Aksjer Inst	1 165 567	0.6		Norway
MP Pensjon PK	1 000 000	0.5		Norway
Fondsfinans Spar	800 000	0.4		Norway
The Northern Trust Co.	785 919	0.4	NOM	UK
KLP Aksje Norge Indeks VPF	756 474	0.4		Norway
Total 20 largest shareholders	**152 400 806**	**82.9**		
Total	**183 732 461**	**100.0**		

SHARES HELD BY DIRECTORS AND SENIOR EXECUTIVE OFFICERS AT 31.12.2014

Shareholder	Position	Number of shares
Board of directors		
Siri Hatlen	Chair	1 091
Martin Mæland	Deputy Chair	2 183
Ingrid Tjøsvold	Board member	437
Kjell Bjordal	Board member	14 551
Arthur Sletteberg	Board member	727
Birthe Smedsrud Skeid	Employee representative	2 307
Frode Halvorsen	Employee representative	230
Senior executives		
Klaus-Anders Nysteen	Chief Executive Officer	9 230
Arve Regland	Chief Financial Officer	9 230
Hallgeir Østrem	EVP Legal	3 846
Hege Njå Bjørkmann	EVP Communication	2 307
Sonja Horn	EVP Central Oslo	3 846
Mona Aarebrot	EVP Greater Oslo	4 615
Jorunn Nerheim	EVP South/West Norway	1 538
Karl Fredrik Torp	EVP Mid/North Norway	2 153
Anders Solaas	EVP Sales and Markets	461
Kristin Haug Lund	EVP Development and Technology	4 615
Shares held by board of directors and senior executives		**63 367**

NOTE 25 INTEREST-BEARING LIABILITIES AND ACCRUED INTEREST

All amounts in NOK million

NON-CURRENT INTEREST-BEARING LIABILITIES

	Nominal value 2014	Market value 2014	Carrying amount 2014	Nominal value 2013	Market value 2013	Carrying amount 2013
Bank loans	5 166.8	5 162.7	5 166.8	4 935.0	4 935.0	4 918.4
Bonds	6 100.0	6 710.2	6 658.7	6 800.0	7 003.1	6 881.0
Total non-current interest-bearing liabilities		**11 873.0**	**11 825.5**		**11 938.1**	**11 799.4**

CURRENT INTEREST-BEARING LIABILITIES

	Nominal value 2014	Market value 2014	Carrying amount 2014	Nominal value 2013	Market value 2013	Carrying amount 2013
Bank loans	271.2	271.2	271.2	16.6	16.6	16.6
Bonds	1 200.0	1 209.4	1 200.0	1 142.5	1 157.7	1 142.5
Commercial paper	1 350.0	1 350.0	1 350.0	1 650.0	1 650.0	1 650.0
Total current interest-bearing liabilities		**2 830.6**	**2 821.2**		**2 824.3**	**2 809.1**

The average risk premium on the Group's loans at 31.12.2014 was 0.94 per cent (0.99 per cent).

THE GROUP'S BONDS AND COMMERCIAL PAPER ARE SUBJECT TO THE FOLLOWING TERMS

THE GROUP'S BONDS AT 31.12.2014

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Repurchased [1]	Net balance [1]
NO0010552466	1 500.0	5.55 %	25.11.2019	500.0	-	500.0
NO0010592363	1 500.0	4.70 %	06.12.2017	500.0	-	500.0
NO0010662869	1 500.0	3M Nibor + 1.22%	09.11.2015	1 200.0	-	1 200.0
NO0010641806	1 500.0	3M Nibor + 1.25%	10.04.2017	1 100.0	-	1 100.0
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
NO0010670995	1 500.0	5.00 %	08.02.2023	500.0	-	500.0
NO0010715931	1 500.0	3M Nibor + 0.61%	08.08.2019	500.0	-	500.0
NO0010282031	1 100.0	4.62 %	29.05.2030	1 100.0	-	1 100.0
						7 300.0

THE GROUP'S COMMERCIAL PAPER AT 31.12.2014

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Repurchased [1]	Net balance [1]
NO0010723539	400.0	1.90 %	11.05.2015	300	-	300.0
NO0010720006	400.0	1.95 %	10.04.2015	200	-	200.0
NO0010716012	400.0	2.00 %	10.03.2015	300	-	300.0
NO0010709744	400.0	2.02 %	12.01.2015	250	-	250.0
NO0010713282	400.0	2.18 %	10.02.2015	300	-	300.0
						1 350.0

THE GROUP'S BONDS AT 31.12.2013

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued [1]	Repurchased [1]	Net balance [1]
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 [1]	Repurchased [1]	Net balance [1]
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

[1] nominal values

The net proceeds from issuance of the new shares in the NOK 1,700 million offering in connection with the listing on Oslo Stock Exchange was used to repay all credit facilities in Brattørkaia AS as with a total outstanding amount of NOK 905 million. The remaining amount was 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 Norwegian Government Ministry of Trade, Industry and Fisheries.

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 2014, 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.

	2014	2013
Carrying amount of liabilities secured through mortgages	2 992.5	2 660.6
Carrying amount of mortgaged assets		
Buildings and sites	4 039.4	3 544.2

NOTE 26 PENSION

All amounts in NOK million

The Group has both defined contribution and defined benefit pension plans. The defined benefit pension plan cover a total of 162 (152) current employees and 59 (54) pensioners. The defined benefit contribution plan include 5 employees in Hinna Park.

DEFINED CONTRIBUTION PLANS

Defined contribution plans comprise arrangements whereby the Group makes annual contributions to the employees' pension plans, and where the future pension is determined by the amount of the contributions and the return on the pension plan assets. In the defined contribution pension plans, the cost is equal to the contributions to the employees' pension savings in the accounting period.

DEFINED BENEFIT PLANS

The defined benefit pension plans provide an entitlement to guaranteed 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 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 Group's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions.

The Group also has a contractual early-retirement scheme (AFP) from the age 62. At 31 December 2014, 14 (11) former employees had chosen to make use of the AFP scheme. 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 2014, the net pension liabilities associated with the AFP scheme amounted to NOK 8.6 (NOK 7.4) million, which is included under total pension liabilities in the table below.

The cost for the accounting period shows the employees' pension entitlement of the agreed future pension in the financial year.

