ANNUAL REPORT 07

Entra Eiendom AS

The towns of the future from an environmental perspective

There is a solution to the climate change crisis. It is possible to do something about global warming – provided we make a serious effort to act now. It is above all a question of providing the right political framework, but all of us can and should make greener choices in our own lives.

More than half of all of the world's greenhouse gas emissions are related to energy consumption, which is rising rapidly.

Entra Eiendom is serious about doing its bit for the environment, with its main areas of focus being energy efficiency and the use of green energy sources and building materials.

This annual report includes the results of a small experiment, which involved asking various people what the towns of the future would look like from an environmental perspective. We wanted to put the spotlight on what our towns will look like and how they will function if we take the necessary measures to protect the environment now, or indeed what they will look like if we fail to take those measures.

We asked an engineer, a researcher, an environmental campaigner, a property developer, two architects, an artist and some children what they thought. We encouraged them to let their imaginations run wild. In this annual report you can read what they had to say.

This is Entra Eiendom as

Entra Eiendom AS was established on 1 July 2000. The company is one of Norway's largest property companies, with a total property portfolio of 1 116 365 m^2.

The Group is engaged in the development, letting, management, operation, sale and purchase of real estate in Norway. In addition to Entra Eiendom AS, the Group comprises Oslo Z AS, Universitetsgaten 2 AS, Biskop Gunnerus' gate 14 AS, Instituttveien 24 AS, Kr Augustgate 23 AS, Nonnen Utbygging AS, Langkaia 1 AS, Entra Kultur 1 AS, Krambugata 3 AS and Kjørboparken AS.

The company also owns stakes in Kristiansand Kunnskapspark Eiendom AS, Papirbredden Eiendom AS, UP Entra AS, Brattørkaia AS, Optimo AS, Oslo S Utvikling AS, Youngskvartalet Parkeringshus AS, Kunnskapsbyen Eiendom AS, Grensen S/E and Kongsvinger Kompetanse- og Næringssenter AS.

The Norwegian Government, through the Ministry of Trade and Industry, owns all of the shares in the company. The Board consists of five external members and two employee representatives. Entra Eiendom AS operates in direct competition with private players on a commercial basis. The company is fully financed in the private market.

Since it was created, Entra has grown its balance sheet from a value-adjusted NOK 4.4 billion to NOK 22.6 billion. The book value of total assets has followed a similar trend, which is a result of the investments made by the company.

Entra's head office is situated in Oslo.

The company is organised into four regions: Eastern Norway, Southern Norway, Western Norway and Central Norway. The regional offices are located in Oslo, Kristiansand, Bergen and Trondheim.

ENTRA EIENDOM AS' BUSINESS CONCEPT IS
to offer customised premises and services to public and private businesses in Norway.

Our main area of focus is office properties. In this market we are one of the leading players in the country. Entra emphasises the importance of developing solutions with good layouts that use space effectively, with the key being our customers' ongoing requirements for adaptation and organisational change.

Customer focus is a key, guiding element in the future development of the company.

Entra Eiendom sees long-term customer care as a strategic process for retaining customers and gaining access to new projects.

Since it was established in 2000, the company's stated aim has been to be a good host for its tenants.

The company has a sound basis for future development through our established customer portfolio, 85 percent of whom are in the public sector, with relatively long-term leases.

Entra Eiendom AS's main focus is on centrally located properties of a high standard. Prestigious premises shall make up a small proportion of our property portfolio. The company shall primarily operate and be a major player in the Oslo fjord region, Bergen, Trondheim, Stavanger and Kristiansand. These are the regional centres where long-term growth is expected to be above the national average. They are therefore considered to offer the most interesting investment opportunities for the company's future growth.

The company's property portfolio and total rental income has increased significantly since it was established.

THE COMPANY'S OVERALL AIMS STATE THAT ENTRA EIENDOM AS SHALL

- have satisfied customers
- provide shareholders with a market rate of return
- be a leading player in its prioritised markets
- offer challenging and attractive employment opportunities

ORGANISATIONAL CHART AS OF 31 DECEMBER 2007

ACTING CHIEF EXECUTIVE OFFICER
Torodd Bøystad

CHIEF FINANCIAL OFFICER
Kjell Otto Larssen

DIRECTOR OF INVESTMENT AND FINANCE
Cay Bakkehaug

DIRECTOR OF COMMUNICATIONS
Mona Jacobsen

DIRECTOR OF STRATEGY
Rune Olsø

DIRECTOR OF HUMAN RESOURCES
Sverre Vågan

DIRECTOR OF PROJECTS AND DEVELOPMENT
Bjørn Holm

DIRECTOR OF MARKET
Anne Kathrine Slungård

TECHNICAL DIRECTOR
Nils Fredrik Skau

An eventful year

IN THE VAST MAJORITY of its areas of activity, Entra Eiendom was able to build successfully on the achievements of the previous year. The company continued to deliver good financial results and professional services. In spite of this, 2007 was unlike any other year. This is true both of Entra Eiendom's high public profile and the experience of the company's management and employees.

The Office of the Auditor General's 2006 management audit had knock-on effects throughout 2007. These included a number of stories in the media, our own efforts to deal with the problems raised by the Auditor General and the Storting's review of the Auditor General's report. One of the consequences was that former Chief Executive Officer Erik Løfsnes resigned from his position during the year, with the undersigned taking on the role of acting CEO.

These were obviously testing times for Entra Eiendom, but it must be fair to say that the company has handled both the internal and external challenges well. As a result, the company has come through the process in a way that allows it to start looking forward again. Entra Eiendom must continue to be a good place to work and to deliver results that its owners, Board, management and employees can be proud of.

In line with the good Norwegian economy, the property marked has experienced strong growth in recent years. This growth continued into 2007, with demand for office premises reaching new heights. Office properties remain the company's main focus, and the outlook suggests that rents will rise. Within the framework of this market, Entra Eiendom had a successful 2007. The company's financial results and value growth exceeded the owners' required rate of return, and the company continued to grow its value-adjusted assets.

However, we believe that it is important to think long term. Our ambition is to be good hosts for our tenants. Our overall objective is to have satisfied customers.

Good customer care is a prerequisite for operating in a long-term rental market. Satisfied and loyal customers are the best guarantee that we are doing a good job. At the very core of our customer relationships there must be an active dialogue in which customers encounter professionalism, responsiveness and a service-minded attitude. Entra Eiendom AS currently has a broad customer base, with the public sector as its largest customer group. The company's customer base is its biggest asset, which is why we perform customer surveys each year. The 2007 survey revealed that 97 percent of our customers would be happy to rent from Entra again, and 94 percent responded that they would recommend Entra to others. We believe that in the long term, satisfied customers are essential to our ability to achieve a market return on our capital.

Entra Eiendom's goal is for its properties to have as little impact on the environment as possible, with its main areas of focus being energy efficiency and the use of green energy sources and building materials. The environment and climate change were high up our agenda in 2007, and form important criteria for our commercial decisions.

As a major developer, Entra has a direct influence on our changing surroundings. We therefore have a special responsibility for ensuring that the aesthetic design of our own buildings sets a good example. This is an important aspect of our corporate social responsibility.

The combination of satisfied customers, competent employees and a property market that will provide new opportunities in the coming year puts Entra Eiendom in a good position to continue building on its success.

TORODD BØYSTAD

ACTING CHIEF EXECUTIVE OFFICER

Tone Bjerkestrand

ENVIRONMENTAL GEOLOGIST (CAND.SCIENT.)

GLOBAL WARMING is one of the biggest challenges that the world faces. Private, municipal and central government agencies must all take responsibility for ensuring that the design of the towns of the future is as environmentally friendly as possible.

Towns should set targets for reducing their negative impact on the environment. Then the various stakeholders should be challenged to make contributions towards achieving these targets.

Zoning policies should be designed to reduce transport needs. Greater use of public transport should be encouraged, and towns should be made more cyclist and pedestrian friendly.

Building projects should use environmentally friendly materials, energy efficient designs and, in so far as it is possible, green energy sources. The question is whether the construction and property industry is ready to meet these challenges. The introduction of low-energy houses has certainly been much slower than many people would have liked. Perhaps politicians will need to introduce stricter guidelines on energy efficiency. Financing is also needed to ensure that not only prestige projects see the necessary measures being introduced.

Other considerations also have to be taken into account. Climate change will lead to more rainfall, flooding and mud-slides, and consequently more strain on buildings and infrastructure. Zoning plans and building projects must allow for rising sea levels, as is being done at Ternen housing association in Bergen.

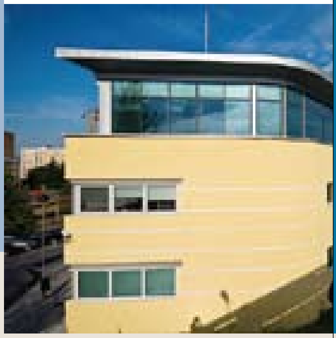
Highlights 2007

1 QUARTER

BRATTØRKAIA, TRONDHEIM
Together with two local companies, Entra Eiendom owns the old harbour area at Brattørkaia in Trondheim. A new zoning plan for the area was adopted in March 2007, and we are now working with our partners to establish a link to the railway station, so as to connect the development with the city centre.

VØYENENGA SCHOOL, BÆRUM
In the winter of 2007, Vøyenenga school was completed and handed over to Bærum Municipality. The school is a PPP project (public private partnership), and will involve Entra financing and building the school, and operating it for a period of 20 years.

STOVNER POLICE STATION, OSLO
Work on Stovner police station was completed in February 2007. An extra storey was added, the entrance was redesigned and building services were upgraded. The police station remained fully operational throughout the construction phase, which made it a challenge to ensure the safety of the public and users during the project, whilst allowing the police to go about their work with as little disturbance as possible.



JANUARY – FEBRUARY – MARCH

2 QUARTER

UNION SCENE, DRAMMEN
Entra Eiendom owns the company Papirbredden Eiendom AS in partnership with Drammen Eiendom KF. Union Scene is one of the properties owned by this company. In the spring of 2007, work was started on refurbishing the parts of Union Scene that are not yet being used. The main tenants will be various cultural organisations in Drammen.

THE NORWEGIAN RADIATION PROTECTION AUTHORITY, BÆRUM
At Østerås in Bærum, the extension and refurbishment of The Norwegian Radiation Protection Authority's premises has been completed. Sylvia Brustad, the Minister of Health and Care Services, performed the official opening on 13 June 2007.

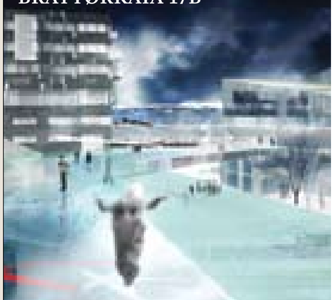
KJØRBO, BÆRUM
In the summer of 2007, Entra Eiendom acquired the various properties at Kjørbo in Bærum. New lease contracts have been signed for all of the buildings there, in conjunction with which each of the blocks will be refurbished in turn. The site will include premises for the new Asker and Bærum police station, which will occupy approx. 12 000 m² of floor space in total, of which 7 000 m² will come from refurbishing the existing property.

APRIL – MAY – JUNE

In the seven years since it was established, Entra Eiendom has developed into a big, professional and high-profile property company. In 2007 the company completed various major development projects, and it is currently actively engaged in new ones.

3 QUARTER

BRATTØRKAIA 17B



BRATTØRKAIA, TRONDHEIM
The refurbishment of Brattørkaia 17b is underway, with completion scheduled for the autumn of 2008, and on 19 September it was announced that Brattørkaia AS had won the competition to house the new national pop and rock music centre, to be located at Brattørkaia 14. The centre will open in the summer of 2009.

PROPERTY PURCHASES
«Statens Hus» at Prinsensgate 1, Trondheim.

LITERARY CENTRE, OSLO
In the autumn of 2007, Entra Eiendom completed the refurbishment and conversion of Wergelandsveien 29. The building has been leased to The Freedom of Expression Foundation, which will use it as Norway's first literary centre. This 3 400 m² building now houses a café, bookshop, stages and rooms for discussions, debates and seminars. There are also places where authors and writers can work, as well as an author's apartment.

PROPERTY SALES
«Trygdegården» at Jernbanegaten 15, Levanger.

JULY – AUGUST – SEPTEMBER

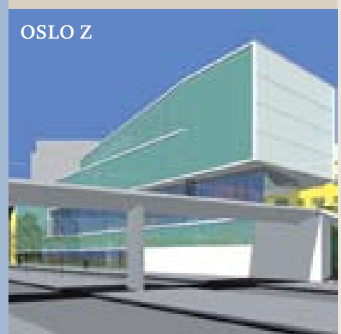
4 QUARTER

COLLEGE AND CULTURAL CENTRE IN RANA
In Mo, Entra Eiendom and Rana Municipality have agreed to establish a joint property company to develop, build and run a college and cultural centre. The first step will be to hold an architectural competition for the project.

KRISTIANSAND SCIENCE PARK
Kristiansand Kunnskapspark Eiendom AS is a joint venture between Entra Eiendom and the Municipality of Kristiansand, and is responsible for developing the Kristiansand Science Park. The aim is to provide customised premises to innovative knowledge-economy companies. The science park will be developed in three phases. The first phase consists of 6 800 m², and was officially opened on 15 November 2007.

OSLO Z
In Oslo, Entra Eiendom has decided to go ahead with Oslo Z, a new office block on the site between the sidings at Oslo Central Station and the old customs house at Schweigaardsgate 15. The gross floor space of the project is approx. 15 000 m², and the company hopes to start work in the first quarter of 2008.

OSLO Z



ROMERIKE POLICE STATION, LILLESTRØM
On 1 October, work was started on an extension to Romerike police station. The 4 000 m² extension will mainly consist of offices. The project is expected to be completed at the turn of the year 2008/2009.

OCTOBER – NOVEMBER – DECEMBER

Highlights 2007

In 2007, Entra Eiendom came under the scrutiny of the Office of the Auditor General of Norway, the Norwegian parliament and Veritas

THE OFFICE OF THE Auditor General's management audit of Entra Eiendom was published towards the end of November 2007 as Document no. 3–2 (2006–2007).

The Storting (Norwegian parliament) looked into the Auditor General's report several times over the course of 2007. This involved a public hearing arranged by the Audit and Constitutional Affairs Committee on 17 January, an independent assessment by the committee itself and a final debate in a plenary session on 17 December.

Early on and at its own initiative, the Board of Entra asked Det Norske Veritas to look into several questions that had been raised through headlines in the media during the autumn of 2006 and later by the Office of the Auditor General and members of parliament. In the summer and autumn of 2007, the Office of the Auditor General then carried out additional investigations at the request of the Storting. Entra and the Office of the Auditor General cooperated constructively and in good faith throughout this process.

There was a particular focus on certain aspects of individual purchase and sales transactions that took place some years ago (Cort Adelers gate no.33 and Fritzners gate no.12 in 2002-2004, and the purchase of Youngsgate 7-9 in 2002). The question was whether the transactions were adequately documented, whether there were any conflicts of interest and whether any individuals could have benefited unreasonably or illegally at the expense of the company.

After performing these additional investigations, The Office of the Auditor General concluded that there was no evidence of any breach of the rules on conflicts of interest in any of these cases. Nor did it find anything to suggest that anyone had benefited unreasonably or illegally at the expense of the company. The Storting has taken these conclusions on board.

However, the company was criticised by both the Office of the Auditor General and the Storting for what was perceived to be a lack of transparency in some of these property transactions, with inadequate traceability and documentation.

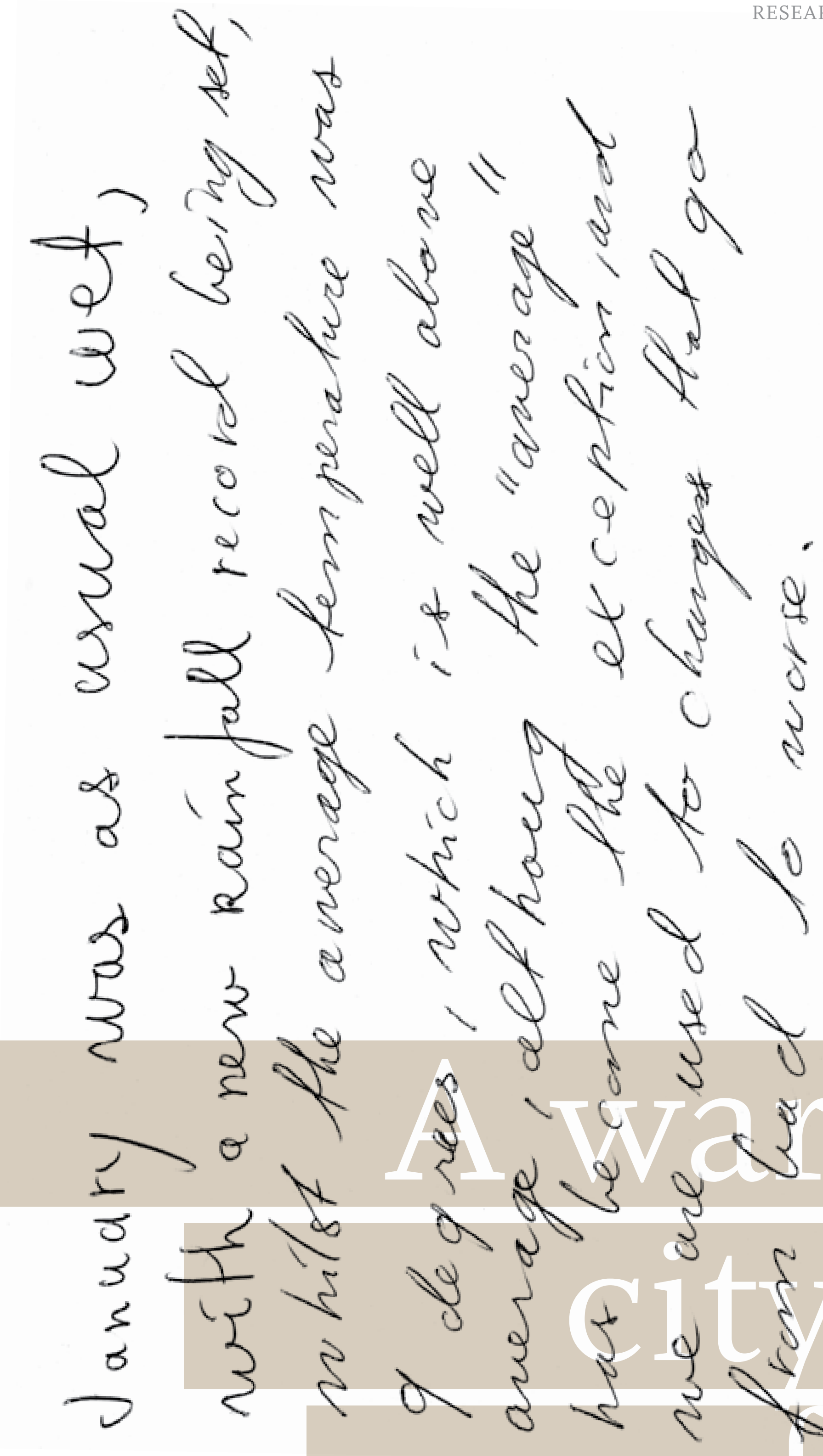
It is, of course, important that the company deals with such issues in an orderly and open fashion, to ensure that outsiders can have confidence that purchases and sales of properties are based on a proper commercial, ethical and technical basis.

Both prior to and during 2007, the Board and senior management of Entra has worked hard to develop and improve procedures and practices in this area.

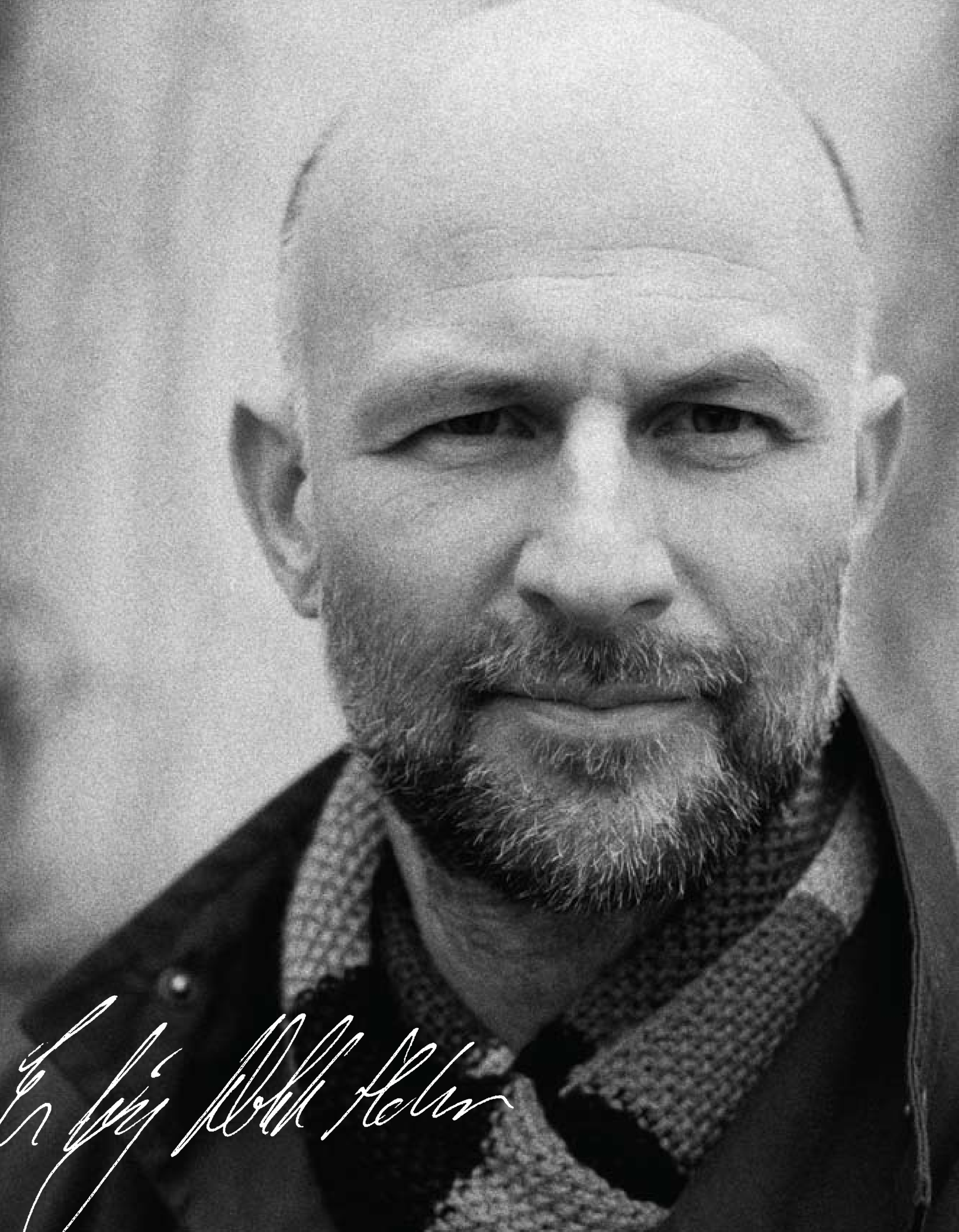
Former CEO Erik Løfsnes left the company in the summer of 2007, and has been temporarily replaced by Torodd Bøystad.