The Chief Executive Officer, has a supplemental pension contribution plan under which the Group 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

	2014	2013
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	198.1	153.9
Fair value of pension scheme assets	-126.4	-107.3
Employers' NICs accrued	10.1	6.5
Net pension liabilities on the balance sheet at 31.12	**81.8**	**53.1**

CHANGE IN DEFINED-BENEFIT PENSION LIABILITIES OVER THE YEAR

	2014	2013
Pension liabilities at 01.01	158.5	148.3
Present value of pensions earned this year	18.2	9.8
Interest expense	5.9	5.4
Pension benefits paid	-6.0	-4.7
Plan amendment	-7.2	0.0
Actuarial losses/(gains)	28.7	-4.9
Pension liabilities at 31.12	**198.1**	**153.9**

CHANGE IN FAIR VALUE OF PENSION SCHEME ASSETS

	2014	2013
Pension scheme assets at 01.01	111.1	96.5
Anticipated return on pension scheme assets	4.7	4.1
Contributions from employer	19.1	19.8
Pension benefits paid	-6.0	-4.7
Actuarial (gains)/losses	-2.5	-8.5
Pension scheme funds at 31.12	**126.4**	**107.3**

TOTAL COST RECOGNISED IN THE INCOME STATEMENT

	2014	2013
Cost of pension benefits accrued during current period	18.4	10.2
Impact on this years plan assets	-7.2	0.0
Employers' National Insurance contributions	1.8	2.7
Contribution scheme	0.7	0.0
Total pension benefits accrued during the period	**13.7**	**12.9**
Net interest expense	1.3	1.3
Total pension benefits accrued in income statement	**15.0**	**14.2**
Estimate difference accrued in comprehensive income	35.0	4.0
Total pension benefits accrued in total comprehensive income	**50.0**	**18.2**

The actual return on pension scheme assets was NOK 2.0 million (NOK -4.4 million).

THE FOLLOWING ECONOMIC ASSUMPTIONS HAVE BEEN USED

	2014	2013
Discount rate	2.30 %	4.00 %
Anticipated return on pension scheme assets	2.30 %	4.40 %
Annual wage growth	2.75 %	3.75 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	2.50 %	3.50 %
Annual adjustment of pensions	1.75 %	2.75 %
Mortality rates	K2013	K2013
Disability rates	200 % * K63	200 % * K63
Proportion of entitled employees making use of AFP	20 %	20 %

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.

	2014	2013
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

	2014	2013	2012	2011	2010
Gross defined-benefit pension liabilities	198.1	153.9	148.3	148.3	176.3
Fair value pension funds 31.12	-126.4	-107.3	-96.5	-96.5	-85.8
Net defined-benefit pension liabilities	**71.7**	**46.6**	**51.7**	**51.7**	**90.5**

Expected payments to the defined-benefit pension plan for the period 1 January 2015 - 31 December 2015 are NOK 22.3 (NOK 16.2) million.

NOTE 27 TAX

All amounts in NOK million

INCOME TAX EXPENSE

	2014	2013
Tax payable	-	-
Change in deferred tax on profit and loss	351.4	-8.1
Change in deferred tax on comprehensive income	-9.4	-1.1
Income tax expense	**342.0**	**-9.2**

INCOME TAX PAYABLE IS CALCULATED AS FOLLOWS

	2014	2013
Profit before tax	1 377.1	457.6
Share of profit/loss at associates and jointly controlled entities	-35.6	-212.4
Other permanent differences	-14.5	57.7
Changes in loss carry-forwards	-279.1	-127.1
Changes in temporary differences	-1 047.9	-175.8
Profit for tax purposes	**0.0**	**0.0**
Tax payable on the balance sheet	-	-
Tax payable on the balance sheet	**-**	**-**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2014	%	2013	%
Profit for accounting purposes multiplied by nominal tax rate	371.8	27.0	128.1	28.0
Tax on share of profit/loss at associates and jointly controlled entities	-9.6	-0.7	-59.5	-13.0
Tax on permanent differences	-3.9	-0.3	16.1	3.5
Effect of corrections to previous years	-	0.0	0.2	0.0
Effect of change in tax rate	-	0.0	-92.8	-20.3
Reversal of write-down of deferred tax asset	-6.9	-0.5	-0.1	0.0
Tax expense for accounting purposes	**351.4**	**25.5**	**-8.1**	**-1.8**

From the income year 2014 the tax rate on normal income is reduced to 27 per cent. Deferred tax as at 31 December 2013 was measured using the new rate. The effect on tax for the period is NOK 92.8 million.

DEFERRED INCOME TAX

The Group has offset deferred tax assets and deferred tax liabilities on the balance sheet as the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The following net value was recognised:

	2014	2013
Deferred tax liability	3 772.0	3 031.9
Deferred tax assets	787.7	516.8
Net deferred tax	**2 984.3**	**2 515.1**

CHANGE IN DEFERRED TAX (+)/DEFERRED TAX ASSETS (-)

	Non-current assets [1]	Financial instruments	Current assets	Gains/ losses account	Provisions	Loss carried forward	Total
31.12.2012	**2 700.5**	**55.3**	**17.8**	**82.3**	**-22.7**	**-360.4**	**2 472.7**
Principle change, IFRIC 12 properties	362.1	-314.2	-	-	7.4	-	55.4
01.01.2013	**3 062.6**	**-258.8**	**17.8**	**82.3**	**-15.3**	**-360.4**	**2 528.1**
Recognised in profit and loss	-92.2	63.7	1.3	76.1	0.3	35.5	84.8
Recognised in comprehensive income	-	-	-	-	-1.1	-	-1.1
Acquisition and disposal of subsidiaries	-3.8	-	-	-	-	-	-3.8
Effect of change in tax rate	-105.9	7.0	-0.7	-5.7	0.8	11.6	-92.8
31.12.2013	**2 860.6**	**-188.1**	**18.4**	**152.7**	**-15.4**	**-313.3**	**2 515.1**
Recognised in profit and loss	595.2	-141.4	-13.1	3.8	-10.9	-75.3	358.3
Recognised in comprehensive income	-	-	-	-	-9.4	-	-9.4
Recognised directly to equity	-	-	-	-	-	-14.8	-14.8
Acquisition and disposal of subsidiaries	148.2	-7.7	4.3	-0.2	-0.4	-2.0	142.2
Previously, not recognised deferred tax assets			-0.1	2.1		-8.8	-6.9
31.12.2014	**3 604.0**	**-337.2**	**9.5**	**158.5**	**-36.1**	**-414.3**	**2 984.4**

[1] 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 2014 is NOK 2,615.5 million (NOK 1,874.8 million).

NOTE 28 OTHER LIABILITIES

All amounts in NOK million

	2014	2013	01.01.2013
Prepayments from customers	101.3	95.0	95.0
Provisions for non-current liabilities	27.6	5.1	7.6
Total other liabilities	**129.0**	**100.1**	**102.6**

MOVEMENTS IN PROVISIONS FOR OTHER LIABILITIES

	2014	2013
Movements in provisions		
Opening balance at 01.01.	5.1	1.6
Additional provisions during the year	36.0	3.5
Provisions used during the year	-13.5	-
Unused provisions reversed during the year	-	-
Closing balance at 31.12.	**27.6**	**5.1**

DETAILS OF PROVISIONS FOR LEASED PROPERTIES

As at 31.12.2014 and 31.12.2013 Entra had no provision for leased properties.

Hinna Park AS has signed an agreement with Stavanger municipality to acquire and develop municipal development areas in the southern part of Jåttåvågen. The Group has recognised a liability of NOK 24.0 at 31 December 2014, which represents the Group's best estimate of the remaining infrastructure obligation to Stavanger municipality.

NOTE 29 TRADE PAYABLES AND OTHER LIABILITIES

All amounts in NOK million

	2014	2013
Trade payables	323.7	290.0
Holiday pay owed	15.0	13.5
Unpaid government taxes and duties	15.0	12.7
Shared costs for buildings, owed to tenants	24.2	27.3
Interest accrued	106.5	109.3
Other liabilities	36.3	5.0
Total trade payables and other liabilities	**520.7**	**457.9**

NOTE 30 TENANT PREPAYMENTS AND PROVISIONS

All amounts in NOK million

MOVEMENTS IN PROVISIONS FOR CURRENT LIABILITIES

	2014	2013
Movements in provisions		
Opening balance at 01.01.	27.8	25.2
Additional provisions during the year	20.5	27.0
Provisions used during the year	-29.8	-23.4
Unused provisions reversed during the year	0.0	-1.1
Closing balance at 31.12.	**18.4**	**27.8**

Provisions mainly consist of provisions for salaries and fees.

NOTE 31 SUBSIDIARIES

The Group comprise of the following legal entities at 31 December 2014

Subsidiary of Entra ASA			
Entra Eiendom AS			
Subsidiary of Entra Eiendom AS			
Oslo Z AS	Holtermanns veg 1-13 AS	Aasta Hansteens vei 10 AS	Grønnegata 122 AS
Biskop Gunnerusgt. 14 AS	Karoline Kristiansen vei 2 AS	Brynsengfaret 4 og 6 AB+F AS	Strandveien 13 AS
Universitetsgaten 2 AS	Youngskvartalet AS	Middelthuns gate 29 AS	Tungasletta 2 AS
Kunnskapsveien 55 AS	Tullinkvartalet AS	Fritznersgate 12 AS	AS Lilletorget 1
Entra Kultur 1 AS	Universitetsgaten 7 AS	Brochsgate 3 AS	Entra AS
Kr Augustsgate 23 AS	Wexelsplass Garasje AS	Gunnar Nilsens gate 25 AS	
Nonnen Utbygging AS	Kr Augustsgate 19 AS	Vogts gate 17 AS	
Langkaia 1 AS	Papirbredden Eiendom AS [2]	Schweigaardsgate 15 AS	
Kjørboparken AS	Schweigaardsgate 16 AS	Vestre Strandgate 21 AS	
Brattørkaia AS	Vahlsgate 1-3 KS	Lømslands vei 6 AS	
Ribekk AS	Vahlsgate 1-3 AS	Lømslands vei 23 AS	
Bispen AS	Vahlsgate 1-3 ANS	Kvartal 71 AS	
Pilestredet 28 AS	Hinna Park Eiendom AS [1]	Moloveien 10 AS	
Hagegata 22 og 24 AS	Tollbugata 1A AS	Tollbugata 2 AS	
Hagegata 23 AS			
Shares in subsidiaries owned through subsidiaries			
Hinna Park Eiendom AS*	**Papirbredden Eiendom AS****	**Brattørkaia AS**	**Ribekk AS**
Hinna Park AS	Grønland 51 AS	Brattørkaia 14 AS	Ringstabekk AS
HP Stadionblokken C AS	Grønland 56 AS	Brattørkaia 15AB-16 AS	
Fjordpiren AS	Grønland 58 AS	Brattørkaia 17A AS	
Troll Næring AS	Grønland 60 AS	Brattørkaia 17B AS	
Gullfaks AS	Kreftingsgate 33 AS	Brattørkaia Energi AS	
Ormen Lange AS			
Oseberg Næring AS			
Hinna Park Logistikk AS			
Hinna Park Utvikling AS			

[1] Entra Eiendom AS owns 50 per cent of the shares in Hinna Park Eiendom AS (taken over as at 1 February 2014). The remaining 50 per cent is owned by Camar Eiendom AS.

[2] Papirbredden Eiendom AS is owned by Entra Eiendom AS with voting and owner shares of 60% and Drammen Municipality with 40%.

NOTE 32 RELATED PARTIES

All amounts in NOK million

The Group's transactions and balances with associates and jointly controlled entities in 2014 mainly related to administrative fees, loans, interest payments on loans and dividend. The aggregate figures are shown in the table below.

	2014	2013
Other operating revenue		
Jointly controlled entities	9.0	
Associates	-	-
Total operating revenue	**9.0**	**0.0**
Dividend		
Jointly controlled entities	79.8	-
Associates	-	0.1
Total dividend	**79.8**	**0.1**
Interest and other finance income		
Jointly controlled entities	-	-
Associates	0.2	0.1
Total interest and other finance income	**0.2**	**0.1**
Receivables		
Jointly controlled entities	1.6	-
Associates	-	-
Total receivables	**1.6**	**0.0**
Loans		
Jointly controlled entities	62.4	-
Associates	-	-
Total loans	**62.4**	**0.0**

NOTE 33 CONTINGENCIES

Entra 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 Entra 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 500 million related to alleged material breach of the shareholders' agreement between Entra Eiendom AS, Norwegian Datasenter Group AS and Greenfield Property AS. The hearing of the dispute took place in Oslo District Court in January 2015 and Entra prevailed on all counts. The judgment is not yet enforceable.

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 is an action for declaration only, meaning that the amount of any liability will be determined in a subsequent proceeding. The hearing of the dispute took place in Oslo District Court in February 2015 and the judgment is expected end of March 2015.

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 91 million and a counterclaim by Entra against Caverion Norge AS of approximately NOK 11 million.

Entra 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.

Entra has not made any provision for the claims as the Group considers it not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

NOTE 34 AUDITOR'S FEE

All amounts in NOK thousand

	2014	2013
Statutory audit	2 379	1 868
Tax advice	1 638	24
Other services not related to auditing	825	250
Other assurance services	2 458	614
Total auditor's fee (excl. VAT)	**7 299**	**2 756**

Other assurance services have been impacted by services provided by the auditor in connection with the IPO process for the Group and certifications related to the process of re-organising properties into single purpose entities.