On 17 December the Storting concluded its investigation of the Office of the Auditor General's management audit by asking the government to produce its own report on Entra, focusing on its management and strategy. This report is expected to be published in 2008.

Erling Dokk Holm
RESEARCH FELLOW, The Oslo School of Architecture and Design



A warm, wet city with a roof over it



OSLO 2030: JANUARY was as usual wet, with a new rainfall record being set, whilst the average temperature was 9 degrees, which is well above average, although the «average» has become the exception, and we are used to changes that go from bad to worse. But we get by, and our lives have adapted to the new climate, with the city being designed for rain, storms and heatwaves. Life is by no means bad. But it has been expensive. Most of us are looking forward to future generations experiencing more normal weather. Now that the world has successfully completed the transition from fossil fuels to renewable energy, we can at least be optimists – for the long term.

What happened was that climate change became so dramatic that politicians, the population, in fact virtually everyone started work on the great task of changing the way we live. The alarm bell sounded in the autumn of 2012. After it had rained heavily and constantly for over 40 days, the country experienced the first mud-slides. Two detached houses in Grefsenåsen collapsed, killing four of the inhabitants. The city's systems for dealing with rainwater were overloaded, and the constant flooding of the streets led to widespread damage to houses, and in Vålerenga the ground under four houses in Danmarksgate was virtually washed away. Something similar happened in Holmlia when the water filled up one of the Nordskrenten housing association's underground garages, leaving 800 people suddenly without a house. Damage was reported everywhere, and the events were interpreted as a warning that things would get even worse in the future. This led to the city council introducing a property tax – to universal acclaim – and starting work on building a system to cope with ever increasing amounts of surface water. Private investors also saw the potential for giving people who enjoyed outdoors pursuits challenging and interesting indoor facilities. Large swimming pools and ice-rinks were built throughout the city. In some places, such as Tveita, large indoor parks were created to simulate natural forests. One of the most spectacular measures was the construction of the permanent network of skiing tunnels in the countryside outside Oslo. Since Olav Thon donated all of his wealth to the Association for the Promotion of Skiing in 2010, it was possible to create a network of skiing tunnels in record time. Underground cooling was installed under a number of tracks through the forest, and transparent tunnels were built over them, which from 2018 onwards made it possible to enjoy a skiing trip through the forest at almost any time of the year. For the three warmest months of summer the system was turned off, as it became unbearably hot in the tunnels.

When work on adapting the city to its new climate started, very few people, if any, were far-sighted enough. A lot of thought was given to the climate, but little thought was given to the people who would be forced to migrate. But the climate refugee crisis in 2021 forced Oslo to understand what it meant to have 120,000 Spaniards, 70,000 Italians, 20,000 Croatians and 20,000 Portuguese living in eastern Norway. Larvik became almost entirely Spanish, and new towns solely catering to the new immigrants also popped up. For Oslo the wave immigration resulted in 82,000 new inhabitants within the city boundaries almost overnight, putting pressure on public services and the housing market. The incorporation of Oppegård and Bærum into Oslo in the spring of 2023 was a direct response to need for more space, and the unwillingness of these municipalities to help solve the problems.

Seven years after the first wave of immigration the general consensus is that it went reasonably well, but that too many Italians and Croatians are crammed into the town of Ski. With over 30,000 of the town's 70,000 inhabitants coming from Palermo, Naples and southern Italy, the town feels a bit like a ghetto. But on the other hand, Ski has the biggest collection of skyscrapers in Norway, and even if the slogan «Ski, Señor!» isn't exactly original, it demonstrates the dramatic changes that have taken place in what used to be a sleepy railway stop.

Key figures and financial information

TABLE 1 FINANCE
Figures for the Entra Eiendom AS Group
(in MNOK if not stated otherwise)

	2007	2006	2005	2004	2003	2002	2001
INCOME STATEMENT IFRS							
Operating Income	1 230.1	1 124.3					
Operating expenses excl. depreciation	349.6	320.0					
Change in value of investment properties	1 204.6	2 042.8					
Change in value of financial instruments	231.0	285.7					
Profit before tax	1 883.4	2 766.3					
Profit for the year (after minority interests)	1 388.2	1 952.8					
INCOME STATEMENT NGAAP							
Operating Income			1 071.6	1 072.2	855.9	673.8	637.3
Operating expenses excl. depreciation			329.1	387.9	406.1	377.8	211.4
EBITDA			742.0	684.3	449.8	296.0	425.9
Profit before tax			230.0	187.1	25.9	-17.8	139.1
Profit for the year (after minority interests)			162.8	133.9	18.4	-13.3	99.7
INVESTMENTS/SALES DURING THE YEAR							
New investments in fixed assets and shares in other companies	1 845.0	1 080.5	1 078.9	1 078.7	1 841.9	1 601.6	1 450.8
Sale of fixed assets and shares in other companies	94.5	193.5	205.1	394.9	144.6	22.2	6.5
FINANCIAL STRENGTH IFRS							
Total assets (book value)	22 566.9	18 990.1					
Equity (book value) excl. minority interests	8 443.9	7 189.7					
Equity ratio (book value) excl. minority interests (%)	37	38					
FINANCIAL STRENGTH NGAAP							
Total assets (book value)			9 727.2	8 768.4	8 127.2	6 518.0	5 070.4
Equity (book value)			1 330.5	1 288.2	1 274.1	1 505.7	1 519.0
Equity ratio (book value %)			14	15	16	23	30
Value adjusted total assets			15 567.0	13 388.0	11 566.8	9 615.6	7 479.5
Value adjusted equity			7 170.0	5 907.0	4 713.6	4 603.3	3 928.1
Value adjusted equity ratio (%)			46	44	41	48	53
LIQUIDITY							
Liquidity reserve (incl. committed, undrawn credit facilities)	2 778.0	5 773.8	1 210.9	1 930.4	2 403.8	805.1	232.2
LOAN PORTFOLIO ENTRA EIENDOM GROUP							
Long term interest bearing debt	10 433.2	8 474.5	7 722.2	6 835.4	6 222.3	4 667.7	2 989.7
Weighted average time to maturity (tied-up capital, years)	6.2	6.8	5.6	2.3	2.1	1.3	2.4
Weighted average duration, fixed interest	3.5	4.1	4.2	3.8	4.6	4.7	4.3
Normalised interest cover ratio *)	1.9	2.1	2.0	2.2	2.0	2.2	2.3
Weighted average portfolio interest rate as at 31.12. (%)	5.6	5.1	4.9	5.2	5.9	6.7	-
PROPERTY PORTFOLIO/RENTAL CONTRACTS							
Property mass (m^2)	1 116 365	987 854	956 658	899 655	881 853	838 626	746 057
- of which projects under development	221 968	189 930	186 799	122 600	126 333	217 991	186 223
Occupancy rate excl. development (%)	97	96	96	95	95	98	97
Occupancy rate development projects (%)	81	60	56	60	60	93	70
Weighted average time to maturity, contracts (years)	10.4	11.1	11.5	11.3	11.6	11.4	7.9

As of the financial year 2007 (with comparative figures for 2006), the Group is reporting its financial results under IFRS. The table shows key figures from the company's income statement and figures relating to its financial strength for the period 2001-2005 under NGAAP and for 2006-2007 under IFRS. It should be noted that the value-adjusted equity for the period 2006-2007 (IFRS) represents the Group's equity less tax liabilities on unrealised increases in the value of investment properties and financial instruments.

*) The method of calculating interest cover ratio is adjusted for investment related elements.

$$\frac{\text{Operating profit+depreciation+refurbishment cost+financial income}}{\text{Interest expenses}}$$

DEVELOPMENTS IN THE FINANCIAL MARKETS

Norway's GDP growth rose strongly over the past year, reaching an incredible 6 percent for 2007. In spite of a 230 basis point increase in Norges Bank's key rate since the summer of 2005, it is hard to detect any dampening effect on the Norwegian economy. The only sign of any slowdown is in the property market, which fell slightly in the second half of last year. Lower activity in the residential sector will release resources for public and commercial property projects.

Inflation has remained low, in spite of a shortage of workers across all industries. One of the risks faced by the Norwegian economy is higher wage and price inflation. High wage growth can easily spill over into prices, in which case a tighter monetary policy will be required to deal with the problem of inflation.

The strength of the Norwegian economy requires demand to be reduced, as it is operating at the limits of its capacity. At an international level, however, growth prospects are dimming, and there are signs of a recession in the US. This may help to moderate activity levels in Norway.

Prospects for 2008 and the future remain bright. The pace of activity is expected to slow down slightly from 2007, on account of high levels of resource utilisation and lower demand from our partners. The prospects for the industrial sector remain good, although the picture is slightly less optimistic than it was.

There has been a great deal of turbulence in financial markets over the past half year as a result of large losses on mortgages in the US. This has led to higher volatility and wider credit market spreads. The company believes that the liquidity problems at the short end of the yield curve will reduce over the course of 2008, and that the yield curve will gradually normalise.

There is evidence that short-term interest rates will follow Norges Bank's interest rate path, with the key rate rising by 0.25 percent to 5.5 percent in 2008.

The Entra Eiendom Group has reduced its exposure by fixing interest rates on a large proportion of its debt portfolio, whilst maintaining some freedom of action in case events turn out unexpectedly. However, the company is exposed to fluctuations in short-term interest rates, although this only affects the variable rate portion of its portfolio (33 percent).

FINANCIAL ACTIVITIES OVER THE COURSE OF THE YEAR

The company's financing strategy is assessed in relation to the other areas of the company's business model, and is supposed to support the company's business strategies.

The company's current finance strategy from 2003 is still the main basis on which it manages its financing activities. The most important focus of the strategy is to ensure that the company has access to sufficient capital to implement the company's current business strategies.

We are constantly trying to adapt the company's finance strategy to the underlying level of investment activity, to ensure that there is a uniform, targeted strategy for the financial management of the company's investment portfolio.

There is a continuous focus on making use of a variety of bank and capital market instruments, to minimise the cost of financing the Group, whilst ensuring that the capital structure of the company is conducive to its future development.

The company has a finance policy that forms the overall framework for financial management at the Entra Eiendom Group, and defines objectives, responsibilities and authorities for the handling of financial activities. The finance policy supports the company's other commercial activities, and is revised annually.

The company's financial risk management is also described in Note 3 to the consolidated accounts. The most relevant areas to the company's financial risk management are handled separately:

Refinancing risk

We consider the company's refinancing risk to be limited. The company aims to limit its refinancing risk by diversifying its sources of capital and by operating within the following framework:

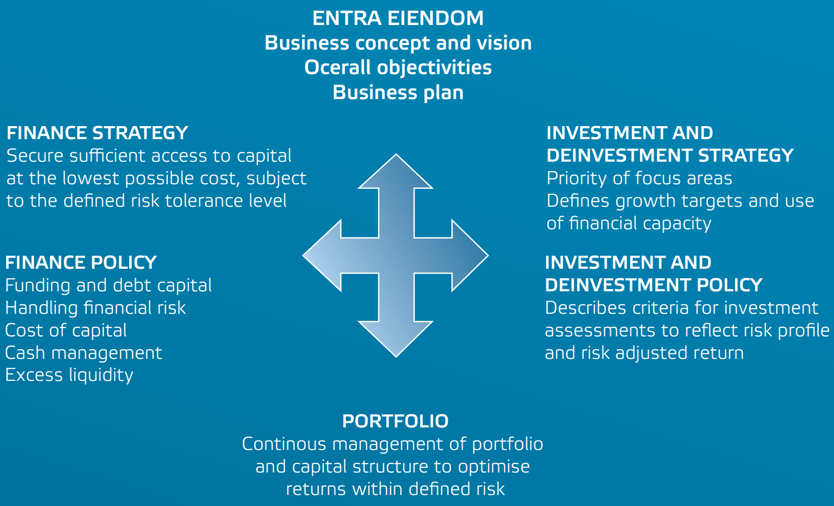
- Maximum 30 percent of its loans shall fall due within one year.
- The loans shall be distributed among various loan instruments.
- The loans shall be distributed among several lenders. The company has established good relationships in the bank and capital markets.
- Short-term financing through the certificate portfolio shall be hedged with back stop facilities covering the volume which falls due within the next six months.

Interest rate risk

The company's strategy for positioning itself in relation to the interest rate markets reflects the fact that it has properties with a range of risk profiles and remaining contract terms. The company's risk tolerance in terms of financial activities

FIGURE 1
DEVELOMENT IN NORWEGIAN INTEREST RATES 2001 – 2007

FIGURE 2
FINANCIAL MODEL



is assessed on the basis of the overall business model and exposure, bearing in mind the strategy and structure of its individual investments. Along with the company's current view of interest rates, it forms the basis for adjustments to the company's interest rate structure within the framework of the standard portfolio. The standard portfolio specifies that the weighted term of the standard portfolio should be between three and six years, with an average value of four years, and that there should be a range of different terms to maturity.

Currency risk

The Group's business is only based on and exposed to Norwegian kroner (NOK). The company shall therefore not take on direct currency risk. All potential loans and associated interest payments in foreign currency shall be fully hedged for profit, cash flow and balance sheet effects.

Credit and counterparty risk

New transactions shall be entered into after assessing the individual counterparty's creditworthiness. Any inadequate creditworthiness shall be compensated for by a demand for guarantees linked to the relevant situation.

OVERALL KEY FIGURES

Financial strength

By developing its property and lease contract portfolio, the company has built up significant assets since its establishment. The valuation of the company's properties has increased significantly over the past two years. This is described in greater detail in the section on the property portfolio on page xx. As we have managed to achieve reliable, long-term cash-flow, we believe that the increases in value are fairly robust, although changes to interest rates may affect the values of the company's properties.

Figure 3 shows the rapid growth in our balance sheet from when the company was established through to 31 December 2007.

The Group's financial strategy includes the aim of maintaining a strong financial position. Figure 4 shows the historical figures for our equity and equity ratios. One of our strategic parameters is that our value-adjusted equity ratio shall be at least 35 percent.

By developing and enhancing the values of our portfolio of properties and lease contracts we have managed to safeguard the Group's financial strength over the long-term.

As of the financial year 2007 (with comparative figures for 2006), the Group is reporting its financial results under IFRS. Figure 4 therefore shows the company's estimated book and value-adjusted equity for the period 2001-2005 under NGAAP and for the period 2006-2007 under IFRS (here value-adjusted equals book). It should be noted that the value-adjusted equity for the period 2006-2007 (IFRS) represents the Group's equity less potential tax liabilities on unrealised increases in the value of investment properties and financial instruments, so what is shown is the equity after tax.

Liquidity and cash flow

The Group has a strong current, positive cash flow from ordinary operations. The Group's net cash flow from operating activities totalled NOK 516 million in 2006.

Revenues are to a large extent based on long-term contracts with reliable tenants. 85 percent of the tenants in the Group's property portfolio were from the public sector at 31 December 2007.

Interest cover ratio

The Group had a normalised interest cover ratio of 1.9 at the close of 2007 (2.1). The figure is based on the company's operating cash flow, ignoring investment-related and any extraordinary costs. The interest cover ratio is a key metric for various financial institutions when they assess Entra, and the figure reveals that the company is in a good position to cover its debt payments.

FINANCING/BALANCE SHEET

Equity

Our owner, the Norwegian Government through the Ministry of Trade and Industry, measure their return on the basis of dividends and increases in value, and have set a target of achieving a market rate of return on value-adjusted equity. The company again achieved a positive EVA in 2007. Accumulated EVA since the establishment of the company totals NOK 3.1 billion. This means that the Group has created NOK 3.1 billion in excess value over and above the requirements of its owners and lenders.

Loan capital

The Group's total (nominal) debt at the close of 2007 was NOK 13 965 million, of which NOK 10 433 million was interest-bearing debt.

These figures include the financing costs for joint ventures and for companies in which Entra Eiendom AS holds

FIGURE 3
DEVELOPMENT IN TOTAL ASSETS

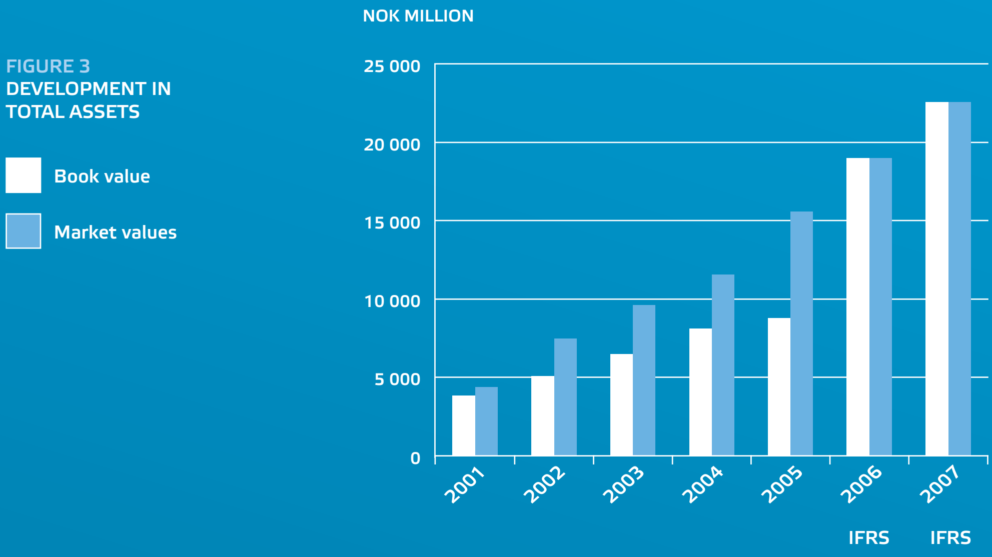
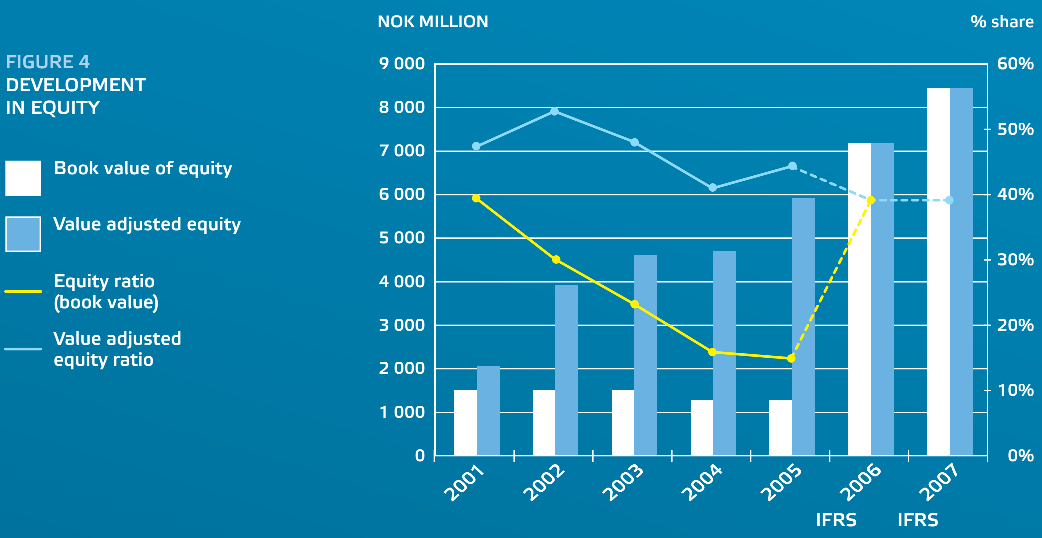


FIGURE 4
DEVELOPMENT IN EQUITY



a stake of at least 51 percent. The management of properties and financing of joint ventures is handled separately and is tailored to the underlying activities of the individual project/company.

The maturity structure of the Group's long-term interest-bearing debt is illustrated in figure 5.

The average remaining term to maturity of the available credit facilities was 6.2 years at 31 December 2007. The company has maintained its strong position in the Norwegian and overseas bank and capital markets. The company's credit facilities are linked to a carefully selected group of large, professional banks with complementary qualities, who will be able to contribute towards our future development.