NOTE 35 EARNINGS PER SHARE

Basic earnings per share is calcuated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

Entra has not issued options or other financial instruments which have a dilutive effect on outstanding shares.

	2014	2013
Total comprehensive income for the year attributable to equity holders of the Company (NOK million)	1 001.2	446.2
Average number of outstanding shares (Note 24)	46 039 065	142 194
Basic earnings per share (NOK)	21.7	3 137.7

NOTE 36 DIVIDEND PER SHARE AND DIVIDEND POLICY

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

In 2014, for the fiscal year 2013, Entra paid out a dividend of NOK 250 millions (NOK 1.8 per share). 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.

In 2015, for the fiscal year 2014, the board of Entra ASA will suggest for the general meeting a dividend of NOK 2.50 per share (NOK 459.3 million).

No provision is made for dividends in the consolidated accounts until the Annual General Meeting has been held and the dividend has been decided.

Financial statements Entra ASA

Statement of income
1 January to 31 December

All amounts in NOK million

	Note	2014	2013
Administrative owner costs	3, 10	17.5	0.2
Total operating costs		**17.5**	**0.2**
Operating profit		**-17.5**	**-0.2**
Income from investment in subsidiary	5	500.0	250.0
Interest income from group companies	4, 5	0.8	0.0
Net financial items		**500.8**	**250.0**
Profit before tax		**483.3**	**249.8**
Tax expense	9	-4.5	-0.1
Profit for the year		**487.8**	**250.0**

Balance sheet – assets

All amounts in NOK million

	Note	31.12.2014	31.12.2013
NON-CURRENT ASSETS			
Deferred tax assets	9	19.4	0.1
Total intangible assets		**19.4**	**0.1**
Investment in subsidiary	5	3 679.6	1 729.6
Loan to Group companies	6	35.9	-
Total non-current financial assets		**3 715.5**	**1 729.6**
Total non-current assets		**3 734.9**	**1 729.7**
CURRENT ASSETS			
Receivables on Group companies	6	500.0	250.0
Other receivables		0.1	-
Total current receivables		**500.1**	**250.0**
Total current assets		**500.1**	**250.0**
TOTAL ASSETS		**4 234.9**	**1 979.7**

Balance sheet – equity and liabilities

All amounts in NOK million

	Note	31.12.2014	31.12.2013
EQUITY			
Share capital		183.7	142.2
Share premium reserve		2 618.6	-
Other paid-in capital		937.1	1 587.1
Total Paid-in capital		**3 739.4**	**1 729.3**
Retained earnings		28.4	-
Total equity	**7**	**3 767.8**	**1 729.3**
CURRENT LIABILITIES			
Trade payables and other payables	6	5.4	-
Liabilities to Group companies	6	2.3	0.4
Proposed dividend		459.3	250.0
Total current liabilities		**467.1**	**250.4**
Total liabilities		**467.1**	**250.4**
TOTAL EQUITY AND LIABILITIES		**4 234.9**	**1 979.7**

Oslo, 25 March 2015
The Board of Directors of Entra ASA

Siri Hatlen
Chair of the Board

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Frode Halvorsen
Board member

Birthe Smedsrud Skeid
Board member

Arve Regland
Acting CEO

Statement of cash flows 1 January to 31 December

All amounts in NOK million

	Note	2014	2013
Profit before tax		483.3	249.8
Income from investment in subsidiary		-500.0	-250.0
Change in working capital		5.3	-
Net cash flow from operating activities		**-11.4**	**-0.2**
Proceeds from subsidiary		250.0	416.6
Investment in subsidiary		-1 950.0	-
Net cash flow from investing activities		**-1 700.0**	**416.6**
Net change in overdraft facility		-34.0	0.2
Proceeds from issue of shares		2 645.4	-
Dividends paid	7	-900.0	-416.6
Net cash flow from financing activities		**1 711.5**	**-416.4**
Net change in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		**-**	**-**

Summary of Notes

Notes

NOTE 1 GENERAL INFORMATION

Entra ASA ("the company") was listed on the Oslo Stock Exchange on 17 October 2014. The largest shareholder with 49.9 % of the shares is the Ministry of Trade, Industry and Fisheries. The company's head office is located at Biskop Gunnerusgate 14, Oslo, Norway.

Entra ASA and its subsidiaries are engaged in the development, letting, management, operation, purchase and sale of real estate in Norway. Entra is one of Norway's largest property Group, with a total property portfolio of 1,292,107 square metres and 1,063,327 square metres under management. The management portfolio's economic occupancy level was 94.6 per cent at the year-end. Entra's head office is situated in Oslo. Regional offices are located in Oslo, Bergen and Trondheim.

The financial statements were adopted by the company's Board on 25 March 2015.

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 annual financial statements have been prepared in accordance with Norwegian Accounting Act of 1998 and good accounting practice (NGAAP).

The annual financial statements have been prepared on the basis of the historical cost principle.

Presenting the accounts in accordance with NGAAP 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.

The annual financial statements have been presented on the assumption of the business being a going concern.

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 valued at the lower of the acquisition cost and fair value.

Subsidiaries

Investments in subsidiaries 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.

Dividend 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.

Trade receivables

Trade receivables and other receivables are reported at nominal value after deduction of loss provisions. Loss provisions are made on the basis of an individual assessment of each receivables.

Cash and cash equivalents

The company has a overdraft facility in a Group account system.

Costs

Costs are normally reported in the same period as the related income. Where there is no clear link between expenditure income, allocation is determined on the basis of assessment criteria.

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 recognised directly in equity.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and accounting values of assets and liabilities. 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.

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. This does not apply in cases where the company 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.

STATEMENT OF CASH FLOWS
The statement of cash flows is prepared using the indirect method. This means that the statement is based on the company's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Dividends paid to shareholders are presented under financing activities.

GROUP
Entra ASA is the parent company of a Group of companies. The consolidated financial statements can be obtained from Entra ASA, Postboks 52, Økern NO-0508 Oslo.

NOTE 3 ADMINISTRATIVE OWNER COSTS

All amounts in NOK million

	2014	2013
Office expenses, furnishings and equipment	0.6	-
Consultancy fees	11.9	0.2
Other administrative owner costs	5.0	0.0
Total administrative owner costs	**17.5**	**0.2**

NOTE 4 FINANCIAL ITEMS

All amounts in NOK million

	2014	2013
Income from investment in subsidiary	500.0	250.0
Interest income from group companies	0.8	0.0
Net financial items	**500.8**	**250.0**

NOTE 5 SUBSIDIARY

Subsidiary	Acquisition date	Business office	Shareholding and voting rights
Entra Eiendom AS	20.12.2012	Oslo	100 %

NOTE 6 INTRA-GROUP ITEMS AND RELATED PARTY TRANSACTIONS

All amounts in NOK million

	2014	2013
Receivables		
Loan to subsidiary	35.9	-
Proposed dividend from subsidiary	500.0	250.0
Total	**535.9**	**250.0**
Liabilities		
Payables to Group companies	1.6	0.4
Current liabilites to Group companies	2.3	-
Total	**3.9**	**0.4**
Administrative owner costs		
Management fee to subsidiary	1.6	-
Total	**1.6**	**-**
Financial items		
Income from investment in subsidiary	500.0	250.0
Interest income from Group companies	0.8	0.0
Total	**500.8**	**250.0**

NOTE 7 EQUITY

All amounts in NOK million

	Share capital	Share premium reserve	Other paid-in capital	Retained earnings	Total equity
Equity at 31.12.2012	**142.2**	**2 003.7**	**0.0**	**0.0**	**2 145.9**
Capital decrease to other paid in equity		-2 003.7	2 003.7		-
Repayment to shareholder			-416.6		-416.6
Profit for the year				250.0	250.0
Dividend				-250.0	-250.0
Equity at 31.12.2013	**142.2**	**-**	**1 587.1**	**-**	**1 729.3**
Capital increase	41.5	2 658.5			2 700.0
Share issue costs net of tax		-39.9			-39.9
Dividend			-650.0	-459.3	-1 109.4
Profit for the year				487.8	487.8
Equity at 31.12.2014	**183.7**	**2 618.6**	**937.1**	**28.4**	**3 767.8**

NOTE 8 SHARE CAPITAL AND SHAREHOLDER INFORMATION

On 17th October, Entra ASA was listed on the Oslo Stock Exchange. In connection with the listing the Norwegian Government (Ministry of Trade, Industry and Fisheries (MTIF)) sold 50,525,611 of its shares in a public offering of new and existing shares in Entra. In addition, Entra issued 41,538,461 new shares in connection with the transaction raising gross proceeds of approximately NOK 2.7 billion. The share price of the issued shares was NOK 65 per share. As of 31 December 2014 there are a total of 183,732,461 shares outstanding in the company. The MTIF's shareholding post the offering is 91,668,389 shares corresponding to 49.9 % of the outstanding share capital.

The table below sets out the change in share capital in connection with the listing of Entra ASA on the Oslo Stock Exchange, the average number of shares in the last two years, the largest shareholders at year end, and shares owed by directors at 31 December 2014.

	No. of shares	Share capital (NOKm)	Share premium (NOKm)	Face value (NOK)
Balance at 01.01.2013	142 194	142.2	2 003.7	1 000
Capital decrease to other paid in equity	-	-	-2 003.7	1 000
Beginning of year 01.01.2014	142 194	142.2		1 000
Share split (1:1,000)	142 194 000	142.2		1
Issue of shares	41 538 461	41.5	2 658.5	1
IPO costs	-		-39.9	1
End of year 31.12.2014	183 732 461	183.7	2 618.6	1

Paid-in capital amounts to NOK 3,739.4 million (NOK 1,729.3 million) and consists of NOK 183.7 million (NOK 142.2 million) in share capital and NOK 3,555.7 million (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 416.6 million was paid out to the shareholder.

Entra ASA has one class of shares and each of the shares carries one vote. All shares provide equal right including the right to any dividend.

The 20 largest shareholders as registered in the VPS as of 31 December 2014 were as follows:

Shareholder	No of shares per 31.12.2014	Shareholding %	Account type	Country
Norwegian Government (Ministry of Trade, Industry and Fisheries)	91 668 389	49.9		Norway
Geveran Trading Co Ltd	18 400 000	10.0		Cyprus
Folketrygdfondet	8 375 000	4.6		Norway
JPMorgan Chase Bank N.A. London	4 556 194	2.5	NOM	UK
JPMorgan Clearing Corp.	4 356 045	2.4	NOM	US
BNP Paribas Sec. Services S.C.A	2 736 133	1.5	NOM	France
JPMorgan Chase Bank N.A. London	2 568 221	1.4	NOM	UK
Citibank, N.A.	2 376 427	1.3	NOM	UK
Varma Mutual Pension Insurance	2 162 000	1.2		UK
Danske Invest Norske Instit. II.	2 129 748	1.2		Norway
State Street Bank & Trust Company	2 041 612	1.1	NOM	US
The Bank of New York Mellon SA/NV	1 986 659	1.1	NOM	Belgium
State Street Bank & Trust Company	1 776 703	1.0	NOM	US
Goldman Sachs & Co Equity Segregat	1 462 083	0.8	NOM	US
State Street Bank and Trust Co	1 297 632	0.7	NOM	US
Danske Invest Norske Aksjer Inst	1 165 567	0.6		Norway
MP Pensjon PK	1 000 000	0.5		Norway
Fondsfinans Spar	800 000	0.4		Norway
The Northern Trust Co.	785 919	0.4	NOM	UK
KLP Aksje Norge Indeks VPF	756 474	0.4		Norway
Total 20 largest shareholders	**152 400 806**	**82.9**		
Total	**183 732 461**	**100.0**		

SHARES HELD BY DIRECTORS AND SENIOR EXECUTIVE OFFICERS AT 31.12.2014

Shareholder	Position	Number of shares
Board of directors		
Siri Hatlen	Chair	1 091
Martin Mæland	Deputy Chair	2 183
Ingrid Tjøsvold	Board member	437
Kjell Bjordal	Board member	14 551
Arthur Sletteberg	Board member	727
Birthe Smedsrud Skeid	Employee representative	2 307
Frode Halvorsen	Employee representative	230
Senior executives		
Klaus-Anders Nysteen	Chief Executive Officer	9 230
Arve Regland	Chief Financial Officer	9 230
Hallgeir Østrem	EVP Legal	3 846
Hege Njå Bjørkmann	EVP Communication	2 307
Sonja Horn	EVP Central Oslo	3 846
Mona Aarebrot	EVP Greater Oslo	4 615
Jorunn Nerheim	EVP South/West Norway	1 538
Karl Fredrik Torp	EVP Mid/North Norway	2 153
Anders Solaas	EVP Sales and Markets	461
Kristin Haug Lund	EVP Development and Technology	4 615
Shares held by board of directors and senior executives		**63 367**

NOTE 9 TAX

All amounts in NOK million

	2014	2013
Tax expense		
Change in deferred tax recognised in profit and loss	-4.5	-0.1
Total tax expense	**-4.5**	**-0.1**
Income tax payable is calculated as follows		
Profit before tax	483.3	249.8
Share issue costs	-54.6	-0.3
Dividend received	-500.0	-250.0
Change in temporary differences	71.4	0.4
Profit for tax purposes	**-**	**-**