Access to optimal financing is a key area for the company, and we are always looking to improve the company's financing structure. One of our main tasks is to maintain adequate diversification, whilst adjusting the mix of instruments to the various characteristics of the company's property portfolio.

Entra has been affected by the greater degree of uncertainty and higher prices in the credit markets, but less so than many other companies.

The company's debt portfolio is made up of loans from Norwegian and foreign financial institutions, and direct credit acquired through the issue of debt instruments on the Norwegian capital market. As of 31 December 2007, 58 percent of the company's financing came from the money and capital markets, i.e. a reduction from the previous year. This is due to large credit facilities that were agreed in December 2006, which have been drawn on during 2007. Figure 6 shows the distribution between different types of borrowing at 31 December 2007.

Entra Eiendom AS's financing has negative pledge as its main principle. Its lease agreements nevertheless make it possible to use other forms of loans for some of its portfolio. Entra Eiendom AS has one loan secured by a mortgage, which is a 25 year bond secured by the mortgage on the National Library in Oslo. Joint ventures are independently financed, and the loans are generally secured by mortgages.

At 31 December 2007, the Group had, through its available credit facilities, committed undrawn facilities of NOK -2 423 million, with which to cover future refinancing and investment requirements, as well as to provide a back stop for the company's certificate portfolio.

With the current structure, the company's refinancing risk is seen as very low, but the company continuously assesses its future financing requirements.

INTEREST RATE HEDGING

Naturally, Entra Eiendom has significant financial risk associated with the development of general NOK interest rate levels. On the basis of the current interest rate view, the Group's interest rate exposure is managed actively through a portfolio of interest rate instruments within the framework of the specified finance strategy. The company uses the interest rate instruments that at any given time are most suited to cover the various risk elements.

67 percent of Entra's portfolio of loans and interest rate instruments are on fixed rates, and the proportion of variable rate loans is somewhat lower than at the end of the previous year. At 31 December 2007 the weighted average duration was 3.5 (4.1). The average interest rate on loans in the portfolio was at the same point in time 5.6 percent (5.1 percent).

Figure 7 shows the company's spread out maturity structure in terms of exposure to interest rate risk at 31 December 2007.

The company considers it important for it to have a significant proportion of variable rate loans in its portfolio, to give it flexibility in terms of its interest rate positioning and to allow it freedom of action in the event of changes to its requirements or market conditions. Nevertheless, as a result of the company's interest rate portfolio, the company's average borrowing cost appears robust in relation to changes in general market rates.

With the introduction of IFRS accounting principles, the market values of the company's interest rate instruments are now included on the balance sheet, and changes in values resulting from changes in market rates are recorded through profit and loss. Due to rising market rates over the course of the year, this had a positive effect on the company's results, reducing its liabilities by NOK 231 million. The market values of its derivatives at 31 December 2007 was NOK 320 million, which is partially offset by the market value of the company's bond debt being NOK 217 million less than its nominal value.

Note 3 and Note 19 to the annual accounts include a description of key figures relating to the company's interest rate positioning and liabilities.

FINANCIAL CALENDAR 2008

Q4 interim report/ preliminary full-year figures 2007	29 February 2008
Annual report 2007	April 2008
Interim report Q1 2008	6 May 2008
Interim report Q2 2008	29 August 2008
Interim report Q3 2008	7 November 2008

FIGURE 5
MATURITY STRUCTURE
INTEREST BEARING DEBT

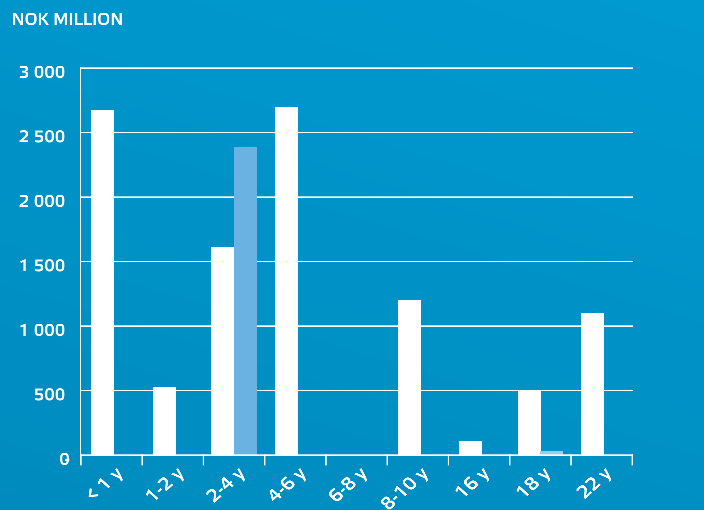


FIGURE 6
DISTRIBUTION OF
LOAN PORTFOLIO

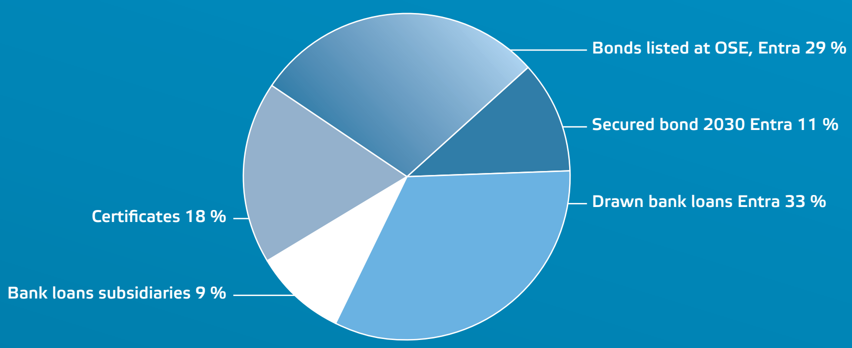
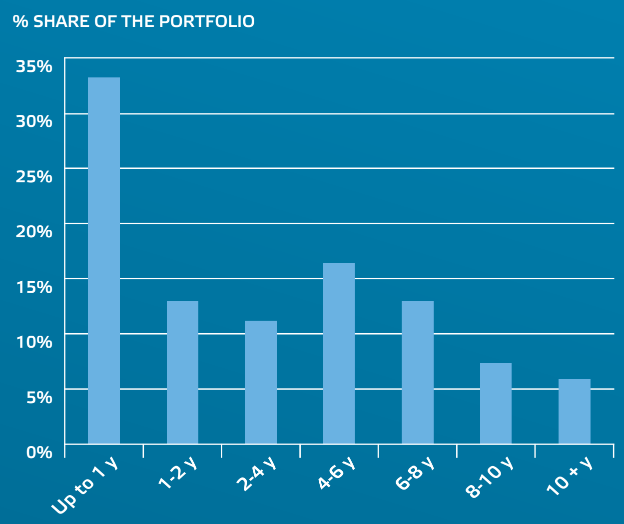


FIGURE 7
DISTRIBUTION OF
INTEREST EXPOSURE



What will future

The towns of the future will have houses that supply energy, and perhaps all of the houses will have solar panels integrated into their walls and roofs, and small windmills on the roof!

our towns have to look like in the if we want to meet the challenges created by climate change?

Ane T. Brunvoll
RENEWABLE ENERGY AND ENERGY EFFICIENCY CONSULTANT, Bellona

BY 2050, THE WORLD must reduce its CO2 emissions by 50-85 percent if we are to achieve the two degree target, which involves limiting the increase in the average temperature of the earth to two degrees. This figure has been chosen because it is thought that a greater increase would set in motion certain irreversible processes. The melting of the Siberian permafrost would be one such process. It would lead to the release of large amounts of methane, which is twenty times more powerful than CO2 as a greenhouse gas, further accelerating temperature change. It is also important to remember that even an increase of two degrees in the average temperature would have a dramatic impact on many parts of the world. We therefore have no choice but to achieve this goal, but what does it require of us?

As large portions of the developing world have not yet started using electricity and other forms of energy, it is reasonable to assume that the greenhouse gas emissions of poor countries will rise. This means that the rich countries must reduce their emissions even more, and probably by over 90 percent. Many sectors that currently produce high levels of emissions must therefore reduce their emissions to zero. Some sectors will also have to become net suppliers of energy. The building and property industry is definitely one of those sectors. Buildings, which currently use 40 percent of the energy consumed in Norway, must by 2050 become energy suppliers!

This may sound like a utopian vision, but it isn't. In Germany there are already many houses that supply energy. These buildings are called energy-plus-houses. At Fyllingsdalen near Bergen, 52 low-energy houses and 28 passive energy houses are being built. They use between half and less than a quarter of the energy consumed by a standard building. Similar projects are also underway elsewhere in Norway. Basically the roofs, walls and windows of the buildings are better insulated, and there is a heat recovery ventilation system throughout the house. The passive houses also have solar captors to help heat their water. So the «technology» is available, but how are we going to reduce the energy consumption of existing buildings, and why are green standards not already a legal requirement, given that we know that buildings often last for a hundred years? Some of us have already raised these questions with politicians, but more of us need to start making these demands. That will help us to start building for the future now.

And what will be required of us in the towns of the future? An environmentally friendly approach must be at the heart of their design. If it is, transport options can be designed with the needs of the town and the environment in mind, rather than the other way round, as is the case today. The towns of the future will be home to rich vegetation, and will be dynamic places where it is easy to move around on foot or on bicycle. They will have clean air and low levels of noise. The energy and nutrients from sewage and waste will be fully utilised. The buildings will be net suppliers of energy, providing us with power to recharge the batteries of our cars. Cars will be powered by a mixture of electricity and biofuels or hydrogen, but most people will take public transport because it will be the quickest and easiest option. We will also be far more concerned about the quality of the operation and maintenance of buildings and infrastructure. Everything will be more complex and technically advanced, and proper maintenance will help reduce energy consumption. The towns of the future will have houses that supply energy, and perhaps all of the houses will have solar panels integrated into their walls and roofs, and small windmills on the roof!

Ane T. Brunvoll

The property portfolio

TABLE 1

	Gross area					Weighted remaining contract period	Annual rent passing as at 31.12.07	Share of rental income
	Offices	Educa-tional	Develop-ment	Other	Total			
Østlandet					700 281	11.3	861 919 136	70 %
Oslo	416 156	4 110	83 909	-	504 174			
Akershus	75 978	33 755	57 422	150	167 305			
Østfold	28 803	-	-	-	28 803			
Sørlandet					133 261	9.5	130 010 463	11 %
Kristiansand	36 066	12 253	-	7 804	56 122			
Oslofjord og Agder	14 002	21 638	8 572	3 403	47 615			
Drammen	29 212	-	-	312	29 524			
Vestlandet					124 444	6.0	109 838 830	9 %
Bergen	56 834	6 366	17 218	-	80 418			
Stavanger	42 538	-	-	1 488	44 026			
Midt-Nord-Norge					158 379	9.2	122 042 794	10 %
Trondheim	72 155	-	54 847	-	127 002			
Tromsø	24 643	-	-	310	24 953			
Bodø	6 425	-	-	-	6 425			
Total	802 809	78 122	221 968	13 467	1 116 365	10.4	1 223 811 223	100 %

MARKET VALUE/CONCENTRATION

Two external, independent market valuations of our portfolio were carried out at the turn of the year. Based on the average of the two valuations, the Group's property portfolio at 31 December 2007 was worth NOK 21.7 billion. Adjusted for Entra's stakes in subsidiaries the portfolio was valued at NOK 21.1 billion. Including Entra's stakes in joint ventures, the portfolio's value was NOK 22.3 billion.

There are several common methods of valuing property. Managed properties that are not undergoing development are valued using the cash-flow method, the net capitalisation method, or both of these methods. The average yield used for net capitalisation calculations (market cash flows) was 6.6 percent at the close of the year, around 18 basis points higher than for the valuations performed in the third quarter. Development properties are in most cases valued using the differential method. This is based on the sales value of the property when completed, less the remaining cost of the

TABLE 2

MARKET VALUE MNOK	2007	2006
Opening balance market value	18 831	15 430
Investments [1])	1 030	821
Purchase of property [2])	1 369	223
Sale of property [3])	-54	-230
Unrealised change in value – properties owned by less than 50 %	35	110
Unrealised change in value – properties owned by more than 50 %	1 118	2 477
Closing balance market value	22 328	18 831

[1]) Investments, adjusted for Entra's share

[2]) Cost of properties bought are defined as market value, adjusted for Entra's share

[3]) Sales value is defined as market value last year.

°) Properties in which the company has a shareholding of >50 % are included in their entirety, whilst properties in which the company has a shareholding of 50 % or less are included in proportion to the shareholding.

TABLE 3

Development of market values for comparable properties

MNOK	Market value 2007	2006	Change MNOK	%	Invested 2007	Net change %
Region East – Oslo	13 297	11 972	1 325	11	404	8
Region East – Akershus	1 752	1 548	204	13	138	4
Region East – Østfold	477	446	30	7	3	6
Region South – Kristiansand	805	723	82	11	95	-2
Region South – Oslofjord og Agder	341	312	29	9	-	9
Region South – Drammen	716	715	1	-	80	-11
Region West – Bergen	1 187	898	289	32	217	8
Region West – Stavanger	635	637	-2	-	-	-
Region Central-North – Trondheim	1 007	821	186	23	82	13
Region Central-North – Tromsø	367	347	21	6	11	3
Region Central-North – Bodø	94	96	-2	-2	-	-3
Total	20 676	18 514	2 162	12	1 030	6

project, as well as deductions for financing/interest rate risks during the construction phase and the developer's profit margin. Changes in the value of the development portfolio are not taken into account in average yield calculations.

TABLE 2 shows the components of the changes in market value from 2006 to 2007. Taking into account stakes in subsidiaries, and adjusted for purchases, sales and investments, there is an unrealised increase in the value of the Group's properties of approx. NOK 1.1 billion. The unrealised increase in value for our stakes in joint ventures is NOK 35 million.

The company owns a total of 118 properties. The bulk of the properties by value (61 percent in total) are in Oslo (74 percent are in the Oslo region), and their distribution (based on value) is shown in figure 1.

TABLE 3 shows price changes for comparable properties in individual regions over the course of the year. The biggest increase in value was in the Central and Northern Norway Region – Trondheim, where the signing of long-term, reliable lease contracts for Brattørkaia 17B and the start of work on phase 3 laid the foundations for a net increase in value (adjusted for investments made) of 13 percent from 2006 to 2007. The 11 percent decline in value for the Southern Norway Region – Drammen was mainly due to Grønland 56-58, where the investments made in 2007 were already reflected in the value of the property at the end of 2006.

A feature of our portfolio is that it contains many large, centrally located properties in the biggest cities in Norway. This means that there is a concentration of values, with the 10 most valuable properties being worth NOK 9.8 billion, or 45 percent of the market value of the Group's properties at 31 December 2007. Our 30 largest properties are together worth approx. 75 percent of the total value.

SEGMENTS

The company's main area of focus remains the office segment, which represents 72 percent of the total portfolio. The company has also gradually been gaining experience and expertise in the education segment, which represents 7 percent of the overall portfolio. The proportion of the portfolio under development has remained stable at a high level, and at the end of 2007 this segment comprised 20 percent of the total portfolio.

Figure 2 shows the distribution of the portfolio at 31 December 2007.

The overall portfolio has grown by approx. 86 percent over recent years, from slightly less than 600 000 m² in 2000 to 1 116 000 m² at the close of 2007.

The floor space under development increased by approx. 32 000 m² over the previous year (percentage of overall portfolio only increased marginally). However, there were major changes to the project portfolio, with some projects being completed, and new projects being added, either through purchases or through existing properties changing status. The focus on development property is in line with our strategy, which states that a significant proportion of our activities shall be focused on development. Figure 3 shows the historic segmental distribution of the company's property portfolio.

RENTAL INCOME

The total contract volume for existing lease agreements was NOK 1 378 million at the turn of the year. Some of these contracts (NOK 155 million) run from the completion of projects that are being developed, which means that the annual rent for ongoing contracts was NOK 1 224 million at 31 December 2007.

The Group's rental income over the coming years is safeguarded by long-term lease agreements. At the turn of the year, the weighted remaining contract duration was 10.4 years. This is 0.7 years lower than in 2006, but new long-term contracts signed in 2007 helped to maintain the long remaining lease term, which is significantly higher than when the company was established. This is shown in figure 4.

The even maturity structure of the contract portfolio protects the company against excessive exposure to the economic cycle and fluctuations in market rents. A maximum of 10 percent of Entra Eiendom's contract portfolio, in value terms, matures in any given year. The profile has continuously improved since the company was founded in 2000. Figure 5 shows the profile of the Group's lease contracts at 31 December 2007.

FIGURE 1
GEOGRAPHICAL DISTRIBUTION PROPERTY VALUES

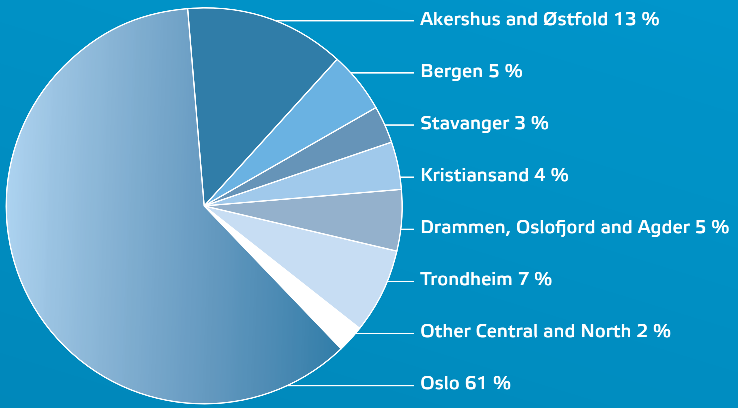
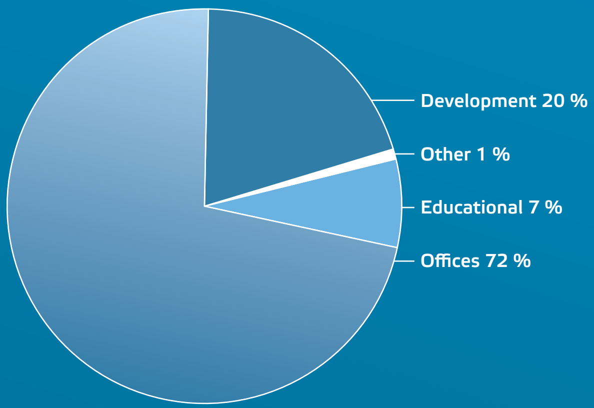


FIGURE 2
DISTRIBUTION PROPERTY TYPES



OCCUPANCY RATE

The occupancy rate at the close of 2007 was 97.0 percent for the company's ongoing management portfolio. This is an improvement of 0.5 percent compared with the close of 2006. The company's customer focus results in high levels of customer satisfaction, which means that we achieve a high rate of renewals when contracts expire. In addition, the strong market for office premises has resulted in high demand and high levels of activity in the rental market. At the same time, it is necessary to have a certain level of availability in the property portfolio in order to be active in the rental market. Such availability should probably be around four to six percent.

Changes in the company's occupancy rate over time are illustrated in figure 6.

At the turn of the year, Entra Eiendom had 221 968 m^2 of development properties/buildings under construction. This represents around 20 percent of the Group's total property portfolio. It is important to note that this figure includes the floor space of projects that are overwhelmingly likely to go ahead. In other words it also covers the development reserve in the portfolio. Approx. 81 percent of the floor space in projects that have been started or that are ongoing has been leased.

A number of projects were completed in 2007, and were therefore moved to the management portfolio, whilst new projects were added. The development portfolio also includes major urban development projects, where work is being carried out on long-term plans, but where construction has yet to start and no major investments have been made. The real risk connected to projects is to a great extent limited by the fact that in general lease agreements or letters of intent have been signed before work starts.

It is this ongoing portfolio of development projects that has been the source of most of the company's value creation throughout its history. However, the profitability of individual projects may tend to be reduced by signing and locking in leases at an early stage, whilst building costs increase in line with general inflation over the period of construction. Nevertheless, it is of significant benefit to the company to increase its understanding of its core customers' needs and preferences, so that these can be taken into consideration for new projects and thus benefit the customers. This helps to enhance Entra's position and ability to satisfy its customers.

TENANT STRUCTURE

At 31 December 2007, office space rented to public sector tenants made up 85 percent of the total contract value. This is a reduction of three percent over the previous year. The increase is primarily due to lease contracts signed with private sector tenants in completed development properties. The distribution of customers across the portfolio will always vary over time, as a result of managing it in a competitive market.

Historic changes in the company's tenant structure are illustrated in figure 7.

Although the proportion of private tenants has increased since the company was established, the total office space that Entra leases to the public sector has increased significantly over recent years. The company's core customer group is – and will remain – the public sector.

There is a relatively high concentration of rental income within certain customer groups. Figure 8 illustrates the company's largest customer groups (measured in floor space) at 31 December 2007.

Cumulatively, the 10 largest customers occupy just over 51 percent of the floor space in the managed portfolio. All of these customer groups are in the public sector. The high proportion of public sector tenants means that the company faces very little risk of its tenants failing to meet their regular rent payments.

FIGURE 3
DEVELOPMENT IN THE PROPERTY PORTFOLIO

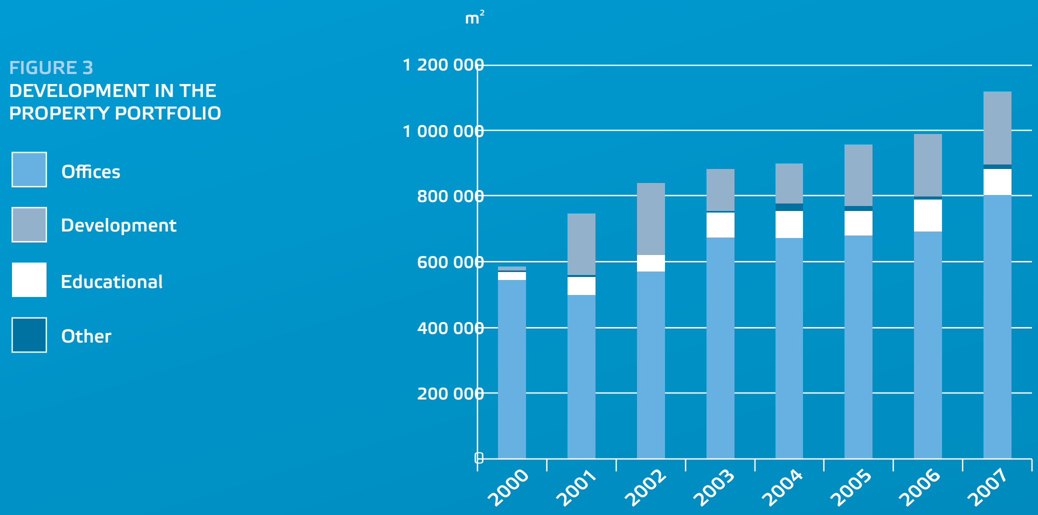


FIGURE 4
WEIGHTED AVERAGE TIME TO MATURITY

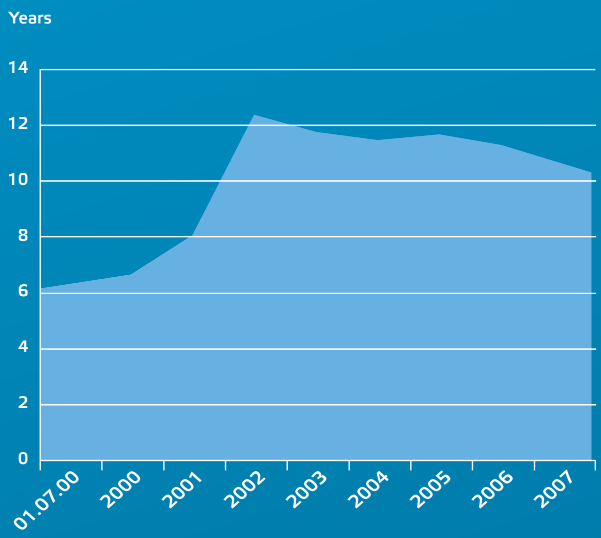


FIGURE 5
MATURITY STRUCTURE PORTFOLIO OF RENTAL CONTRACTS AS AT 31.12.2007

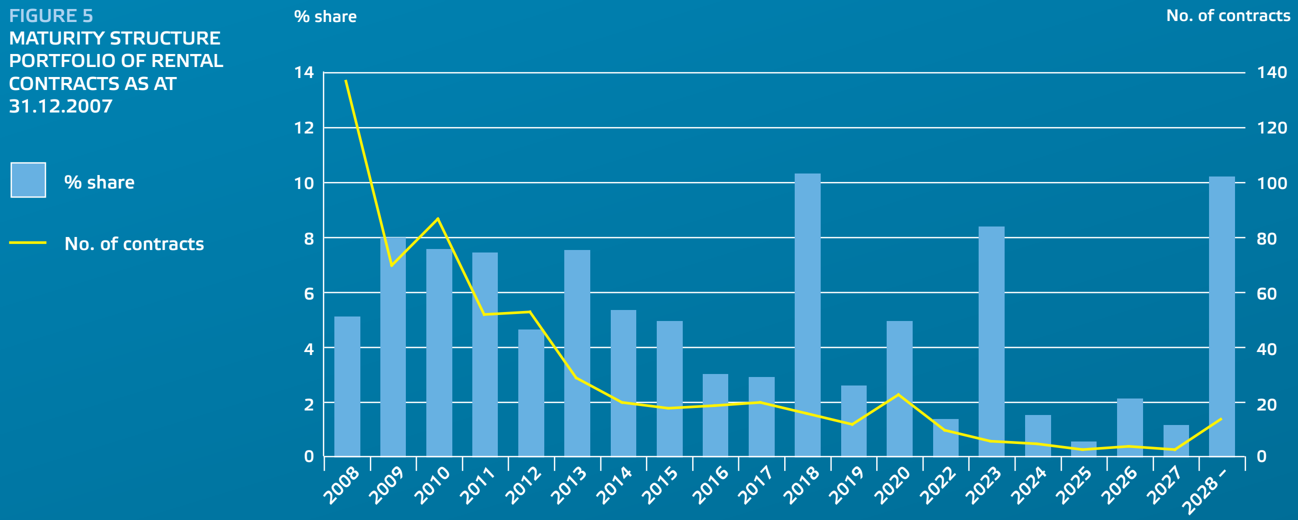


FIGURE 6
DEVELOPMENT IN OCCUPANCY RATE

Occupancy rate management portfolio

Occupancy rate ongoing projects

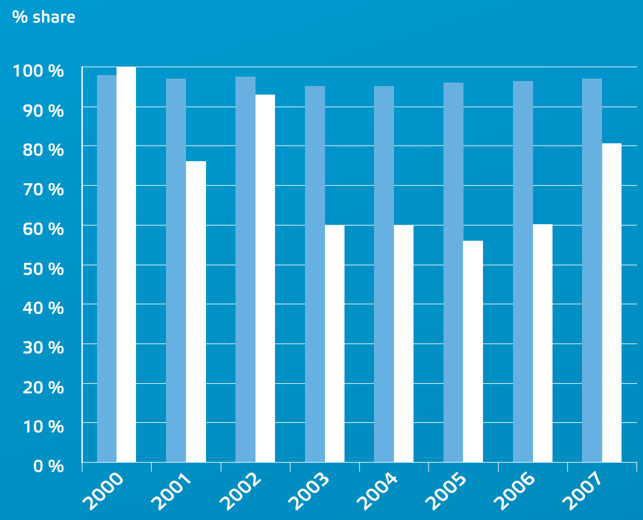


FIGURE 7
TENANT STRUCTURE

Private tenants

Public tenants

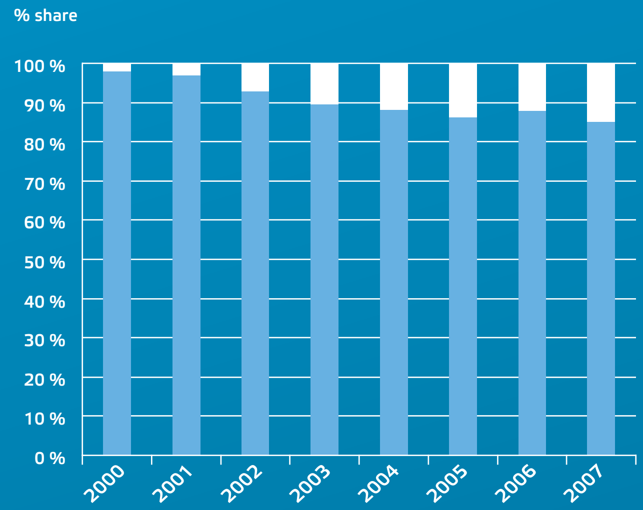
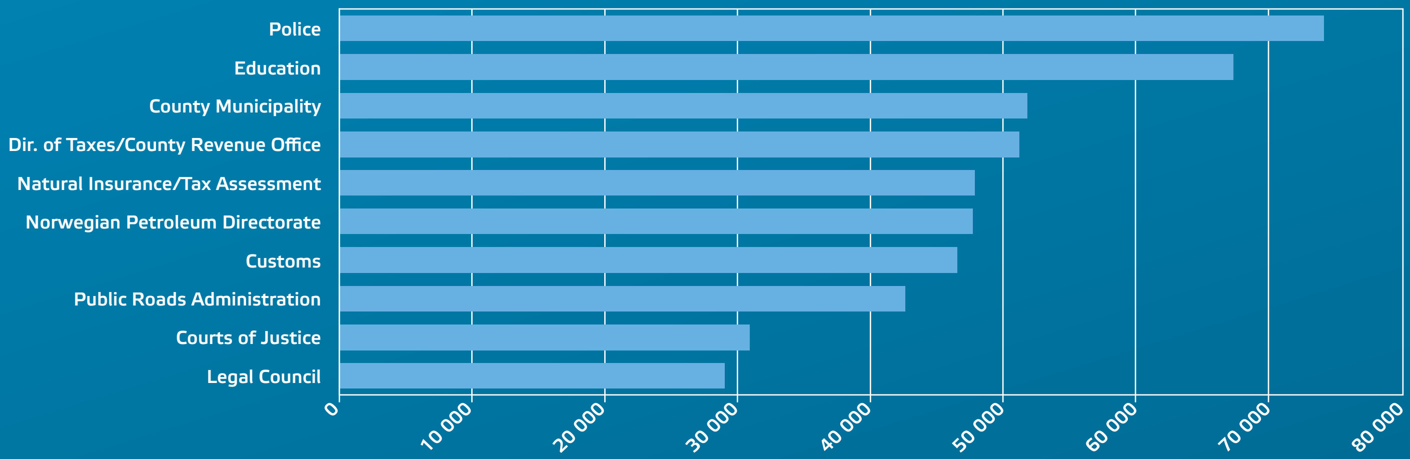


FIGURE 8
LETTING, NUMBER OF
SQUARE METERS



Assessment of Market Value – EVA

EVA MEASURES the added value that is generated by the business after both the owners and creditors have received their expected rate of return. In practice this means that a positive EVA implies that the owners' expected rate of return has been achieved. EVA can be used to assess the whole business, portfolios, individual properties, individual investments and property purchases and sales.

EXPLANATION OF EVA

EVA is defined as the added value created by a business over a given period of time. It is equivalent to management income, i.e. an adjusted accounting profit after taxation, with deductions for the capital cost based on the company's weighted capital costs.

EVA is the management income minus the capital cost for capital employed.

+	Management income
–	Capital cost
=	EVA

This is how the management income is calculated

+	Net operating profit/loss
–	Investments
+/–	Change in property values
=	Profit/loss after change in market value
–	Tax
=	MANAGEMENT INCOME

MANAGEMENT INCOME

The management income is different from a traditional accounting profit after tax in the following ways:

- Unrealised changes in the value of the properties are included
- No depreciation is taken into account, as it only represents a calculated and not an actual fall in the value of the properties.
- Interest costs are not included as these are included as part of the capital cost.
- Changes in market value include fluctuations in value for all the properties and not just the ones realised through a sale.
- Investments are charged to profit, which means that investments are put on a par with maintenance costs. This makes it clear that an investment must provide an increase in market value for the property to be a good investment.
- Tax is calculated as 28 percent of profit after changes in market value. A tax expense is also calculated for the unrealised changes in the value of the property portfolio.

CAPITAL COSTS

The capital costs consist of the weighted cost of equity and debt. The cost of equity is determined by the shareholders in terms of their required rate of return. The cost of debt is the net cost of new debt, with the tax advantage deducted.

Capital employed is defined as the total assets on the balance sheet adjusted for the following items:

- Interest-free debt is excluded as it does not involve any cost.
- The difference between the property's book value and market value, adjusted for deferred tax, is added to the total capital employed when calculating the capital cost. This development in market value also forms part of the calculation for the management income.

Thus EVA assesses capital at its market value and the Entra Eiendom AS Group is measured in accordance with the market capital cost (value-adjusted total assets and value-adjusted equity).

EVA AS A TOOL

If EVA is zero, both the shareholders and the lenders have received their anticipated return. If EVA is greater than zero, Entra Eiendom has created value over and above this.

For property companies, changes in the market values of property and development portfolios can make up a significant proportion of the increase in value. Because it includes these unrealised changes in the market value of the portfolio, EVA is an appropriate performance measure for a long-term player in the property market like Entra Eiendom, as the focus is on properties generating a positive EVA. This is designed to ensure that rational decisions are made regarding the composition of the property portfolio and future investments. All of our properties are valued once a year by two external, independent valuers (project and development projects are valued quarterly), which gives us an up-to-date assessment of the current market value.

EVA IN ENTRA EIENDOM

The table shows the EVA achieved for each year since the establishment of the company.

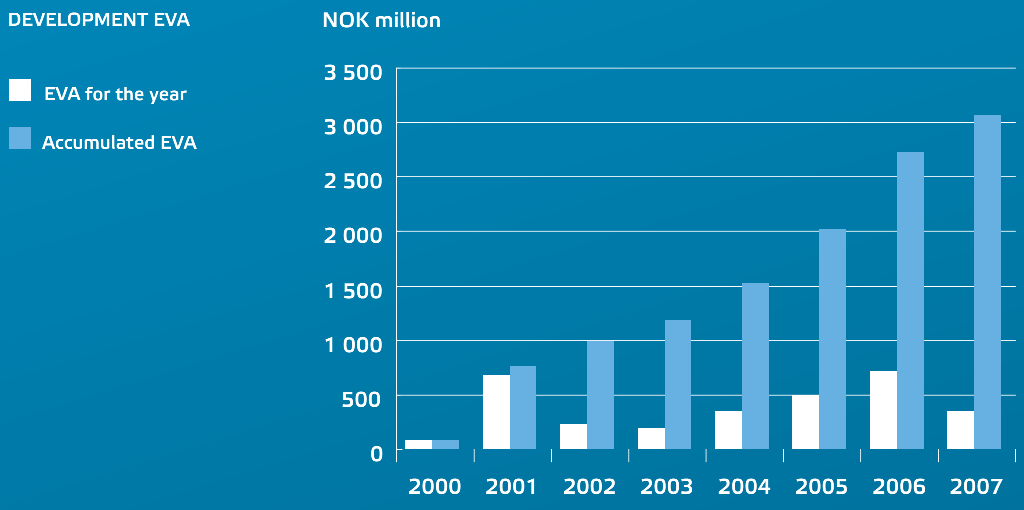
The Group has generated positive EVA (that is, value over and above what is expected by the shareholders and lenders) each year throughout the period.

The values that have been created are the result of several factors, including:

- the purchase and development of new properties and the associated new and often long-term customer relationships
- a strong customer focus that results in appropriate solutions, contract renewals and the development of our existing contracts
- lower ownership costs as a result of a dedicated and long-term focus on cutting costs and the ongoing improvements to purchasing routines
- the strong Norwegian property market, partly supported by low interest rates and a strong Norwegian economy, as well as by expectations of future rent increases

In total the Group generated value added over and above the expectations of the shareholders and lenders of NOK 3 billion over the period.

DEVELOPMENT EVA



Accumulated EVA accounts

All figures in NOK million

	2000	2001	2002	2003	2004	2005	2006	2007	Accumulated
Rental income and other income	261	657	673	792	935	1 040	1 124	1 230	6 712
– management, operation and maintenance	100	210	378	406	387	329	339	350	2 499
= Net operating income	**161**	**447**	**295**	**386**	**548**	**711**	**785**	**880**	**4 213**
+ Profit from external contracts	-	-	-	-	-	-	-	-	-
+ Interest income	17	26	14	9	4	16	16	80	182
+/– Changes in market value	1 095	2 696	2 179	2 196	2 242	2 123	2 887	3 476	18 894
– Investments	875	1 346	1 337	1 552	1 574	1 227	1 133	2 157	11 201
+ Profit on sale of property	-	-	-	24	82	20	24	-1	149
= Income afer change in market value	**398**	**1 823**	**1 151**	**1 064**	**1 302**	**1 643**	**2 579**	**2 278**	**12 237**
– Tax	111	510	322	298	364	460	722	638	3 426
= Management income	**287**	**1 313**	**829**	**766**	**937**	**1 183**	**1 857**	**1 640**	**8 811**
– Capital change (interest on capital employed)	205	633	602	580	592	692	1 146	1 294	5 744
= EVA	**81**	**680**	**227**	**186**	**346**	**490**	**711**	**346**	**3 067**

EVA balance sheet

All figures in NOK million

	2000	2001	2002	2003	2004	2005	2006	2007
Total assets	3 815	5 010	6 551	8 494	8 768	9 727	10 692	12 829
– Interest free liabilities	-	-	-	89	164	414	803	741
+/– Surplus value, adjusted for deferred taxes	756	1 786	2 231	2 615	3 310	4 205	5 572	7 032
= Capital employed	**4 571**	**6 796**	**8 782**	**11 020**	**11 914**	**13 517**	**15 462**	**19 119**

Creativity, environmental standards and exciting architecture are dependent on strong leadership!

Rune Olsø
DIRECTOR OF STRATEGY, Entra Eiendom

THE MOST STRIKING CHANGE to have taken place on the earth during the modern era is the massive change in population patterns right across the globe. Over the past 60 years, the flow of people to towns has gone from being a river to a floodwave, and even here in Norway the flow of people to the biggest cities has resulted in rapid urbanisation.

This creates enormous challenges in terms of providing energy, transport and other infrastructure. Cities represent the biggest obstacles to the sustainable development of our planet. However, town planners sometimes need to look at the wider picture. For example, Professor Richard Florida describes how diversity and the inclusion of sub-cultural groups will be essential for cities that want to be successful in the new, creative knowledge economy. In other words, towns must be allowed to develop in a way that creates districts with a range of sustainable residential and commercial communities.

The debate on urban development in Norway is very uninspiring. It is mainly based around the authorities looking at properties individually, whilst people discuss whether site densities and heights should be reduced. The burden of their day-to-day work, and the superficial public debate, means that the politicians, who we have given the task of developing our towns on our behalf, are often unable to face up to the genuine challenges.

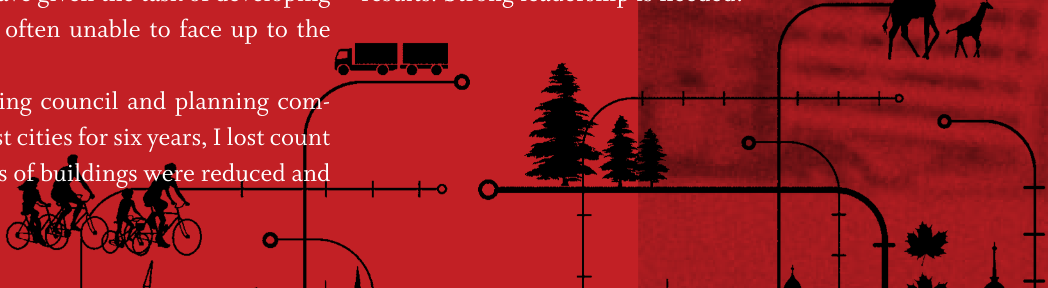
As a member of the building council and planning committee of one of Norway largest cities for six years, I lost count of how many times the heights of buildings were reduced and site densities were limited. Hardly ever was the possibility of increasing heights to allow more aesthetically pleasing architecture whilst increasing the number of green spaces on the ground raised by me or anyone else on the committees. This way of organising town planning must be changed if we want to build modern, environmentally friendly towns.

All town planning should start with the politicians setting out standards and frameworks for sustainable and efficient infrastructure. The architects and owners should then develop the area within these clear frameworks. Whilst past zoning plans mainly required uniform heights and designs for any given area, the creative and environmentally friendly towns of the future must be open to new designs, diversity and aesthetic values, as well as strict, unbending environmental standards.

The popular places to live in the future will not be uniform, and will instead be home to different groups and levels of society. They will be dedicated to a wide range of uses, with commercial property, public spaces and residential units of various sizes all being found within the same area. Space will be used efficiently, there will be few parking spaces, good public transport, green public spaces and energy efficiency. There will be exciting and challenging architectural solutions, which are innovative in terms of saving energy and using sustainable materials.

In 20 years people will not want to live just anywhere. Mobility will increase dramatically, and people will head for green, creative and dynamic areas, which offer efficient public transport services. Good town planning shouldn't primarily be about conservation. It should create inclusive and aesthetically pleasing urban spaces, with environmentally friendly energy and infrastructure systems. In short, it should be about creating quality of life.

The market alone cannot deliver these kinds of results. Strong leadership is needed!



Annual statement

ENTRA EIENDOM AS (hereinafter Entra) is engaged in the letting, management, operation, sale, purchase and development of real estate in Norway. In addition to Entra Eiendom AS, the Group comprises Oslo Z AS (previously Entra Service AS), Universitetsgaten 2 AS, Biskop Gunnerusgate 14 AS, Instituttveien 24 AS, Kr. Augustsgate 23 AS, Nonnen Utbygging AS, Langkaia 1 AS, Entra Kultur 1 AS, Kjørboparken AS, Bispen AS, Cardinalen AS, Papirbredden Eiendom AS (60 %), Kristiansand Kunnskapspark Eiendom AS (51 %), Optimo AS (51 %) including subsidiaries and Brattørkaia AS (52 %) including subsidiaries. In addition the company owns shares in the joint venture UP Entra AS.

The company also owns shares in the following associated companies: Krambugata 3 AS (45 %), Kunnskapsbyen Eiendom AS (33.75 %), Oslo S Utvikling AS (33.3 %), Kongsvinger Kompetanse- og Næringssenter AS (20 %) and Youngstorget Parkeringshus AS (21.28 %).

Entra has its head office in Oslo, and four regional offices located in Oslo, Kristiansand, Bergen and Trondheim.

ENTRA'S ACTIVITIES IN 2007

Entra leases commercial premises, primarily offices, in large Norwegian towns and urban areas, with the main focus being on the Oslo region and eastern Norway. The largest customer group is public sector tenants. As the market becomes more professional, competition for these customers is increasing. At the close of 2007, the Group managed 1 116 365 m^2 spread across 118 properties.