CHANGE IN DEFERRED TAX (+)/DEFERRED TAX ASSETS (-)

	Loss carried forward
01.01.2013	**0.0**
Recognised in profit and loss	-0.1
31.12.2013	**-0.1**
Recognised in profit and loss	-4.5
Recognised in equity	-14.7
31.12.2014	**-19.4**

The tax on profit before tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits as follows:

	2014	%	2013	%
Profit for accounting purposes multiplied with tax rate	130.5	27.0 %	70.0	28.0 %
Tax on income from investment in subsidiary	-135.0	-27.9 %	-70.0	-28.0 %
Reversal of write-down of deferred tax asset	-	0.0 %	-0.1	0.0 %
Calculated tax expense	**-4.5**	**-0.9 %**	**-0.1**	**0.0 %**

From the income year 2014 the tax rate on normal income is reduced to 27 %. Deferred tax as at 31 December 2013 was measured using the new rate.

NOTE 10 SALARY COSTS, TOTAL EMPLOYEES AND REMUNERATION

All amounts in NOK million

The company has no employees. No remuneration has been paid to the board.

See note 15 “Statement on the determination of salaries and other remuneration of senior executives” to the consolidated financial statements for the Entra Group for information and details related to remuneration for senior executives and the Board of Director’s.

	2014	2013
Remuneration to auditor		
Statutory audit (excluding VAT)	0.2	0.1
Other assurance services (excluding VAT)	1.1	0.1

Responsibility statement

We declare to the best of our knowledge that

- the Entra ASA consolidated financial statements for 2014 have been prepared in accordance with IFRS and IFRICs as adopted by the European Union, and additional Norwegian disclosure requirements in the Norwegian Accounting Act, and that
- the financial statements for the parent company, Entra ASA, for 2014 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that
- the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and results for Entra ASA and the Entra Group for period as a whole, and that
- the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Entra ASA and the Entra Group, together with a description of the principal risks and uncertainties that they face, and that
- the Board of Directors' Report gives a true and fair view of the development, performance, financial position, principle risks and uncertainties of Entra ASA and the Entra Group

Oslo, 25 March 2015
The Board of Directors of Entra ASA

Siri Hatlen
Chair of the Board

Martin Mæland
Deputy Chair

Ingrid Tjøsvold
Board member

Arthur Sletteberg
Board member

Kjell Bjordal
Board member

Frode Halvorsen
Board member

Birthe Smedsrud Skeid
Board member

Arve Regland
Acting CEO

Schweigaardsgate 16, Oslo

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To the Annual Shareholders' Meeting of Entra ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Entra ASA, 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, 2014, the statement of income and statement of cash flows 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 as at December 31, 2014, and the statement of total comprehensive income, consolidated statement of changes in equity and consolitated statement of cash flows 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.

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Independent Auditor's Report to the Annual Shareholders' Meeting of Entra ASA

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 ASA as at December 31, 2014, 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 ASA as at December 31, 2014, 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, 25 March 2015
Deloitte AS

Eivind Skaug
Eivind Skaug
State Authorised Public Accountant (Norway)

The property portfolio

Management properties

The following table sets forth the management properties per region as of 31 December 2014.

MANAGEMENT PROPERTIES IN THE CENTRAL OSLO SEGMENT

Property name	City	Region	Type of asset	Occupancy (%)	Total area (sqm)	Freehold/ leasehold
Biskop Gunnerus' gate 14	Oslo	Central Oslo	Office	84.6	50 575	Freehold
Langkaia 1A	Oslo	Central Oslo	Office	99.3	30 931	Leasehold
Cort Adelers gate 30 - Office building	Oslo	Central Oslo	Office	97.0	12 553	Freehold
Cort Adelers gate 30 - Schoolbuilding	Oslo	Central Oslo	Education	100.0	3 546	Freehold
Wergelandsveien 29	Oslo	Central Oslo	Office	100.0	3 374	Freehold
Tordenskioldsgate 12	Oslo	Central Oslo	Office	99.0	12 920	Freehold
Middelthuns gate 29	Oslo	Central Oslo	Office	100.0	21 606	Freehold
Pilestredet 19-21	Oslo	Central Oslo	Office	99.7	7 067	Freehold
Universitetsgaten 2	Oslo	Central Oslo	Office	97.3	27 297	Freehold
Munchs gate 4 / Keysers gate 13	Oslo	Central Oslo	Office	100.0	10 839	Freehold
Keysersgate 15	Oslo	Central Oslo	Office	97.1	2 779	Freehold
Henriks Ibsens gate 110	Oslo	Central Oslo	Culture	100.0	18 723	Freehold
Observatoriegaten 1	Oslo	Central Oslo	Office	100.0	7 110	Freehold
Observatoriegaten 1 - Magasinet	Oslo	Central Oslo	Culture	100.0	10 600	Freehold
Fritzners gate 12	Oslo	Central Oslo	Office	100.0	820	Freehold
Kristian Augusts gate 15	Oslo	Central Oslo	Office	82.0	6 231	Freehold
Kristian Augusts gate 23	Oslo	Central Oslo	Office	100.0	8 736	Freehold
Kristian Augusts gate 21	Oslo	Central Oslo	Education	0.0	3 514	Freehold
Hagegata 22	Oslo	Central Oslo	Office	69.1	11 886	Freehold
Schweigaardsgate 15	Oslo	Central Oslo	Office	100.0	22 797	Freehold
Tollbugata 1A	Oslo	Central Oslo	Office	100.0	8 526	Freehold
Biskop Gunnerus' gate 6	Oslo	Central Oslo	Office	100.0	9 300	Leasehold
Akersgaten 32	Oslo	Central Oslo	Office	77.0	2 109	Freehold
Akersgaten 51 / Apotekergaten 6	Oslo	Central Oslo	Office	96.6	17 849	Freehold
Schweigaards gate 15B	Oslo	Central Oslo	Office	99.8	14 492	Freehold
Pilestredet 28	Oslo	Central Oslo	Office	100.0	3 590	Freehold
Hagegata 24	Oslo	Central Oslo	Office	73.7	1 054	Freehold
Hagegata 23	Oslo	Central Oslo	Office	77.3	10 676	Freehold
Universitetsgaten 7	Oslo	Central Oslo	Office	79.5	12 957	Freehold
Kristian Augustsgate 19	Oslo	Central Oslo	Office	47.1	7 169	Freehold
Wexels plass	Oslo	Central Oslo	Other	100.0	1 035	Freehold
Vahls gate 1-3	Oslo	Central Oslo	Office	100.0	14 857	Freehold
Lilletorget 1	Oslo	Central Oslo	Office	84.9	14 867	Freehold