Strong economic growth has benefited the office market, which is now heading towards record levels. In the rental market for offices in Oslo, 2007 was a year of increasing activity, falling vacancy rates and rising rents. Rents for the best premises have increased rapidly as tenants have sought to upgrade. Premises of an average standard or in average locations had not previously benefited much from this increase. Over 2007, that started to change.

The rental markets in the other big Norwegian cities also experienced strong growth over the past year. Growth was strongest in Stavanger and Trondheim, but the markets in Bergen and Kristiansand also improved. Entra owns a considerable property portfolio in these cities.

In 2007 the company completed several major development projects on time and within the agreed budget, and several projects are currently under development, with the Norwegian public sector being the company's main customer group.

The rental market was very busy throughout the year, and Entra maintained a high occupancy level (97 percent). The company's strong customer focus will be critical to its success in continuing to develop its position in the Norwegian property market.

On account of its social responsibility and the obligations that it has as a major player in the property market, Entra continued its involvement in urban development projects. Examples of this include the Nonneseter quarter in Bergen and Brattøra in Trondheim, where Entra is involved in major development and construction projects.

Oslo will see a number of major urban development projects in the coming years. The investment projects in Bjørvika through Oslo S Utvikling AS have so far been a success, and through its involvement in these projects Entra wishes to help ensure that they benefit the city as a whole.

In the winter of 2007, Vøyenenga school was completed and handed over to Bærum Municipality. The school is a PPP project (public private partnership), and will involve Entra financing and building the school, and operating it for a period of 20 years.

85 percent of Entra's tenants are publicly owned enterprises, and the public sector is defined as the company's main target market. One of Entra's main aims is satisfied customers. By having become more professional in its approach towards market research, Entra is now in a position to cater to its customers and to their needs more effectively. Customer surveys are carried out annually, and in 2007 97 percent of Entra's customers said that they would be happy to lease premises from Entra again, against 93 percent the previous year. 94 percent said that they would recommend Entra to others, against 89 percent the previous year.

PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, FINANCIAL MATTERS AND LIQUIDITY

Transition to IFRS

With effect from 1 January 2007, Entra Eiendom will prepare its consolidated accounts in accordance with IFRS (International Financial Reporting Standards) principles. As of that date, these standards became compulsory for all companies that issue interest-bearing securities listed on Oslo Børs.

In order to make it possible to produce comparative figures, the company has prepared an opening balance sheet at 1 January 2006 and a profit and loss account and balance sheet at 31 December 2006 using IFRS principles.

The accounts of subsidiaries, joint ventures and associated companies have been adjusted to taken into account IFRS principles.

In connection with this, the Board has made the following decisions on the principles to be applied:

- Investment properties are measured at fair value
- Interest rate hedging instruments and long-term liabilities are measured at fair value

General

The annual report has been filed on the assumption of the business being a going concern. The Board's assessment is that this is an accurate assumption. The company is in a healthy financial position, and has good liquidity.

Income statement and cash flow

The Group's operating income in 2007 totalled NOK 1 230.1 million (1 124.3 million in 2006). Rental income in 2007 totalled NOK 1 185.5 million (1 091.1 million in 2006). The increase in rental income was partly due to the completion of projects, including the Drammen Science Park, Vøyenenga school and the Centre for Regional Tax Authorities in Sandvika.

Operating profit before changes in the value of investment properties was NOK 868.6 million (792.8 million in 2006). Total operating expenses in 2007 totalled NOK 361.5 million (331.4 million in 2006). The increase in operating expenses was primarily due to the completion of the abovementioned projects.

The change in the value of investment properties was NOK 1 204.6 million (2 042.8 million in 2006). The smaller increase in value in 2007 than in 2006 was mainly due to the higher interest rates during 2007. However, the impact of this was mitigated by rising market rents for office premises. The leases on Entra Eiendom's property portfolio have a long average remaining duration. In the short term, the value of its portfolio will benefit less from the strong rental market than a portfolio with a shorter average remaining term. Similarly, long remaining leases and contracts with low-risk, public sector tenants will be more highly valued in a declining market.

Net financial items in 2007 totalled NOK -188.5 million (-64.5 million in 2006). This item includes NOK 231 million (285.7 million in 2006) of income resulting from changes in the value of financial instruments. Please see the relevant section for more details on the Group's financing. The Group's interest-bearing debt increased by NOK 752 million in 2007.

The Group's consolidated profit before tax for 2007 was NOK 1 883.4 million (2 766.3 million in 2006). The tax expense for the year totalled NOK 519.7 million (NOK 767 million).

The Entra Eiendom Group's profit after taxation was NOK 1 363.6 million before minority interests, and NOK 1 388.2 million after minority interests.

The Group's net cash flow from operating activities totalled NOK 516.2 million (289.9 million in 2006). The increase in the Group's operating income, which exceeded the increase in operating expenses, helped to improve net cash flow from operating activities. Net cash flow from investment activities was NOK -1 750.5 million, (-887 million in 2006). The investments in 2007 mainly relate to the purchase of the properties at Kjørbo, of Union Scene in Drammen and of Prinsens gate 1 in Trondheim through the acquisition of the companies Bispen AS and Cardinalen AS. In 2007 the company also made major investments in the new development projects in the Nonneseter quarter in Bergen and at Kristiansand Science Park, as well as in the conversion and refurbishment projects at Langkaia 1, Akersgaten 51 and Strømsveien 96 in Oslo, and Brattørkaia in Trondheim. Net cash flow from financing activities totalled NOK 1 434.5 million (539.7 million in 2006). For 2007 this mainly relates to net new borrowing to finance property purchases and ongoing projects. The total net change in liquid assets for the year was NOK 200.2 million, (-57.4 million in 2006).

Balance sheet and equity

The Group's book assets at the close of the year totalled NOK 22 566.9 million (18 990.1 million in 2006). The total value of the Group's investment properties and buildings under construction grew by NOK 3 178.1 million in 2007. The value of investment properties is measured at fair value, based on the average of two external, independent valuations.

At 31 December 2007, the Group's equity ratio adjusted for minority interests was 38.1 percent (38.8 percent in 2006). The Board considers the Group's financial strength to be satisfactory.

Financing and liquidity – financial risk

The management of financing activities is regulated through agreed frameworks in the finance strategy and finance policy. The company constantly evaluates its financial frameworks in relation to its other activities. In the opinion of the Board of Directors, the company's financial exposure is appropriate for the company's risk profile and activities in general.

The company has defined interest rate risk, currency risk, refinancing risk/ liquidity risk and credit and counterparty risk as the most important categories of financial risk.

The company's interest rate risk is managed based on a defined finance policy, within a framework that covers the average duration and hedging within various time intervals. The average interest rate on the Group's portfolio of loans and debt instruments was 5.6 percent per annum at 31 December 2007 (5.1 percent in 2006). At 31 December 2007, 67 percent of the Group's total interest-bearing debt was subject to fixed interest rates.

Entra shall not take on currency risk, and at the close of the year the company had no such exposure.

It is the view of the Board that the company's refinancing/ liquidity risk is limited, in spite of the fact that international capital markets have been through a turbulent period, particularly during the second half of 2007. The turbulence is not yet over, and the liquidity squeeze in the capital markets is likely to continue through 2008, leading to higher lending margins. It is expected that sound companies like Entra will continue to have good access to credit, but at slightly higher spreads.

Entra Eiendom is financed through a variety of bank and capital market instruments. The maturities of the loans are very spread out, giving the company flexibility for the future. This good maturity structure helps to limit the refinancing risk.

The Group's liquid assets, including liquid financial deposits at 31 December 2007, totalled NOK 355 million (174.3 million in 2006). In addition, at 31 December 2007 the company had available, undrawn credit facilities with Norwegian banks totalling NOK 2.4 billion (5.6 billion in 2006). Thus, the company has liquidity available to cover its defined needs.

Our high proportion of public sector tenants means that credit and counterparty risk is limited. Other customers are given a credit check, and any shortfall in financial strength is compensated for by satisfactory security being demanded.

The Group's total liabilities at 31 December 2007 were NOK 13 965.4 million (11 612.9 million in 2006). The Group's nominal interest-bearing debt at 31 December 2007 totalled NOK 10 433 million (8 528 million in 2006), equivalent to 46.2 percent (44.9 percent) of total equity.

PROFIT FOR THE YEAR AND ALLOCATIONS

Under NGAAP, Entra Eiendom AS made a profit after tax of NOK 78.5 million (137.8 million in 2006) in 2007.

The Board proposes that Entra Eiendom AS's profit for the year be appropriated as follows:

Proposed dividend	NOK million	144,0
Transferred from other reserves	NOK million	-65,5
Total appropriations	NOK million	78,5

The company's distributable reserves totalled NOK 152.5 million at 31 December 2007.

SHAREHOLDER INFORMATION

The Norwegian Government, through the Ministry of Trade and Industry, owns 100 % of the company's shares.

CORPORATE GOVERNANCE

Entra Eiendom AS has a strong focus on Corporate Governance, and through an ongoing process it has continued to develop and improve the company's routines and management procedures. The company thereby aims to achieve greater predictability and confidence, whilst giving it the basis for dealing with specific challenges and critical decisions effectively. This will help Entra to achieve increased value added over the long-term whilst reducing risk.

The defined values and ethical guidelines, which form the foundations for the company's overall strategy document, are of primary importance to the company's basis for future development. Entra has defined the following values and ethical guidelines:

Entra shall:

- meet customers' requirements and expectations
- be respectful towards customers, employees and partners

Our business ethics entail that we:

- act honestly and responsibly in all situations
- do not accept breaches of ethical or moral rules
- do not abuse power

Also see the section of the company's annual report on «Corporate governance» for further details based on the Norwegian recommendation for corporate governance of 4 December 2007.

THE BOARD'S RESPONSE TO THE OFFICE OF THE AUDITOR GENERAL'S MANAGEMENT AUDIT

In conjunction with the Office of the Auditor General's management audit and the Storting's review of the audit, Entra's Board and senior management discussed a number of important matters relating to the company's operations very thoroughly in 2007.

Entra's Board noted that the Storting and Office of the Auditor General questioned whether the company had adequate and sufficiently precise information about the matters that were being looked into. This was after Entra's Board had informed its shareholder and the Office of the Auditor General of certain issues that were uncovered by Det norske Veritas during its investigation on behalf of the Board.

Entra's Board and senior management consider it very important that there are and should be very strict requirements that adequate, accurate and precise information is provided in such circumstances.

Both prior to and after the start of the Office of the Auditor General's review, Entra's Board was working on a company driven process to improve its corporate governance model and procedures. This has resulted in a series of changes and practical improvements.

New purchasing routines have been introduced, as has a comprehensive methodology for the systematic documentation and tracing of important commercial processes and decisions.

The limits on the Chief Executive Officer's authority to act without the approval of the Board have been halved from what they were previously.

The company's model for performance related pay has been changed, and it has now been decided that Entra shall be measured against its competitors. This has made the system more fair and predictable.

Former CEO Erik Løfsnes left the company in the summer of 2007, and has been temporarily replaced by Torodd Bøystad. The Board has started the process of hiring a new CEO.

WORKING ENVIRONMENT AND STAFF

At the close of 2007, the Group had 151 employees, or 143.5 full-time equivalents. That was 8 more employees than at the close of 2006.

Staff turnover for 2007 was 9.6 percent, which is an increase of 1.9 percent over 2006. If you ignore natural wastage (retirement), staff turnover was 8 percent. For 2007, we set a turnover target of between 4 and 12 percent.

Sickness absence at the company was 4.81 percent of total working hours. The total number of days lost was 1 350 out of a potential total of 28 002 days of work. Sickness absence in 2007 was 0.4 percent lower than in 2006. The sickness absence for 2007 was 0.3 percent higher than the defined target. During all of the first three quarters of 2007 (4th quarter figures are not yet available from Statistics Norway), sickness absence at Entra Eiendom was lower than overall sickness absence in Norway, and lower than in industries that it is natural to compare ourselves against (commercial services, property management and the building and construction industry).

Our employee survey shows that the employees are happy to be working for Entra Eiendom. In 2006 the company achieved an employee satisfaction level of 90.4 percent, which was the highest level in the company's history. In 2007 a more detailed survey was carried out in collaboration with the National Institute of Occupational Health (NIOH). The survey was entitled «The new workplace», and is also a joint research project between NIOH and the International Research Institute of Stavanger. The project is fully financed by the Research Council of Norway. The 2007 survey is therefore not directly comparable to previous surveys. However, in response to the following question: «How satisfied are you with your job as a whole – taking everything into account», 90 percent of employees said they were satisfied. This year's survey appears to confirm previous years' high employee satisfaction levels, as many of the responses to the survey were good in relation to relevant reference data.

There were no fatal accidents at Entra Eiendom in 2007, nor were there any recorded accidents or incidents that caused serious personal injury.

Cooperation with employee organisations has been good and constructive, and has made a positive contribution to the running of the company.

The company aims to recruit more employees from ethnic minorities. This aim has been incorporated into the company's recruitment procedures, and emphasis has been put on ensuring that pay and working conditions are not discriminatory.

EQUAL OPPORTUNITY

In 2007, 23.5 percent of Entra Eiendom's employees were women. This is a 1.5 percent reduction in the proportion of women compared with 2006. Approx. 60 percent of the jobs at Entra are connected with the management of the properties. These positions generally require technical training or experience, and it is very rare for the company to have female applicants for these vacancies. Three women work in operations, and it is proving very difficult to increase the number of women in these kinds of positions.

The proportion of women on the administrative staff was 62 percent.

Two of the Board's five shareholder representatives are women, equivalent to 40 percent. One of the two employee representatives on the Board is a woman.

Entra has the same arrangements for working hours for both genders.

It is our aim to increase the proportion of women working at the company. This aim has been incorporated into our recruitment procedures, and great emphasis has been placed on the fact that pay and working conditions shall not be discriminatory.

5.3 percent of the workforce at Entra works part-time, of whom 50 percent are women.

THE COMPANY'S IMPACT ON THE ENVIRONMENT

The company's fundamental principle is that all of its activities should be based on socially responsible development.

Entra's objective is for its properties to have as little impact on the environment as possible, and for the company to contribute to efficient utilisation of energy and other resources within its financial framework. Analyses are carried out on all investments to identify the optimal balance between investment, and operation and maintenance. This helps the business community to reduce its burden on natural resources. Structural materials are re-used wherever possible. The company uses environmentally friendly materials and generally uses water-borne heating, which enables the use of heat pumps and renewable energy sources.

Entra Eiendom always aims to have an open dialogue with relevant stakeholders, so as to minimise its negative impact on the surroundings in terms of noise, waste management and any other pollution from construction projects.

In all new building projects, conversions and maintenance work, importance is attached to measures which reduce energy consumption. It is a priority for operations staff to monitor, and help minimise, the properties' ongoing energy consumption.

Entra's energy consumption is below average according to ENOVA's building statistics. ENOVA-backed projects were initiated in 2006 and 2007, comprising a total of 95 buildings with a heated floor space of approx. 722 000 m². New-builds and refurbishment projects were also looked at in this context.

The aim of the project is to reduce energy use in these buildings by approx. 10 percent of current consumption. This will also lead to considerable cost-savings for the company's tenants in these buildings. Over the course of the ENOVA projects so far, the specific energy consumption of these buildings has on average been reduced by approx. 6 percent.

Efficient use of space is one of the most important factors in the efficient use of resources. Entra is playing a proactive role in introducing new ways of working and helping to ensure that space is used logically in all of its properties.

The features of historic value in the company's buildings are properly safeguarded in line with current laws and regulations. When disposing of properties comprising buildings constructed before 1950, the company follows the regulations contained in the fourth paragraph of section 2.1 of the «Order on the disposal of real estate belonging to the state, etc.» (Royal Decree of 19 December 1997), or any regulation which might replace it.

The ability of the Directorate for Cultural Heritage to protect buildings in public ownership is one of external forces that Entra has to work with. To optimise the planning, predictability and quality-led management of its properties, the company has worked with the Directorate for Cultural Heritage to come up with a comprehensive conservation plan, which deals with cultural heritage issues at all of its property portfolio.

Work on this plan started before the government introduced its cultural heritage project, which requires agencies and enterprises to have conservation plans. Entra has chosen to adjust its conservation plan to reflect the conservation categories and registration and documentation requirements of the Cultural Heritage Project. The Directorate for Cultural Heritage has separately drawn up a list of priorities, which names 20 properties in the conservation plan that it will recommend listing. About half of these are customs houses, which can be found in a number of towns in southern Norway: Oslo, Drammen, Moss, Skien, Porsgrunn, Larvik, Fredrikstad, Kristiansand, Stavanger, Bergen and Trondheim.

The Directorate for Cultural Heritage also wants to list some other buildings in the portfolio, including the National Library in Oslo and the lazar house in Bergen.

In addition to the requirement for conservation plans, the government now requires enterprises to have a plan for managing the cultural heritage covered by their conservation plans, but which is not to recommended for listing. After discussing what this should cover with the Directorate for Cultural Heritage, Entra will introduce cultural heritage based management plans into the MOM plans that the company already uses.

In 2007 the company completed a multi-year project to phase out light fittings containing PCBs, as required by the government. The company has also marked all double glazing that contains PCBs. Entra Eiendom participates in the Ruteretur scheme, which commits it to ensuring that its suppliers are members of an approved scheme for the return double glazing containing PCBs.

FUTURE DEVELOPMENT

Entra has over the course of 2007 further cemented its position as a leading industrial player in the property market.

For Entra it is essential to have the trust of its customers, owners, employees and of society as a whole. Entra is working hard to ensure that it takes a comprehensive approach to its corporate responsibilities. Our ambition is to integrate social responsibility into the everyday running and development of the company.

MARKET DEVELOPMENT

With the current tight labour market, it is important for companies to be able to offer attractive, centrally located workplaces that are close to public transport services. In the rental market for offices in Oslo, 2007 was a year of increasing activity and rising rents. This was particularly true of new, modern premises in the most sought-after areas, but premises of an average standard or in average locations also benefited. Lots of industries with a lot of office workers need extra space, and businesses are planning for further expansion. However, this upturn is still concentrated on central areas and the best properties. The beginnings of a geographic knock-on effect can be discerned.

This situation was also reflected in the very busy transaction market, with commercial properties achieving high prices.

Increasing demand for office premises is increasing pressure on the construction industry. It is struggling with a shortage of capacity, both in terms of staff and construction materials. Meanwhile, the increase in demand means that local authorities are receiving more planning applications for construction projects, which means that they are taking longer to process. When the projects that are in the planning phase or in the early stages of construction are completed, this may affect prices in the rental and transaction markets.

Financial developments

Most macro-economists expect the strong economic growth that Norway has experienced in recent years to subside somewhat over the coming years.

A significant proportion of the company's debt is hedged against interest-rate rises. This helps to mitigate the impact of the increases in interest rates seen in 2007, but the company is naturally exposed to interest rate fluctuations through its variable rate borrowings. It is necessary to have a certain amount of variable rate debt in our portfolio, in order to maintain our ability to adapt to changing market conditions, and to optimise interest costs over the long term.

It is the view of the Board that Entra's strong cashflow and balance sheet give it a sound financial platform. This provides the basis for further growth in line with the company's strategy. The company's position in the financial markets is strong, and allows it to raise capital to implement planned investments. This enables the company to aim for the optimal long-term financing solutions.

The Board is of the opinion that the Group has good foundations for further growth and development.

OSLO, 28 FEBRUARY 2008

Grace Reksten Skaugen
Chairman of the Board

Martin Mæland
Board member

Gerd Kjellaug Berge
Board member

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Bjørnar Sletten
Board member
(employee representative)

Mari Fjærbu Åmdal
Board member
(employee representative)

Torodd Bøystad
Acting Chief Executive Officer

The Board

CHAIRMAN OF THE BOARD
Grace Reksten Skaugen
Elected in 2004

VICE CHAIRMAN OF THE BOARD
Martin Mæland
Elected in 2007

STYREMEDLEM
Gerd Kjellaug Berge
Elected in 2000

STYREMEDLEM
Ottar Brage Guttelvik
Elected in 2006

STYREMEDLEM
Finn Berg Jacobsen
Elected in 2004

STYREMEDLEM
Mari Fjærbu Åmdal
(Employee representative)
Elected in 2006

STYREMEDLEM
Bjørnar Sletten
(Employee representative)
Elected in 2000

ACTING CEO
Torodd Bøystad
Joined in 2002

IFRS Consolidated accounts 2007

Consolidated income statement

All figures in NOK 1 000

	Note	2007	2006
Rental income	21	1 185 461	1 091 060
Other operating income	22	44 604	33 202
Total operating income		**1 230 065**	**1 124 262**
Maintenance		50 037	45 628
Other operating expenses	23, 24	299 528	274 352
Depreciation	10	11 919	11 439
Total operating expenses		**361 484**	**331 419**
Operating profit before changes in the value of investment properties		**868 582**	**792 843**
Adjustment to value of investment property	25	1 204 641	2 042 761
Loss on the sale of property		-1 340	-4 829
Operating profit		**2 071 882**	**2 830 775**
Income from investments in associated companies and joint ventures	12	60 032	21 326
Interest and other finance income		19 499	15 881
Interest and other finance expenses		-499 020	-387 345
Adjustment to value of financial instruments	25	230 972	285 659
Net financial items		**-188 517**	**-64 478**
Profit before tax		**1 883 365**	**2 766 297**
Tax expense	26	519 729	767 002
Profit before minority interests		**1 363 636**	**1 999 295**
Minority share of profit	30	-24 534	46 454
Profit after minority interests		**1 388 170**	**1 952 840**
Earnings per share (NOK)		9 763	13 734
Earnings per share (NOK), diluted		9 763	13 734

Consolidated balance sheet

All figures in NOK 1 000

Assets	Note	31.12.2007	31.12.2006
FIXED ASSETS			
Intangible assets			
Goodwill	7	15 749	15 749
Other intangible assets	7	5 731	8 635
Total intangible assets		**21 480**	**24 384**
Tangible assets			
Investment property	8	19 503 000	17 399 340
Buildings under construction	9, 10	1 933 354	858 908
Property used by owner	10	16 811	17 086
Other operating assets	10	26 240	28 003
Total tangible fixed assets		**21 479 406**	**18 303 337**
Total fixed assets			
Investments in associated companies and joint ventures	12	266 094	189 476
Financial assets available for sale		7 369	5 990
Other long-term receivables	13	89 500	84 323
Total financial fixed assets		**362 962**	**279 789**
Total fixed assets		**21 863 848**	**18 607 509**
TOTAL FIXED ASSETS			
Receivables			
Trade receivables	14	94 889	10 493
Other current receivables	14	253 204	197 721
Total current receivables		**348 093**	**208 214**
Financial assets available for sale		-	22 617
Financial assets measured at fair value through profit and loss		21 837	18 773
Cash and bank balances	15	333 149	132 949
Total current assets		**703 078**	**382 554**
Total assets		**22 566 926**	**18 990 063**

Consolidated balance sheet

All figures in NOK 1 000

Equity and liabilities	Note	31.12.2007	31.12.2006
EQUITY			
Paid-in capital			
Share capital	16	142 194	142 194
Share premium reserve		1 271 984	1 271 984
Total paid-in equity		**1 414 178**	**1 414 178**
Retained earnings			
Other reserves		7 029 720	5 775 550
Total retained earnings		**7 029 720**	**5 775 550**
Minority share of equity	30	157 606	187 420
Total equity		**8 601 504**	**7 377 148**
LIABILITIES			
Provisions			
Pension obligations	17	62 079	59 861
Deferred tax	26	2 852 156	2 342 797
Other provisions	18	33 511	49 277
Total provisions		**2 947 746**	**2 451 936**
Other long-term liabilities			
Bond loan	19	3 922 662	4 770 664
Liabilities to financial institutions	19	4 337 236	1 380 309
Other long-term liabilities	19	358 236	434 506
Total other long-term liabilities		**8 618 134**	**6 585 479**
Current liabilities			
Commercial paper issued	19	1 900 000	2 250 000
Trade payables		233 558	113 886
Tax payable	26	6 122	1 054
Unpaid government taxes and duties		11 482	6 264
Other current liabilities	20	248 379	204 297
Total current liabilities		**2 399 542**	**2 575 501**
Total liabilities		**13 965 422**	**11 612 915**
Total equity and liabilities		**22 566 926**	**18 990 063**

Oslo, 28 February 2008

Grace Reksten Skaugen
Chairman of the Board

Martin Mæland
Board member

Gerd Kjellaug Berge
Board member

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Bjørnar Sletten
Board member
(employee representative)

Mari Fjærbu Åmdal
Board member
(employee representative)

Torodd Bøystad
Acting Chief Executive Officer

Changes in the Group's equity

All figures in NOK 1 000

At 31 Dec. 2007	Share capital	Share premium reserve	Other equity	Minority interests	Total equity
Equity at 1 Jan. 2007	142 194	1 271 984	5 775 550	187 420	7 377 148
Profit/loss for the year			1 388 170	-24 534	1 363 636
Dividend paid			-140 000	-750	-140 750
Equity injections			6 000	4 000	10 000
Minority interests				-8 530	-8 530
Total equity, 31 Dec. 2007	**142 194**	**1 271 984**	**7 029 720**	**157 606**	**8 601 504**

At 31 Dec. 2006	Share capital	Share premium reserve	Other equity	Minority interests	Total equity
Opening balance sheet, 1 Jan. 2006	142 194	1 271 984	3 942 711	46 256	5 403 144
Profit/loss for the year			1 952 840	46 454	1 999 295
Dividend paid			-120 000		-120 000
Minority interests				94 710	94 710
Total equity, 31 Dec. 2006	**142 194**	**1 271 984**	**5 775 550**	**187 420**	**7 377 148**

Consolidated cash flow statement

All figures in NOK 1 000

Cash flow from operating activities	2007	2006
Profit before tax	1 883 365	2 766 297
Tax paid during the year	-1 054	-49 325
Depreciation of fixed assets	11 919	11 439
Profit/loss on the sale of fixed assets	1 340	4 829
Profit/loss on the sale of shares	14 300	-4 176
Adjustment to value of investment property	-1 204 641	-2 042 761
Changes in the market value of financial derivatives	-230 972	-285 659
Changes in short-term items	42 473	56 078
Change in other accruals	-524	-166 822
= Net cash flow from operating activities	**516 206**	**289 899**

Cash flow from investment activities		
Sales of fixed assets	92 628	131 064
Purchase of fixed assets	-1 745 261	-976 405
Sales of shares and stakes in other enterprises	-	16 326
Purchase of shares and stakes in other enterprises	-99 772	-103 849
Purchase of other investments	-	-218
Sales of other investments	1 903	46 077
= Net cash flow from investment activities	**-1 750 503**	**-887 006**

Cash flow from financing activities		
New long-term liabilities	2 629 396	692 309
New current liabilities	-	-
Repayment of long-term liabilities	-704 150	-8 244
Repayment of current liabilities	-350 000	-24 333
Dividends paid	-140 750	-120 000
= Net cash flow from financing activities	**1 434 496**	**539 732**

Net change in cash and cash equivalents	200 200	-57 376
Cash and cash equivalents at the start of the year	132 949	190 325
= Cash and cash equivalents at the end of the year	**333 149**	**132 949**

NOTES

NOTE 1 – General information

Entra Eiendom was established on 1 July 2000. The company is one of Norway's largest property companies, with a total property portfolio of 1 116 365 m^2 at 31 December 2007. Entra Eiendom shall be a major player in Oslo, Bergen, Trondheim, Kristiansand and Stavanger, and shall also seek to act as a host for public sector customers elsewhere in Norway where appropriate.

Entra Eiendom is engaged in the development, letting, management, operation, sale and purchase of real estate in Norway.

All of the shares in the company are owned by the Norwegian Government through the Ministry of Trade and Industry. The Board consists of five shareholder elected members and two employee representatives. Entra Eiendom AS operates in direct competition with private players on a commercial basis. The company is fully financed in the private market.

Entra Eiendom's head office is situated in Oslo. The company is organised into four regions: Eastern Norway, Southern Norway, Western Norway and Central Norway. The regional offices are located in Oslo, Kristiansand, Bergen and Trondheim.

The company mainly has public sector tenants, and at 31 December 2007 15 percent of tenants were in the private sector.

NOTE 2 – Accounting principles

ACCOUNTING POLICIES

The most important accounting policies used to prepare the annual report are described below. These policies are used in the same way for all periods presented, unless otherwise indicated in the description.

BASIC PRINCIPLES

From 2007, the consolidated financial statements have been prepared in accordance with International Reporting Standards (IFRS) as endorsed by the EU. The figures for 2006 have been restated under IFRS. Disclosures required under IFRS 1 are listed in a separate note.

The consolidated financial statements have been prepared on a historical cost basis, with the following modifications: Investment property is measured at fair value, financial derivatives and financial assets and obligations are measured at fair value through profit or loss.

Presenting the accounts under IFRS requires the management to make certain assessments and assumptions. The application of the company's accounting policies also requires management to exercise judgement. Estimates and subjective judgements are based on past experience and other factors that are considered relevant. Actual results may deviate from these estimates. The estimates and underlying assumptions are continuously reassessed. Changes in accounting estimates are recognised in the period in which the changes occur if they only apply to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods. Note 4 details items in the accounts that are based on a significant amount of subjective judgement.

Changes in published standards coming into force in 2007

IFRS 7, Financial Instruments: Disclosures' and IAS 1 (Amendment), 'Presentation of Financial Statements – Capital Disclosures' introduce new additional information about financial instruments. The standard does not affect the valuation and classification of financial instruments, or additional information relating to tax and other liabilities.

IFRIC 8, Scope of IFRS 2. IFRIC 8 states that transactions in conjunction with the issue of equity instruments - where the payment is lower than the fair value of the equity instrument issued – should be measured in accordance with the stipulations of IFRS 2. The Group is applying IFRIC 8 from 1 January 2007, but it does not affect the accounts.

IFRIC 10, Interim Financial Reporting and Impairment. IFRIC 10 prevents any falls in the value of goodwill, equity instruments and financial instruments measured at historical cost, which have been recognised in interim reports, from being reversed at the year-end. The Group is applying IFRIC 10 from 1 January 2007, but it does not affect the accounts.

The Group has chosen to apply the following standards early

IFRS 8, Operating segments. IFRS 8 replaces IAS 14, and aligns the segmental reporting requirements with those of the US standard SFAS 131. The new standard requires segmental information to be presented in the same way as the management presents segmental information for internal purposes. The company has chosen to start using the standard as of its transition to IFRS.

Standards, interpretations and changes that came into force in 2007, but which are not relevant to the Group

IFRS 4, Insurance Contracts.
IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies.
IFRIC 9, Reassessment of embedded derivatives.

Standards, changes to standards and interpretations that have not yet come into force, and which the Group has not chosen to apply early

IAS 23 (Amendment), 'Borrowing costs' (comes into force 1 January 2009). The additions to this standard are currently being reviewed for approval by the European Union. IAS 23 (Amendment) requires all borrowing costs to be capitalised, in so far as they are directly attributable to the acquisition, construction or production of a qualifying asset (an asset it takes considerable time to prepare for use or sale) as part of the acquisition cost of the asset. The current option of immediately recognising such costs as an expense will no longer exist. The Group already capitalises borrowing costs, and the change therefore has no practical implications.
IFRIC 14, 'IAS 19 – The limit on a defined benefit asset,

minimum funding requirements and their interaction' (comes into force 1 January 2008). IFRIC 14 provides guidelines on how to calculate the value of the asset to be recognised on the balance sheet if a company's net pension liability is negative. The interpretation also explains how the value of pension scheme assets or pension liabilities can be affected by minimum financing requirements as set out in a contract or stipulated by the authorities. The Group will start applying IFRIC 14 as of 1 January 2008, but it is not expected to affect the consolidated accounts.

IFRIC 12, 'Service concession arrangements' (comes into force 1 January 2008). IFRIC 12 applies to contracts which involve a private sector enterprise playing a role in the development, financing, operation and maintenance of infrastructure for the public sector. The Group is assessing the interpretation, and any consequences will be incorporated in the first quarter of 2008.

Interpretations of existing standards that have not yet come into force and which are not relevant to the Group

The following interpretations of existing standards are obligatory for the Group as of the financial year starting 1 January 2008, but the management has decided that they are not relevant to the Group:

IFRIC 13, 'Customer loyalty programmes' (comes into force 1 July 2008). IFRIC 13 clarifies how to account for offers which involve goods and services being bundled with loyalty incentives to customers (for example loyalty points or free products). In such cases, the payment received from the customer shall be allocated between the components of the bundle based on their actual values. IFRIC 13 is not relevant to the Group's activities, as the Group does not have a customer loyalty programme.

CONSOLIDATION PRINCIPLES

Subsidiaries

Subsidiaries are entities over which the Group exercises control of financial and operating policies, normally through ownership of more than half the voting power. When deciding whether control exists, the effect of potential voting rights that can be exercised or converted on the balance sheet date is taken into consideration. Subsidiaries are consolidated from the date on which control is transferred to the Group, and are deconsolidated when control ceases.

The purchase method is used to accounting for purchases of subsidiaries. The cost of acquisition is measured at fair value of assets paid towards the purchase, equity instruments issued, obligations incurred in transferring control and direct costs relating to the actual purchase. Identifiable purchased assets and assumed liabilities are recognised at fair value on the date of acquisition, regardless of any minority interests. If the cost of acquisition exceeds the fair value of identifiable net assets in the subsidiary, the difference is recognised as goodwill in the balance sheet. If the cost of acquisition is less than the fair value of net assets in the subsidiary, the difference is recognised on the date of acquisition.

Intragroup transactions and balances are eliminated. If necessary, the accounting principles at subsidiaries are changed in order to bring them into line with the Group's accounting principles

Transactions with minority interests

Transactions with minority interests are treated as transactions with third parties. If shares are purchased from a minority interest, the difference between the price and the book value of the shares acquired is deducted from equity. Gains or losses on sales to minority interests are also recorded through equity. In the event of a sale to a minority interest, the difference between the payment and the book value of the shares sold is recorded through equity.

Joint ventures

Joint ventures are companies with which the Group has an agreement ensuring that strategic decisions on financial and operating policies are unanimous. The equity method is used for jointly controlled entities, and is described in more detail below.

Associated companies

Associated companies 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 percent of voting power. Investments in associated companies are recognised using the equity method. Investments in associates are recognised at cost at the time of acquisition. Investments in associates include 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 does not recognise its share of the loss if this would result in a negative carrying amount for the investment (including the entity's uncollectible receivables), unless the Group is liable for or has provided guarantees relating to the associated company's obligations.

The Group's share of unrealised gains on transactions between the Group and its associated companies are eliminated. This also applies to unrealised losses, unless there is a permanent loss of value. Where necessary, the accounting principles of associated companies have been brought into line with the Group's accounting principles.

Segment information
Business segments are reported in the same way as they are reported internally to the decision-maker for the business area.

Investment property
Investment property is owned with the aim of achieving a long-term return form rental income. Properties used by the Group are valued separately according to separate rules. Investment property is recognised at fair value, based on market values identified by independent valuers. Changes in fair value are recognised in profit or loss. Property under construction or development for future use as investment property (buildings under construction) is recognised at historical cost.

Investment property is valued at each reporting date. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with individual risk-adjusted yield expectations.

The yield expectation for each property is defined as a long-term risk-free interest plus a property-specific risk supplement. The latter is defined on the basis of the property segment to which the property belongs, its situation, standard, occupancy rate, tenants' financial reliability and remaining lease term. Known market transactions with similar properties in the same geographical area are also taken into consideration.

Initial measurement also takes into consideration the property's cost price and direct transaction costs such as document duty and other public duties, legal fees and due diligence costs. Subsequent expenditure is added to the investment property's carrying value, when it is probable that future financial benefits associated with the expenditure will flow to the group and the expense can be measured reliably. Other repair and maintenance costs are recorded through profit and loss in the period in which they are incurred.

Buildings under construction, fixed assets, machinery and other equipment
Fixed assets are recognised at cost, less depreciation. Buildings under construction are measured at historical cost. The historical cost includes costs directly related to acquisition of the asset.

Subsequent expenditure is added to the asset's carrying amount or recognised separately, when it is probable that future financial benefits associated with 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 repair and maintenance costs are recorded through profit and loss in the period in which they are incurred.

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. While they are under construction, these projects are classified as current assets on the balance sheet. When the unit is completed and handed over to the buyer, the sales value is booked to income and the associated costs are expensed.

Financing expenses
Financing expenses on capital associated with buildings under construction is capitalised on the balance sheet. When

calculating these financing expenses, the average interest rate on the company's debt portfolio over the course of the year is used.

INTANGIBLE ASSETS

Goodwill

Goodwill is the difference between cost and the fair value of the Group's share of net identifiable assets in the entity on the acquisition date. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. 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.

EDP software

Purchased EDP software is recognised at cost (including expenditure on making programs operative) and is amortised over the expected useful life.

Expenses relating to the maintenance of EDP software are expensed as incurred. Expenses directly associated with the development of identifiable and unique software owned by the Group and which is likely to generate net financial benefits in more than one year's time are recognised as intangible assets.

Impairment of non-financial assets

Intangible assets with an uncertain useful life are not depreciated, and are instead tested annually for impairment. Fixed assets and intangible assets that are depreciated are also tested for impairment if there is any indication to suggest that future cash flows cannot justify the book value of the asset.

Writedowns are recorded through profit and loss as the difference between the book value and the recoverable amount. The recoverable amount is the utility value or fair value, whichever is the higher, less sales costs. When testing for impairment, fixed assets are grouped at the lowest possible level at which it is possible to find independent cash flows (cash flow generating units). In conjunction with each financial report, the company assesses whether it is possible to reverse past writedowns of non-financial assets (except goodwill).

Financial assets

Loans and receivables are classified as assets available for sale. Loans and receivables are non-derivative financial assets that are not traded in an active market. They are classified as current assets, unless they are due more than twelve months after the balance sheet date. If so, they are classified as fixed assets.

Trade receivables

The initial measurement of trade receivables is at fair value. The provision for bad debts is recognised when there is objective evidence that the Group will not receive an obligation in accordance with the original conditions.

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.

Short-term investments

Short-term deposits are measured at fair value on the balance sheet date. Dividends and other distributions received from the companies are recognised as other financial income.

Trade payables

The initial measurement of trade payables is at fair value.

Pensions

The Group has pension schemes which are defined benefit plans. A defined benefit plan is a pension arrangement which defines the pension payment an employee will receive on retirement. The pension benefit payable is dependent on a number of factors, such as the employee's age, number of years of membership of the Norwegian Public Service Pension Fund and salary.

The recognised pension obligation relating to defined benefit plans is the present value of the defined benefit on the balance sheet date less the fair value of the plan assets, adjusted for unrecognised actuarial gains/losses and unrecognised costs relating to past service. The pension obligation is calculated annually by an independent actuary using the projected credit unit method. The present value of the defined benefit is determined by discounting estimated future payments using a discount rate based on a 10-year government bond, plus consideration of the relevant duration of the obligations.

Actuarial gains/losses resulting from new information or changes in actuarial assumptions over and above the greater of 10 percent of the value of plan assets and 10 percent of pension obligations are carried in the income statement over a period corresponding to the employees' average remaining service period.

Tax

Deferred tax is calculated for all temporary differences between 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 company integration and which on the transaction date does not affect accounting or tax results is not recognised in the balance sheet. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised.

Deferred tax asset is recognised to the extent that it is likely that future taxable profit will be available against which it can be utilised and that the temporary differences can be offset against it.

Provisions

The Group recognises provisions for lease contracts and legal claims if there exists a legal obligation, it is likely that an outflow of resources will be required to settle the obligation and its amount can be estimated reliably. There is no provision for future bad debts.

In cases where there are several obligations of the same nature, the likelihood of settlement is determined by assessing the group as a whole. A provision for the group is recognised even if there is little likelihood of settlement of the group's individual elements.

Provisions are measured at the present value of expected payments to settle an obligation. A discount rate before tax is used which reflects the present market situation and risk specific to a particular obligation. Any increase in an obligation as a result of a changed time value is reported under finance expense.

Loans

Loans are recognised at fair value when repayment of the loan takes place. In subsequent periods, the loan is recognised in the income statement at fair value. Loans are classified as short-term liabilities unless there exists an unconditional right to delay repayment of the debt for more than 12 months from the balance sheet date.

Derivatives

The Group uses derivatives to match its interest regulation profile to current interest expectations and interest rate risk goals. Derivatives are initially recognised at cost price on the date on which the contract was signed, and subsequently at fair value. Gains or losses on re-measurement at fair value are recognised in the income statement.

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to redeem the agreements on the balance sheet date. This amount will depend on interest rates and the agreements' remaining term to maturity.

Recognising income

Operating income consists of rent, other operating income and gains on the purchase and sale of property. 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.

Rental income is recognised in the income statement concurrently with the lease period.

Income from the termination of lease contracts is recognised when the lease contract ends.

Dividend

Dividend payments to the company's shareholders are classified as debt from the date on which the dividend is adopted by the AGM.

NOTE 3 – Financial risk management

All figures in NOK million

The Group is exposed to various types of financial risk. The company's finance policy, which is drawn up by the Board of Entra Eiendom AS, provides a framework for financial management at the Entra Eiendom Group, and defines objectives, responsibilities and authorities for the handling of financial risk. It is adapted to the company's general structure, and is subject to annual review. Operational responsibility for the Group's financing activities is one of the key responsibilities of the parent company. Entra's exposure to risk is supposed to be limited, balanced and in line with the Group's other activities.

Liquidity risk

Liquidity risk is defined as the risk that can arise through the company's use of external capital, and which may lead to higher costs. The company aims to limit liquidity risk by obtaining capital from a wide range of sources in both the bank and capital markets, and from several lenders. The company has arranged long-term credit facilities. The company issues commercial paper as part of the company's ongoing, long-term financing. By definition, commercial paper has a maximum term to maturity of 12 months, and is therefore classified as short-term debt. To protect itself against the liquidity risk associated with its use of commercial paper, the company has set up back stop facilities totalling NOK 1.5 billion with its banks. These facilities ensure that the company will still be in a position to refinance its debt even if the market for commercial paper becomes unattractive, or if investors do not have available liquidity. The company's finance policy states that the back stop facilities shall at all times cover all of the company's commercial paper becoming due in the next 6 months.

Maturity structure of interest-bearing debt (nominal values)	Year	2007 Loan value NOK million	2006 Loan value NOK million
	2006	-	-
	2007	-	2 959
	2008	2 672	778
	2009	541	1 058
	2010	1 603	1 634
	2011	301	4
	2012	872	-
	More than 5 years	4 445	2 094
	Total	**10 433**	**8 528**

At 31 December 2007, the average weighted remaining term to maturity of the company's debt was 6.2 years.