MANAGEMENT PROPERTIES IN THE GREATER OSLO SEGMENT

Property name	City	Region	Type of asset	Occupancy (%)	Total area (sqm)	Freehold/ leasehold
Otto Sverdrups plass 4	Sandvika	Oslo	Education	93.0	16 038	Freehold
Malmskriverveien 2	Sandvika	Oslo	Office	100.0	2 957	Freehold
Malmskriverveien 4	Sandvika	Oslo	Office	99.9	5 675	Freehold
Brochs gate 3	Fredrikstad	Oslo	Office	99.2	4 130	Freehold
Konggata 51	Drammen	Oslo	Education	100.0	3 576	Freehold
Vogts gate 17	Moss	Oslo	Office	98.3	9 582	Freehold
Gunnar Nilsens gate 25	Fredrikstad	Oslo	Office	100.0	4 370	Freehold
Hans Kiærs gate 1 B og C	Drammen	Oslo	Office	54.0	2 225	Freehold
Kunnskapsveien 55	Lillestrøm	Oslo	Education	100.0	27 135	Freehold
Prins Chr. Augusts plass 3	Moss	Oslo	Office	100.0	5 041	Freehold
Borkenveien 1-3	Sandvika	Oslo	Education	100.0	6 668	Freehold
Jonas Lies gate 20-28	Lillestrøm	Oslo	Office	100.0	12 660	Leasehold
Grenseveien 92	Oslo	Oslo	Office	68.8	14 698	Freehold
Strømsveien 96	Oslo	Oslo	Office	96.4	18 162	Freehold
Aasta Hansteens vei 10	Oslo	Oslo	Office	100.0	5 913	Leasehold
Brynsengfaret 4 og 6 AB+F	Oslo	Oslo	Office	99.8	35 505	Freehold
Tvetenveien 22	Oslo	Oslo	Office	100.0	4 126	Leasehold
Malmskriverveien 18-20	Sandvika	Oslo	Office	100.0	9 163	Freehold
Fredrik Selmers vei 4	Oslo	Oslo	Office	100.0	30 544	Freehold
Grønland 32	Drammen	Oslo	Office	100.0	7 353	Leasehold
Grønland 58	Drammen	Oslo	Education	100.0	21 281	Freehold
Kjørboveien 12-26	Sandvika	Oslo	Office	99.9	22 424	Freehold
Grønland 60, Union Scene	Drammen	Oslo	Culture	99.6	8 854	Freehold
Brynsengfaret 6 C og D "leilighetene"	Oslo	Oslo	Residential	100.0	349	Freehold
Kjørboveien 3, Parkeringshus	Sandvika	Oslo	Other	81.8	16 353	Freehold
Kjørboveien 1 Gjesteparkering	Sandvika	Oslo	Other	100.0	-	Freehold
Kjørboveien 15, 30-33, Politi og Låve	Sandvika	Oslo	Office	99.4	14 670	Freehold
Kjørboveien 10, Tomt	Sandvika	Oslo	Other		-	Freehold
Kjørbo gård	Sandvika	Oslo	Office	0.0	1 399	Freehold
Kjørboveien, friluftstomt	Sandvika	Oslo	Other	10.0	-	Freehold
Kreftingsgate 33	Drammen	Oslo	Office	100.0	2 540	Freehold
Karoline Kristiansens vei 2	Oslo	Oslo	Office	94.5	450	Freehold
Grønland 56	Drammen	Oslo	Office	100.0	504	Freehold
Grønland 51	Drammen	Oslo	Office	99.6	15 424	Freehold
Ringstabekkveien 105	Sandvika	Oslo	Office	76.9	5 375	Freehold

MANAGEMENT PROPERTIES IN THE SOUTH/WEST NORWAY SEGMENT

Property name	Ownership (%)	City	Type of asset	Occupancy (%)	Total area (sqm)	Freehold/ leasehold
Kongsgård Allé 20	100	Kristiansand	Education	100.0	14 141	Freehold
Kirkegaten 2B	100	Arendal	Office	94.4	5 807	Freehold
Kalfarveien 31	100	Bergen	Office	99.9	8 441	Freehold
Nytorget 1	100	Stavanger	Office	100.0	5 205	Freehold
Prof. Olav Hanssens vei 10	100	Stavanger	Office	84.0	36 946	Freehold
Tordenskioldsg 65	100	Kristiansand	Office	89.6	24 587	Freehold
Vestre Strandgate 21	100	Kristiansand	Office	100.0	2 014	Freehold
Skansegaten 2	100	Stavanger	Office	81.9	2 891	Freehold
Tollbuallmenningen 2A	100	Bergen	Office	100.0	1 823	Freehold
Strømgaten 1 / Marken 37	100	Bergen	Education	100.0	6 366	Freehold
Kaigaten 9	100	Bergen	Office	100.0	9 991	Freehold
Lervigsveien 32 / Tinngata 8	100	Stavanger	Office	100.0	6 398	Freehold
Valkendorfsgaten 6	100	Bergen	Office	96.6	13 257	Freehold
Lømslands vei 23	100	Kristiansand	Office	58.3	1 432	Leasehold
Lømslands vei 6	100	Kristiansand	Office	0.0	1 445	Freehold
Lømslands vei 24	100	Kristiansand	Office	100.0	172	Freehold
Fjellanlegg	100	Kristiansand	Other	0.0	1 120	Freehold
Tordenskjolds gate 67	100	Kristiansand	Office	72.3	656	Freehold
St. Hans gate 1	100	Kristiansand	Office	100.0	469	Freehold
Telemarksgaten 11 / Lundegaten 4	100	Skien	Office	91.4	4 292	Freehold
Skansegaten 2 - Tollpakkhuset	100	Stavanger	Office	100.0	1 488	Freehold
Nonnesetergaten 4	100	Bergen	Office	100.0	17 207	Freehold
Laberget 22	50	Stavanger	Office	99.9	13 211	Freehold
Jåttåvågveien 7	50	Stavanger	Office	97.8	5 381	Freehold
Jåttåvågveien 18	50	Stavanger	Office	99.9	9 179	Freehold