Undrawn credit facilities

At 31 December 2007, the Group had the following undrawn credit facilities, worth a total of NOK 2 423 million:

Available amount	Year	2007 NOK millions	2006 NOK millions
Back stop Entra Eiendom AS	2010	540	1 000
Revolving credit facility/back stop for Entra Eiendom AS	2011	1 600	1 900
Long-term loan to Entra Eiendom AS	2014	-	1 500
Long-term loan to Entra Eiendom AS	2016	-	1 200
Project loan to Kristiansand Kunnskapspark Eiendom AS	2023	-	85
Project loan to Papirbredden Eiendom AS	2026	30	185
Project loan to Brattørkaia AS	2010	253	-
	Total	**2 423**	**5 870**

Interest rate risk

Interest rate risk arises from the value of the portfolio's fixed interest debt being affected by changes in the money market rates. Naturally, Entra Eiendom has significant financial risk associated with fluctuations in general NOK interest rate levels. Interest payments are the Group's biggest regular expense. A large share of the company's debt is subject to fixed interest rates (67 percent) as shown in the table below. The company uses a variety of derivatives to optimise its portfolio for its interest rate fixing structure. The company's interest rate structure shall be chosen in accordance with the framework of the finance policy. The policy provides guidelines on the choice of interest rate structure based on an evaluation of the company's financial strength and ability to generate long-term, stable cash flow. Entra has established a dedicated interest rate council, the main purpose of which is to handle the company's interest rate risk.

As of 31.12.2007 the weighted average duration was 3.5 (4.1). The average interest rate on loans in the portfolio was at the same point in time 5.6 percent (5.1 percent).

The table below shows the company's spread out maturity structure in terms of exposure to interest rate risk at 31 December 2007.

Term to maturity	31.12.2008 Up to 1 year	31.12.2009 1-2 years	31.12.2011 2-4 years	31.12.2013 4-6 years	31.12.2015 6-8 years	31.12.2017 8-10 years	31.12.2017+ 10 years or more
	33 %	13 %	11 %	16 %	13 %	7 %	6 %
Amount (NOK million)	3 467	1 350	1 170	1 710	1 350	770	610

Sensitivity analysis of interest rate hedging

The table below shows the overall impact on the company's financing costs of a parallel shift in market rates for NOK of +/- 1 percentage point, based on the company's debt portfolio and interest rate derivatives on the balance sheet date. The figure quoted for the change in the fair value of loans and derivatives reflect what the market value of the portfolio would be on the balance sheet date if the yield curve were 1 percentage point higher or lower, based on discounted future cash flows from the various instruments.

Figures in NOK millions	Total change in the financing costs *)	Change in the Group's interest rate expense (annualised)	Change fair value of loans and derivatives
Market rates increase by 1 percentage point	267	-27	294
Market rates decline by 1 percentage point	-308	27	-335

*) A positive number implies a reduction in financing costs, or an increase in the value of loans and derivatives.

Key figures relating to the Group's financial instruments	2007	2006
Nominal value of interest rate derivatives on the balance sheet date (NOK million)** of which	10 260	9 484
– Fixed to variable swaps **	2 410	3 114
– Variable to variable swaps	400	400
– Variable to fixed swaps	6 160	5 470
– Futures contracts (contracts that start in the future)	-	-
– Options or option-related products	1 250	500
Range of fixed interest rates	from 3.565 %	from 3.365 %
	to 6.195 %	to 6.195 %
Variable rate reference	NIBOR	NIBOR
Average fixed rate excl. futures contracts	5.27 %	5.43 %
Average fixed rate incl. futures contracts	5.27 %	5.43 %
Fair value of derivatives on the balance sheet date (NOK million)	320	406
Change in fair value of loans over the year	144	78
Change in fair value of interest rate derivatives over the year	86	206
Change in fair value of other items	1	2
Total change in fair value of financial instruments	**231**	**286**

** NOK 2 410 million (NOK 3 114 million) of swaps linked to the bonds issued by the company 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 themselves. The real volume used for interest rate fixing is therefore NOK 7 850 million (NOK 6 370 million). NOK 6 560 million (NOK 5 870 million) of this consists of pure interest rate swaps, whilst NOK 1 250 million (NOK 500 million) is interest rate options or option related products. Option related products are used either to cap parts of the company's future interest rate expenses, or to reduce the current interest rate on the portfolio by issuing options that expose the company to a limited amount of risk.

Currency risk

Currency risk is defined as the potential negative impact on the Group's financial liabilities or assets of changes in exchange rates. Entra Eiendom's business is only based on and exposed to Norwegian kroner (NOK). The company shall therefore not take on direct currency risk. All potential loans and associated interest payments in foreign currency shall be fully hedged for profit, cash flow and balance sheet effects. At 31 December 2007, Entra Eiendom AS was not exposed to exchange rate fluctuations.

Credit and counterparty risk

Credit and counterparty risk covers the risk that a counterparty fails to fulfil his obligations.

This risk is limited through the use of ISDA derivatives. ISDA is an international organisation that promotes the standardisation of terms and procedures relating to the trade in financial instruments. (ISDA = «International Swaps and Derivatives Association Inc.»).

Lease contracts with new tenants are only signed after assessing the individual counterparty's creditworthiness. Any inadequate creditworthiness shall be compensated for by a demand for guarantees linked to the relevant situation. Revenues are to a large extent based on long-term contracts with reliable tenants. 85 percent of the tenants in the Group's property portfolio were from the public sector at 31 December 2007. This is a 3 percentage point reduction since 2006, caused by a combination of private sector tenants replacing public sector ones that have moved out of existing properties, and newly acquired properties having a larger proportion of private sector tenants.

Financial strength

The company's finance strategy states that the value-adjusted equity ratio of the Group must not fall below 35 percent.

	2007	2006
Value-adjusted equity ratio	38.1 %	38.8 %

NOTE 4 – Critical accounting estimates and subjective judgements

All figures in NOK 1 000

Fair value of investment properties

Investment properties are measured at their fair value based on external, independent valuations.

Each quarter, all of Entra's properties are valued by two independent, external valuers. Several recognised valuation methods are used for each property, and the valuers finish by making an overall assessment of these methods to reach a final value for the properties.

When carrying out their valuations, the valuers receive comprehensive details of the lease contracts at the properties, floor space, insurance schedules and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and lease contracts are also clarified verbally and in writing.

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 least contracts is also assessed for risk, and any special clauses in the contracts are looked at. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc.).

The value of the property is mainly based on its net capitalisation or cash flow. Other valuation methods are also used for confirmation purposes, including the technical value and floor space value.

When the valuers have submitted their valuations, they are reviewed by the company. Any discrepancies in the assumptions used are clarified with the valuers, who then check their own valuations. After that, the fair value of the properties is set as the average of the two valuations.

Buildings under construction are reclassified as investment properties on completion, and are measured at fair value based on external valuations.

The table below shows to what extent the value of the property portfolio is affected by the yield used by the valuer, assuming that all other factors are equal.

	Yield	Market value of investment property	Change in value
1 percentage point lower yield	5.6 %	23 000 000	3 500 000
0.5 percentage point lower yield	6.1 %	21 100 000	1 600 000
Average yield 31.12.2007	**6.6 %**	**19 500 000**	**-**
0.5 percentage point higher yield	7.1 %	18 100 000	-1 400 000
1 percentage point higher yield	7.6 %	16 900 000	-2 600 000

NOTE 5 – Segment information

All figures in NOK 1 000

The management's assessment of results by segment is based on the NGAAP accounts; cf. IFRS 8.

Operating profit by segment

01.01.2007–31.12.2007	**Eastern Norway**	**Southern Norway**	**Western Norway**	**Central and Northern Norway**	**Administra-tion/project development**	**Total**	**Transition to IFRS**	**Total under IFRS**
Rental income	844 964	118 008	112 018	110 471	-	1 185 461	-	1 185 461
Other operating income	24 354	956	-	19 293	-	44 604	-	44 604
Total operating income	869 318	118 964	112 018	129 764	-	1 230 065	-	1 230 065
Maintenance	42 307	3 603	10 902	5 173	-	61 985	-11 948	50 037
Other operating expenses	133 848	11 472	19 723	30 467	124 436	319 946	-20 418	299 528
Depreciation	155 939	21 706	11 015	16 890	6 216	211 766	-199 847	11 919
Total operating expenses	332 094	36 781	41 641	52 529	130 652	593 697	-232 214	361 484
Operating profit before value adjustments	537 225	82 183	70 377	77 234	-130 652	636 367	232 214	868 582
Adjustment to value of investment property							1 204 641	1 204 641
Profit/loss on the sale of property	11 658	-78	-	-2 755	-	8 826	-10 165	-1 340
Operating profit	**548 883**	**82 105**	**70 377**	**74 480**	**-130 652**	**645 193**	**1 426 689**	**2 071 882**
Other information								
Income from associated companies	25 745	100	-	-26	-	25 819	34 212	60 032
Investments during the period (historical cost)	850 105	302 624	206 657	471 703	-	1 831 089	-	1 831 089
Sale of properties during the period (sales price)	24 010	25	-	7 500	-	31 535	-	31 535

01.01.2006–31.12.2006	Eastern Norway	Southern Norway	Western Norway	Central and Northern Norway	Administra-tion/project development	Total	Transition to IFRS	Total under IFRS
Rental income	794 482	84 986	108 375	103 216	-	1 091 060	-	1 091 060
Other operating income	24 461	1 834	4 705	2 202	-	33 202	-	33 202
Total operating income	818 944	86 820	113 080	105 418	-	1 124 262	-	1 124 262
Maintenance	45 331	4 652	8 801	5 053	-	63 837	-18 209	45 628
Other operating expenses	96 918	13 299	18 688	34 912	111 707	275 525	-1 173	274 352
Depreciation	136 268	11 523	10 647	13 307	7 383	179 128	-167 689	11 439
Total operating expenses	278 517	29 475	38 136	53 272	119 090	518 490	-187 071	331 419
Operating profit before value adjustments	540 427	57 345	74 944	52 146	-119 090	605 772	187 071	792 843
Adjustment to value of investment property							2 042 761	2 042 761
Profit/loss on the sale of property	7 973	-43	-	4 418	8	12 356	-17 185	-4 829
Operating profit	**548 400**	**57 302**	**74 944**	**56 564**	**-119 082**	**618 128**	**2 212 647**	**2 830 775**
Other information								
Income from associated companies	-1 684	-326	-	-	-	-2 010	23 336	21 326
Investments during the period (historical cost)	691 187	288 491	34 176	29 683	-	1 043 537	-	1 043 537
Sale of properties during the period (sales price)	82 500	2 363	-	22 456	8	107 327	-	107 327

Segmental balance value of investment properties, buildings under construction and property used by the company

At 31 Dec. 2007	Eastern Norway	Southern Norway	Western Norway	Central and Northern Norway	Administration/ project development	Total
Investment property	14 472 048	1 842 184	1 571 525	1 617 244	-	19 503 000
Buildings under construction	1 252 462	149 952	285 950	244 990	-	1 933 354
Property used by owner	-	3 172	-	-	13 639	16 811
Total	**15 724 509**	**1 995 309**	**1 857 475**	**1 862 233**	**13 639**	**21 453 165**

At 31 Dec. 2006	Eastern Norway	Southern Norway	Western Norway	Central and Northern Norway	Administration/ project development	Total
Investment property	13 191 382	1 691 509	1 474 178	1 042 270	-	17 399 340
Buildings under construction	572 982	36 045	69 252	180 629	-	858 908
Property used by owner	-	3 319	-	-	13 767	17 086
Total	**13 764 365**	**1 730 873**	**1 543 430**	**1 222 900**	**13 767**	**18 275 334**

NOTE 6 – Major transactions

All figures in NOK 1 000

With effect from 22 June 2007, Entra Eiendom AS performed a private placement at its previously wholly owned subsidiary Krambugt 3 AS. This left Entra Eiendom with 45 percent of the shares in Krambugt 3 AS, whilst Utstillingsplassen Eiendom AS and Langøya Invest AS own 35 percent and 20 percent respectively. The company owns the properties Krambugt 3 and Olav Trygvasonsgt 3 in Trondheim.

With effect from 2 July 2007, Kjørboparken AS, which is a wholly owned subsidiary of Entra Eiendom AS, bought the former Hydro properties at Kjørbo in Sandvika. As a result of this purchase, an option to buy valued at NOK 130 013 284 at 31 December 2006 was reclassified as a Buildings under construction in 2007.

The total existing floor space is 51 800 m^2 (including 15 500 m^2 of parking). A further 5 000 m^2 is to be built for the Asker and Bærum police force. There is also the possibility to build up to 15 000 m^2 more than this. The new tenants at the properties will include the Asker and Bærum police force, REC ASA, Technip Norge AS, Asplan Viak AS and Dyno Nobel ASA. Hydro will also rent approx. 7 000 m^2.

On 25 September 2007 Entra Eiendom signed a contract to buy the property at Prinsens gate 1 (Statens Hus) in Trondheim, by purchasing the companies Bispen AS and Cardinalen AS. This 26 000 m^2 property is located in the city centre of Trondheim, and the vast majority of the tenants are in the public sector. The transaction was completed for accounting purposes on 24 October 2007.

Explanation of net assets and goodwill acquired

	2007 Kjørboparken	2007 Prinsens gate 1
Acquisition cost		
– Cash payment	130 000	98 304
– Direct costs associated with the purchase	14	1 515
Total acquisition cost	130 014	99 819
Fair value of net assets acquired	**130 014**	**99 819**

Assets and liabilities linked to the purchase of the properties at Kjørbo and Prinsens gate 1

	Fair value	Book value of comapny required
Bank deposits	10 007	10 007
Investment property	460 766	350 626
Other assets	8 737	8 737
Current liabilities	-19 427	-19 427
Long-term liabilities	-360 264	-360 264
Net assets acquired	**99 819**	**-10 321**

Note 7 – Intangible assets

All figures in NOK 1 000

	Goodwill	Other intangible assets	Other intangible assets
Opening balance 1.1.2007	15 749	17 394	33 143
Acquisitions	-	1 628	1 628
Disposals	-	-2 144	-2 144
Acquisition cost as of 31.12.2007	15 749	16 877	32 626
Opening balance 1.1.2007	-	8 759	8 759
Depreciation	-	4 531	4 531
Disposals	-	-2 144	-2 144
Accumulated deprecation as of 31.12.2007	-	11 146	11 146
Balance sheet value as of 31.12.2007	**15 749**	**5 731**	**21 480**

Anticipated economic life	5 years	
Depreciation schedule	Linear	

All of the goodwill relates to the purchase of shares in Optimo AS.

	Goodwill	Other intangible assets	Other intangible assets
Opening balance 1.1.2006	-	23 826	23 826
Acquisitions	15 749	5 570	21 319
Disposals	-	-12 002	-12 002
Acquisition cost as of 31.12.2006	15 749	17 394	33 143
Opening balance 1.1.2006	-	16 137	16 137
Depreciation	-	4 624	4 624
Disposals	-	-12 002	-12 002
Accumulated deprecation as of 31.12.2006	-	8 759	8 759
Balance sheet value as of 31.12.2006	**15 749**	**8 635**	**24 384**

Anticipated economic life	5 years	
Depreciation schedule	Linear	

All of the goodwill relates to the purchase of shares in Optimo AS.

NOTE 8 – Investment properties

All figures in NOK 1 000

Value of investment properties	2007	2006
Opening balance 1 Jan.	17 399 340	14 337 214
Acquisitions	458 597	-
Improvements	370 525	398 965
Mergers	-	209 952
Net change in fair value through profit and loss	1 204 641	2 042 761
Disposals	-85 908	-113 499
Change due to reclassification	155 806	523 947
Closing balance 31 Dec.	**19 503 000**	**17 399 340**

The income statement includes NOK 4.8 million (NOK 5.5 million) of operating costs for investment properties that were not leased out.

NOTE 9 – Housing projects being developed by the company for sale

The company's subsidiary Optimo has started building housing units for sale at Brekkeveien 8. Until the units are completed and transferred to buyers, they are treated as current assets. Their total book value was NOK 101.5 million at 31 Dec. 2007.

NOTE 10 – Other fixed assets

All figures in NOK 1 000

	Buildings under construction *	Property used by owner	Other operating assets
Opening balance 1.1. 2007	858 908	17 361	35 103
Acquisitions	1 185 352	-	3 944
Disposals	-110 907	-	-617
Acquisition cost as of 31.12.2007	1 933 354	17 361	38 429
Opening balance 1.1.2007	-	275	7 100
Depreciation	-	275	5 151
Disposals	-	-	-62
Accumulated deprecation as of 31.12.2007	-	550	12 189
Balance sheet value as of 31.12.2007	**1 933 354**	**16 811**	**26 240**
Anticipated economic life		50 years	3 years
Depreciation schedule		Linear	Linear

	Buildings under construction *	Property used by owner	Other operating assets
Opening balance 1.1.2006	823 160	19 611	31 642
Acquisitions	559 696		7 493
Disposals	-523 947	-2 250	-4 032
Acquisition cost as of 31.12.2006	858 908	17 361	35 103
Opening balance 1 Jan. 2006	-	-	7 759
Depreciation	-	286	3 348
Disposals	-	-11	-4 008
Accumulated deprecation as of 31.12.2006	-	275	7 100
Balance sheet value as of 31.12.2006	**858 908**	**17 086**	**28 003**
Anticipated economic life		50 years	3 years
Depreciation schedule		Linear	Linear

*) No depreciation is charged against buildings under construction.

NOTE 11 – Subsidiaries

Subsidiary	Acquuisition date	Business office	Shareholding/ voting rights
Oslo Z AS (previously Entra Service AS)	20.09.2000	Oslo	100 %
Universitetsgaten 2 AS	03.09.2001	Oslo	100 %
Biskop Gunnerus' gt. 14 AS	26.03.2001	Oslo	100 %
Instituttveien 24 AS	17.12.2001	Oslo	100 %
Entra Kultur 1 AS	28.02.2002	Oslo	100 %
Kristian Augustsgate 23 AS	01.02.2003	Oslo	100 %
Langkaia 1 AS	21.11.2003	Oslo	100 %
Nonnen Utbygging AS	10.02.2003	Oslo	100 %
Kjørboparken AS	21.12.2005	Oslo	100 %
Papirbredden Eiendom AS	10.01.2005	Oslo	60 %
Kristiansand Kunnskapspark Eiendom AS	04.07.2005	Oslo	51 %
Brattørkaia AS	31.01.2006	Oslo	52 %
Optimo AS	02.10.2006	Oslo	51 %
Bispen AS	24.10.2007	Oslo	100 %
Cardinalen AS	24.10.2007	Oslo	100 %

Note 12 – Joint ventures and associated companies

All figures in NOK 1 000

	Acquisition date	Business office	Shareholding/ voting rights	Balance sheet value	Share of profit/loss
Jointly owned business					
UP Entra AS	31.12.2003	Hamar	50 %	111 026	28 898
Associated company					
Oslo S. Utvikling AS	01.07.2004	Oslo	33.3 %	123 127	21 452
Kongsvinger Kompetanse- og Næringssenter AS	06.07.2006	Kongsvinger	20.0 %	2 714	816
Kunnskapsbyen Eiendom AS	31.12.2004	Oslo	33.75 %	4 252	878
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.28 %	438	-2
Krambugata 3 AS	31.12.2003	Trondheim	45.00 %	24 263	7 890
Papirbredden Innovasjon AS	08.08.2006	Drammen	45.45 %	274	100
Total				**266 094**	**60 032**

Investments in associated companies and joint ventures are recognised using the equity method.

Aggregate financial information about associated companies and joint ventures

	2007	2006
Operating income	59 029	18 140
Profit	60 032	22 778
Total assets	671 038	463 820
Equity	184 848	121 785
Total liabilities	486 190	342 035

NOTE 13 – Other long-term receivables

All figures in NOK 1 000

	2007	2006
Options	3 750	5 250
Loans to Oslo S. Utvikling AS	84 049	79 025
Long-term loans to tenants	925	-
Other long-term receivables	775	48
Total other long-term receivables	**89 500**	**84 323**

NOTE 14 – Current receivables

All figures in NOK 1 000

	2007	2006
Trade receivables	95 490	10 773
Provisions for losses on trade receivables	-601	-280
Net trade receivables	94 889	10 493
Other current receivables	253 204	197 721
Total current receivables	**348 093**	**208 214**

At 31 December 2007, NOK 10 351 443 in trade receivables were overdue, but had not been written down. These relate to various customers who historically have not had problems with meeting their obligations. The aged analysis of these trade receivables is as follows

Trade receivables	**2007**	**2006**
Up to 3 months	5 525	4 087
3 to 6 months	4 826	8 026
Total	10 351	12 113

Other current receivables	**2007**	**2006**
Shared costs to be distributed amongst tenants	3 529	24 455
Advance payments and accruals	6 482	85 999
Receivable from the tax office (VAT)	37 742	12 884
Interest accrued	52 904	66 194
Housing units being developed by the company for sale (Optimo)	131 562	-
Customer receivables relating to sales of housing units (Optimo)	13 800	-
Other current receivables	7 185	8 190
Total other current receivables	**253 204**	**197 721**

NOTE 15 – Bank deposits

All figures in NOK 1 000

	2007	2006
Bank deposits	325 722	126 054
Tied bank deposits	7 426	6 895
Total bank deposits	**333 149**	**132 949**

NOTE 16 – Share capital and shareholder information

The share capital of NOK 142 194 000 consists of 142 194 shares with a face value of NOK 1 000. All shares enjoy equal rights. All of the shares are owned by the Norwegian Government through the Ministry of Trade and Industry.

In conjunction with the presentation of the budget proposal for 2008, cf. White Paper no. 1 (2007-2008) from the Ministry of Trade and Industry, the following dividend policy was suggested for Entra Eiendom AS:

«As of the financial year 2007, Entra Eiendom AS is going over to presenting its consolidated accounts under International Financial Reporting Standards (IFRS). After this transition, the profit and loss account may be affected significantly by unrealised changes in the value of the company's properties and bonds.
As unrealised gains cannot be distributed as dividends, an adjustment has been made to how dividends are calculated.