MANAGEMENT PROPERTIES IN THE MID/NORTH NORWAY SEGMENT

Property name	Ownership (%)	City	Type of asset	Occupancy (%)	Total area (sqm)	Freehold/ leasehold
Tungasletta 2	100	Trondheim	Office	98.1	14 822	Freehold
Kongens gate 87	100	Trondheim	Office	100.0	7 453	Freehold
Kongens gate 87 - Driftssentralen	100	Trondheim	Office	70.8	927	Freehold
Kongens gate 85	100	Trondheim	Office	83.6	916	Freehold
Erling Skakkesgate 60	100	Trondheim	Office	70.5	853	Freehold
Grønngata 122	100	Tromsø	Office	100.0	6 664	Freehold
Brattørkaia 13B	100	Trondheim	Office	100.0	6 333	Freehold
Tollbugata 2	100	Bodø	Office	100.0	943	Freehold
Dronningens gate 2	100	Trondheim	Office	100.0	5 158	Freehold
Moloveien 10	100	Bodø	Office	92.7	5 531	Leasehold
Brattørkaia 17B	100	Trondheim	Office	97.7	19 652	Leasehold
Brattørkaia 15A og B	100	Trondheim	Office	94.4	20 031	Leasehold
Strandvegen 13	100	Tromsø	Office	95.7	11 561	Freehold
Erling Skakkes gate 25	100	Trondheim	Office	99.0	3 868	Freehold
Prinsens gate 1	100	Trondheim	Office	99.4	29 994	Freehold
Brattørkaia 14	100	Trondheim	Culture	100.0	7 180	Leasehold

Project properties

The following table sets forth the properties with project property area as of 31 December 2014.

Property name	City	Type of asset	Primary classification	Total management area (sqm)	Total project area (sqm)	Freehold/ leasehold
Langkaia 1A	Oslo	Office	Management property	30 931	8 532.0	Leasehold
Akersgaten 34-36	Oslo	Office	Project property	-	6 212.0	Freehold
Kjørboveien 12-26	Sandvika	Office	Management property	22 424	3 388.0	Freehold
Grønland 51	Drammen	Office	Management property	15 424	11 015.0	Freehold
Ringstabekkveien 105	Sandvika	Office	Project property	5 375	11 923.0	Freehold
Schweigaardsgt 16	Oslo	Office	Project property	-	15 493.5	Freehold
Oseberg	Stavanger	Office	Project property	-	5 948.7	Freehold
Gullfaks	Stavanger	Office	Project property	-	24 125.3	Freehold
				74 154.2	**86 637.5**	

Land and development properties

The following table sets forth the properties with land and development area as of 301 December 2014.

Property name	City	Type of asset	Primary classfication	Occupancy (%)	Total management area (sqm)	Total project area (sqm)	Total land and development area (sqm)	Freehold/ leasehold
Brattørkaia 16	Trondheim	Office	Land and devolopment property		-	-	8 800.0	Leasehold
Brattørkaia 17A	Trondheim	Office	Land and devolopment property		-	-	13 500.0	Leasehold
Tordenskioldsg 65	Kristiansand	Office	Management property	89.6	24 587	-	14 000.0	Freehold
Lervigsveien 36	Stavanger	Office	Land and devolopment property		-	-	16 602.0	Freehold
Jonas Lies gate 20-28	Lillestrøm	Office	Management property	100.0	12 660	-	5 000.0	Freehold
Brynsengfaret 4 og 6 AB+F	Oslo	Office	Management property	99.8	35 505	-	13 600.0	Freehold
Fredrik Selmers vei 4	Oslo	Office	Management property	100.0	30 544	-	7 643.0	Freehold
Holtermanssveg 1-13	Trondheim	Office	Land and devolopment property		-	-	34 700.0	Freehold
Oseberg (tomt)	Stavanger	Office	Land and devolopment property		-	5 948.7	16 808.0	Freehold
Ormen Lange (tomt)	Stavanger	Office	Land and devolopment property		-	-	11 489.6	Freehold

Definitions

12 months rolling rent	The contractual rent of the management properties of the Group for the next 12 months as of a certain date, adjusted for (i) signed new contracts and contracts expiring during such period, (ii) contract based CPI adjustments based on Independent Appraisers' CPI estimates and (iii) the Independent Appraisers' estimates of letting of current and future vacant areas.
Contractual rent	Annual cash rental income being received as of relevant date
EPRA Earnings	Net income after tax excluding value changes on investment properties, unrealised changes in the market value of financial derivatives and gains/losses on the sale of properties and their associated tax effects. All adjustments are also made for jointly controlled entities. EPRA earnings are intended to give an indication of the underlying development in the property portfolio
EPRA NAV	Net asset value adjusted to include market value of all properties in the portfolio and interest-bearing debt, and to exclude certain items not expected to crystallise in a long-term investment property business model such as e.g. financial derivatives and deferred tax on the market value of investment properties. The objective with EPRA NAV is to demonstrate the fair value of net assets given a long-term investment horizon
EPRA NNNAV	EPRA NNNAV is EPRA NAV adjusted to reflect the fair value of debt and derivatives and in order to include deferred tax on value changes. The objective with EPRA NNNAV is to report the fair value of net assets in the Group on the basis that these are immediately realised
Gross yield	12 months rolling rent divided by the market value of the management portfolio
Independent Appraisers	Akershus Eiendom and DTZ
Land and development properties	Property / plots of land with planning permission for development
Like-for-like	The percentage change in rental income from one period to another given the same income generating property portfolio in the portfolio. The figure is thus adjusted for purchases and sales of properties and active projects
Loan-to-value ("LTV")	Net nominal value of interest-bearing liabilities divided by the market value of the property portfolio and the market value of the jointly controlled entity Entra OPF Utvikling
Management properties	Properties that are actively managed by the company
Market rent	The annualised market rent of the management properties, fully let as of the relevant date, expressed as the average of market rents estimated by the Independent Appraisers
Market value of property portfolio	The market value of all the properties owned by the parent company and subsidiaries, regardless of their classification for accounting purposes. Does not include the market value of properties in associates and jointly controlled entities
Net rent	12 months rolling rent less the Independent Appraisers' estimate of ownership costs of the management properties of the Group
Net yield	Net rent divided by the market value of the management properties of the Group
Occupancy	Estimated market rent of occupied space of the management properties, divided by the market rent of the total space of the management portfolio. Based on EPRA standard
Project properties	Properties where it has been decided to start construction of a new building and/or renovation
Interest Coverage Ratio ("ICR")	Net income from property management excluding depreciation and amortisation for the Group including Entra OPF, divided by net interest on interest-bearing nominal debt and fees and commitment fees related to financing activites
Total area	Total area including the area of management properties, project properties and land / development properties
WAULT	Weighted Average Unexpired Lease Term measured as the remaining contractual rent amounts of the current lease contracts of the management properties of the Group, including areas that have been re-let and signed new contracts, adjusted for termination rights and excluding any renewal options, divided by Contractual Rent, including renewed and signed new contracts

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