The dividend payable will be 50 percent of the Group's annual profit after tax and minority interests under Norwegian generally accepted accounting principles (NGAAP). However, the dividend shall be a minimum of 2 percent of book equity after minority interests under IFRS at the beginning of the financial year, provided that this is not in contravention of the stipulations of the Norwegian Companies Act. If in a given year there are large accounting effects resulting from the sale of properties, for example, a dividend of more than 2 percent of book equity can be considered on the basis of a three year period, provided that this is not in contravention of the stipulations of the Norwegian Companies Act.

It is the view of the Ministry of Trade and Industry that in the long-term this adjustment will not alter the dividend payable by Entra Eiendom AS in relation to the situation prior to the introduction of IFRS for the consolidated accounts.

The proposed general government budget for 2008 anticipates a dividend of NOK 140 million from Entra Eiendom AS.

No provision is made for dividends in the consolidated balance sheet/accounts until the AGM has been held and the dividend has been decided.

NOTE 17 – Pension liabilities

The company has pension schemes that cover a total of 124 current employees and 23 pensioners. The schemes provides an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

The company and the Group also have a contractual early-retirement scheme for the public sector (AFP) linked to the Norwegian Public Service Pension Fund.

The balance sheet liabilities have been calculated as follows	2007	2006
Present value of accrued pension liabilities in defined benefit schemes in unit trusts	111 604 036	96 843 136
Fair value of pension scheme assets	-53 248 131	-50 427 132
Unrecognised costs relating to pension liabilities accrued in previous periods	-3 947 978	6 047 993
Employers' NICs accrued	7 671 518	7 397 424
Net pension liabilities on the balance sheet	**62 079 445**	**59 861 421**

Change in defined benefit pension liabilities over the year	2007	2006
Pension liabilities 1 January	96 843 136	93 828 366
Present value of pensions earned this year	11 243 152	10 034 645
Interest paid	4 068 062	4 637 995
Actuarial losses/(gains)	2 302 298	-9 520 928
Pension benefits paid	-2 852 612	-2 136 942
Pension liabilities at 31 December	**111 604 036**	**96 843 136**

Change in fair value of pension scheme assets	2007	2006
Pension scheme assets at 1 January	50 427 132	44 436 678
Anticipated return on pension scheme assets	2 756 226	2 631 884
Actuarial (gains)/losses	-4 340 505	-3 611 021
Contributions from employer	7 257 890	9 106 533
Pension benefits paid	-2 852 612	-2 136 942
Pension scheme assets at 31 December	**53 248 131**	**50 427 132**

Total cost recorded through profit and loss	2007	2006
Cost of pension benefits accrued during current period	11 243 152	10 034 645
Interest paid	4 068 062	4 637 995
Anticipated return on pension scheme assets	-2 756 226	-2 631 884
Actuarial gains and losses, etc.	-	-
Administrative costs	149 825	138 086
Employers' National Insurance Contributions	1 791 379	1 717 217
Total, included under personnel costs	**14 496 192**	**13 896 059**

The following economic assumptions have been used	2007	2006
Discount rate	4.50 %	4.35 %
Anticipated return on pension scheme assets	5.50 %	5.40 %
Annual wage growth	4.50 %	4.50 %
Annual adjustment to the National Insurance Scheme's basic amount («G»)	4.25 %	4.25 %
Annual adjustment of pensions	4.25 %	4.25 %
Mortality	K2005	K1963
Incapacity	200 % K1963	200 % K1963

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors.

Entra Eiendom AS's employees are members of the Norwegian Public Service Pension Fund. It is a defined benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level ensures a defined pension benefit. The guarantee means that employees will receive at least 66 percent 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 working week as a percentage of a full-time position and length of service (30 years' service qualifies for a full pension).

Entra operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 percent 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.

NOTE 18 – Provision for liabilities

All figures in NOK 1 000

	2007	2006
Provision for properties leased by Entra	32 211	48 277
Provision for guarantee	1 300	1 000
Total other provisions for liabilities	**33 511**	**49 277**

Details of provisions for properties leased by Entra

At 31 December 2006, Entra Eiendom was leasing premises at the following properties
– Drammensveien 130, Oslo
– Akersgt 55, Oslo
– Apotekergt 8, Oslo
– Kristian Augustgt 19, Oslo
– Lagårdsvn 78, Stavanger
– Prinsensgt 1, Trondheim

In 2007 Entra Eiendom purchased the companies Bispen AS and Cardinalen AS, which own Prinsensgt 1 in Trondheim, and the Group therefore had no liabilities relating to this property at 31 December 2007. The company has also leased the property at Rådhusgt 2 in Oslo.

An assessment is made of the relationship between the rent paid by Entra Eiendom and the rental income that can be achieved by leasing out these premises. This assessment is based on the rental cost and rental income specified in current leases, as well as an evaluation of future rental income for vacant premises and for contracts that are expiring.

For properties leased by Entra, the company calculates the net cash flow over the duration of the lease contract. The present value of future cash flows is calculated using a discount rate of 6 percent.

In the accounts, a provision is made at 31 Dec. equal to the estimated present value. Changes in the present value in relation to the previous year are recorded through profit and loss.

NOTE 19 – Liabilities

All figures in NOK 1 000

Long-term liabilities	Nominal value 2007	Market value 2007	Nominal value 2006	Market value 2006
Bank loans	4 337 236	4 337 236	1 380 309	1 380 309
Bond loan	4 140 000	3 922 662	4 844 150	4 770 664
Other liabilities	55 676	38 181	54 011	28 038
Derivatives	-	320 055	-	406 468
Total long-term liabilities	**8 532 912**	**8 618 134**	**6 278 470**	**6 585 479**

Current liabilities	Nominal value 2007	Market value 2007	Nominal value 2006	Market value 2006
Certificate loans	1 900 000	1 900 000	2 250 000	2 250 000
Total current liabilities	**1 900 000**	**1 900 000**	**2 250 000**	**2 250 000**

The difference between the market value of the Group's long-term liabilities and the nominal value of its liabilities reflects the fact that the market value of the derivatives would increase the liabilities of the Group if they were to be realised on the balance sheet date.

Mortgages	2007	2006
Market value of liabilities secured through mortgages	2 027 236	1 480 309
Market value of mortgaged properties		
Buildings and sites	2 779 759	2 288 900
Receivables calculated as a result of housing sales	17 100	-
Cars	329	441
Total	**2 797 188**	**2 289 341**

In general the Group's financing is based on negative pledge clauses. There are certain exceptions to this rule, and our long-term bond of NOK 1 100 000 000 is secured against the National Library and associated buildings, located at Henrik Ibsens gate 110 (previously Drammensveien 42) in Oslo. The lender also has a mortgage on the rental income from the property. Loans have also been arranged with mortgages on properties in subsidiaries in which Entra Eiendom AS does not own all of the shares.

NOTE 20 – Other current liabilities

All figures in NOK 1 000

	2007	2006
Shared costs for buildings, owed to tenants	11 765	-
Advances from customers	-	43 497
Performance-related pay	16 091	5 359
Deposits from tenants/partners	20 029	7 066
Accruals	720	1 458
Holiday pay owed	7 035	6 334
Interest accrued	134 851	131 699
Provision for Board fees	1 734	1 520
Provision for other liabilities	2 484	1 942
Other current liabilities	53 670	5 422
Total other current liabilities	**248 379**	**204 297**

NOTE 21– Lease contracts

All figures in NOK 1 000

The Group's lease contracts at 31 December were due to expire as follows

Remaining term	No. contracts	At 31.12.2007 NOK 1 000 *	%	No. contracts	At 31.12.2007 NOK 1 000 *	%
≤ 1 year	136	70 778	7 %	93	81 844	5 %
1 year ≤ 5 years	258	381 480	26 %	222	296 864	29 %
5 years ≤ 10 years	101	328 349	25 %	103	282 988	23 %
> 10 years	86	596 801	42 %	79	479 768	43 %
Total	**581**	**1 377 408**	**100 %**	**497**	**1 141 465**	**100 %**

The table shows the remaining contractual rent for current lease contracts without taking into account the impact of any options.

*) The rent is stated as the annualised contractual rent, and is therefore not reconcilable with the rental income for the year for accounting purposes.

Other parameters relating to the Group's contract portfolio	31.12.2007	31.12.2006
Occupancy rate *	97.0 %	96.5 %
Share of public sector tenants	85.0 %	88.0 %
Weighted average remaining contract term	10.4 years	11.1 years

*) Excluding project and development properties

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 relatively low.

NOTE 22 – Other operating income

All figures in NOK 1 000

	2007	2006
Internal maintenance	14 157	16 327
Administrative mark-ups	5 480	4 628
Sale of services	23 647	12 082
Other operating income	1 320	164
Total other operating income	**44 604**	**33 202**

NOTE 23 – Personnel costs

All figures in NOK 1 000

Personnel costs	**2007**	**2006**
Wages, bonuses and other taxable benefits	79 404	71 828
Employers' National Insurance Contributions	11 440	10 346
Pension expenses	7 423	12 767
Other personnel costs	6 400	1 662
Total personnel costs	104 667	96 602
Personnel costs reclassified as shared costs for buildings	-23 150	-22 740
Personnel costs reclassified as owner's costs for buildings	-9 959	-11 181
Total	**71 558**	**62 681**

Number of employees/full-time equivalents	**2007**	**2006**
Number of employees at 31 Dec.	151	143
Number of full-time equivalents at 31 Dec.	143.5	140.3
Average number of employees	147	140

Payments to leading employees **Key employees**	**Salaries**	**Profit dependent salary**	**Basic benefits**	**Pension Norwegian Public Service Pension Fund ***	**Total related pay 2007**	**Total related pay 2006**
T.Bøystad, acting Chief Executive Officer	2 133	147	139	89	2 509	2 790
A.K.Slungård, Director of Market	1 222	50	68	89	1 430	1 437
N.F.Skau, Technical Director	885	78	136	89	1 188	1 218
K.O.Larssen, Chief Financial Officer	1 437	128	145	89	1 800	1 890
C.Bakkehaug, Director of Investment and Finance	1 330	-	137	89	1 556	-
Rune Olsø, Director of Strategy	1 103	40	68	89	1 300	1 324
B.Holm, Director of Projects and Development	1 059	56	70	89	1 275	-
S.Vågan, Director of Human Resources	946	86	129	89	1 250	1 319
M.Jacobsen, Director of Communications	1 039	86	121	89	1 335	1 331
E.Løfsnes, Chief Executive Officer, left the company	2 041	189	138	89	2 457	3 779
Former employees	-	-	-	-	-	1 140
Total	**13 195**	**861**	**1 153**	**892**	**16 100**	**16 227**

*) Norwegian Public Service Pension Fund: Company scheme through the Norwegian Public Service Pension Fund.

Erik Løfsnes resigned from his position as CEO on 1 July 2007. Under his contract, Løfsnes had to give 6 months' notice, and he officially left the company on 31 December 2007. When he resigned, and in accordance with his contract, it was agreed that he would continue to receive a salary for 12 months from 1 January 2008. 80 percent of any other income from employment that Erik Løfsnes receives during this period will be deducted from this.

The group life assurance scheme for members of the senior management team was terminated as of 31 December 2006. In conjunction with this, compensation was given for the scheme being terminated. In 2007 this compensation totalled NOK 729 200, which is included in the above table.

The company has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the company, and on the achievement of goals by departments and individuals. In the event of all goals being achieved, the maximum limit on performance-related pay is 12.3 percent of the individual employee's annual salary.

Fees are not paid to employees of Entra Eiendom AS for being directors of subsidiaries, etc.

The Chief Executive Officer shall receive a bonus that is determined on the basis of an assessment of achievement of objectives, and it is paid in the following year. Any bonus for 2007 is determined by the Board in 2008. Depending on the length of service, the general manager is entitled to severance pay forup to one year.

Remuneration of the Board and the Board's subsidiary committees

Directors' fees for 2006 were paid in 2007, with NOK 401 000 being paid to the Chairman of the Board* and NOK 160 000 to each of the other six members of the Board, which in total amounted to NOK 1 361 000. In addition, NOK 50 000 was paid to the Chairman of the audit committee, NOK 35 000 to the member of the audit committee, NOK 35 000 to the Chairman of the remuneration committee and NOK 20 000 to the member of the remuneration committee. In accordance with the resolution adopted by the Annual General Meeting on 13.06.2007, the following fees will be payable to Board members and members of the Board's subsidiary committees, effective from the date of the resolution
– Chairman of the Board, NOK 335 000
– the six other members of the Board, NOK 165 000
– Chairman of the Audit Committee, NOK 55 000
– member of the Audit Committee, NOK 40 000
– Chairman of the Remuneration Committee, NOK 40 000
– member of the Remuneration Committee, NOK 25 000

The Audit Committee and Compensation Committee each consists of two members of the Board.

*) In addition to her basic fee of NOK 320 000, the Chairman of the Board has, in accordance with the resolution of the AGM on 13 June 2007, received additional compensation totalling NOK 81 000. This is due to the fact that the Chairman was given additional tasks for a period after the departure of the CEO.

Auditor's fee (booked expense)	**2007**	**2006**
Legally required audit	1 780	2 274
Tax advice	-	80
Other services not related to auditing	487	197
Due diligence	404	616
Advice on accounting issues related to the transition to IFRS	538	270
Total remuneration of auditor	**3 209**	**3 436**

NOTE 24 – Other operating expenses

All figures in NOK 1 000

	2007	2006
Management, operation and development of properties	152 880	146 541
Payroll and personnel costs	71 558	62 681
Other administrative costs	75 090	65 130
Total other operating expenses	**299 528**	**274 352**

NOTE 25 – Transition to IFRS

All figures in NOK 1 000

With effect from 2007, Entra Eiendom AS will prepare the consolidated financial statements in accordance with IFRS (International Financial Reporting Standards). The financial statements were presented in accordance with Norwegian GAAP up to and including 2006.

For Entra Eiendom AS, the transition to IFRS will have a material effect on the accounting treatment of investment property (IAS 40) and financial instruments (IAS 29). Under IAS 40, investment property is recognised at fair value through profit or loss, with unrealised value adjustments. Consequently, depreciation and impairment of property no longer apply, and profit from the sale of property is replaced by realised value adjustments over and above unrealised value adjustments.

The Group uses financial instruments to match its interest regulation profile to current interest expectations and interest rate risk goals. In accordance with IAS 39, financial instruments are measured at fair value through profit or loss.

The Group has measured unamortised actuarial gains and losses relating to its pension scheme directly through equity in accordance with IFRS 1, paragraph 20.

The dividend provision is not recognised until the annual general meeting has adopted the dividend. This has required a reclassification of the opening balance.

The Group has included buildings being used by the company at fair value at the time of transition, in accordance with IFRS 1, paragraph 16.

The transition to IFRS has been implemented in accordance with IFRS 1, which requires the opening balance at 1 January 2006 to be restated under IFRS.

OPENING BALANCE SHEET, 1 Jan. 2006 Effect of implementation of IFRS	31.12.2005 NGAAP	Impact of IFRS	01.01.2006 IFRS
ASSETS			
Intangible assets	-	7 689	7 689
Tangible assets	9 151 626	-8 284 973	866 653
Investment property	-	14 337 214	14 337 214
Financial assets	287 140	-4 518	282 622
Fixed assets	9 438 766	6 055 411	15 494 177
Current assets	288 432	-27 675	260 757
Total assets	**9 727 198**	**6 027 736**	**15 754 934**
Equity	1 376 799	4 026 345	5 403 144
Provisions			
Pension obligations	4 613	51 743	56 356
Deferred tax	37 339	1 504 361	1 541 700
Other provisions	62 507	-1 000	61 507
Total provisions	104 460	1 555 104	1 659 564
Other long-term liabilities	5 614 405	581 286	6 195 691
Current liabilities	2 631 534	-135 000	2 496 534
Total liabilities	8 350 399	2 001 391	10 351 790
Total equity and liabilities	**9 727 198**	**6 027 736**	**15 754 934**

INCOME STATEMENT 2006 Effect of implementation of IFRS	2006 NGAAP	Impact of IFRS	2006 IFRS
INCOME STATEMENT			
Operating income	1 136 618	-17 185	1 119 433
Operating expenses	518 490	-188 071	330 419
Operating profit before changes in the value of investment properties	618 128		789 014
Adjustment to value of investment property		2 042 761	2 042 761
Net financial items	381 676	-317 150	64 526
Profit before tax	236 452		2 767 249
Tax on profit	65 179	702 089	767 268
Profit for the year before minority interests	171 272		1 999 980
Minority share of profit for the year	631	45 824	46 454
Profit for the year after minority interests	**170 642**		**1 953 526**

Itemisation of change in equity following the transition to IFRS	01.01.2006	31.12.2006
Equity under NGAAP	1 376 799	1 502 031
Investment property	6 059 929	8 262 981
Financial instruments and obligations	-624 389	-332 486
Pension obligations	-51 741	-50 270
Other impacts	26 907	60 279
Total corrections	5 410 706	7 940 504
Effect on deferred tax	-1 504 361	-2 206 171
Reclassification of dividend	120 000	140 750
Equity under IFRS	**5 403 144**	**7 377 114**

NOTE 26 – Tax

All figures in NOK 1 000

Deferred tax is stated net if the Group has a legal right to offset deferred tax assets against the deferred tax on the balance sheet, and if the deferred tax is owed to the same tax authority. The following net value was recognised.

Deferred tax	2007	2006
Deferred tax that will be reversed in more than 12 months	2 961 782	2 551 726
Deferred tax that will be reversed within 12 months	6 672	9 190
Total	**2 968 454**	**2 560 916**

Deferred tax assets	2007	2006
Deferred tax assets that will be reversed in more than 12 months	78 060	116 298
Deferred tax assets that will be reversed within 12 months	38 238	101 822
Total	**116 298**	**218 120**

Net total	**2 852 156**	**2 342 796**

Change in deferred tax on balance sheet	2007	2006
Book value as of 1 January	2 342 797	1 541 700
Recorded through profit and loss for the period	513 607	765 947
Sale of subsidiaries	-4 248	-
Acquisition of subsidiaries	-	35 149
Book value at 31 December	**2 852 156**	**2 342 796**

Change in deferred tax/deferred tax assets (not offset)

Deferred tax	Fixed assets	Gains/losses	Total
01.01.2006	1 849 951	37 590	1 887 541
Recorded through profit and loss for the period	633 264	4 962	638 226
Recorded through equity	-		-
Acquisition of subsidiaries	35 149		35 149
01.01.2007	2 518 365	42 552	2 560 916
Recorded through profit and loss for the period	420 975	-9 190	411 785
Recorded through equity	-		-
Sale of subsidiaries	-4 248		-4 248
31.12.2007	2 935 092	33 362	2 968 454

Deferred tax assets	Provision for liabilities	Financial instruments	Receivables	Loss carried forward/ correction income	Total
01.01.2006	38 506	164 026	4 050	139 260	345 841
Recorded through profit and loss for the period	-4 172	-82 281	-339	-40 929	-127 721
Recorded through equity					
Acquisition of subsidiaries					
01.01.2007	34 334	81 744	3 711	98 331	218 120
Recorded through profit and loss for the period	-3 063	-63 896	311	-35 174	-101 822
Recorded through equity					
Acquisition of subsidiaries					
31.12.2007	31 271	17 849	4 022	63 157	116 298

Tax payable is calculated as follows	2007	2006
Profit before tax	1 883 365	2 766 297
Profit from stakes in associated companies	-45 732	-21 326
Other permanent differences	-1 695	-8 812
Corrections to deferred tax from previous years	2 401	-1 349
Correction for acquisition/disposal of subsidiaries	7 908	4 486
Change in temporary differences	-1 834 312	-2 735 530
Profit for tax purposes	11 935	3 766
Tax payable on income statement	3 342	1 054
Shortfall in provisions from previous years	2 780	-
Tax payable on the balance sheet	**6 122**	**1 054**

The tax expense for the year is calculated as follows

Tax payable	6 122	1 054
Change in deferred tax	513 607	765 948
Total tax expense for the year	**519 729**	**767 002**

Tax rate of 28 percent applied

Reconciliation of tax expense with profit multiplied by nominal tax rate

	2007	%	2006	%
Tax for accounting purposes multiplied by nominal tax rate	527 342	28 %	774 563	28 %
Tax on profit from stakes in associated companies	-12 805	-0.68 %	-5 971	-0.22 %
Tax on permanent differences	-475	-0.03 %	-2 467	-0.09 %
Tax on other changes	5 667	0.30 %	878	0.03 %
Tax expense for accounting purposes	**519 729**	**27.60 %**	**767 002**	**27.73 %**

NOTE 27 – Closely related parties

At 31 December 2007, 74 percent of the Group's tenants (by floor space) were in the public sector.

At 31 December 2007 the Group had contracts for the lease of premises to the Ministry of Trade and Industry, including agencies controlled by the ministry and associated enterprises, with an annualised rent of NOK 3.7 million (2 900 m^2).

NOTE 28 – Events after the balance sheet date

In December Entra Eiendom AS accepted an offer on Markens gate 19 in Kristiansand. The provisional completion date is 30 June 2008.

NOTE 29 – Consolidated income statement and balance sheet at 31 Dec. under NGAAP

All figures in NOK 1 000

Consolidated income statement	2007	2006
Rental income	1 185 461	1 091 060
Other operating income	61 704	33 202
Profit on the sale of property	8 826	12 356
Total operating income	1 255 992	1 136 618
Maintenance	50 037	44 628
Rehabilitation costs	11 948	19 209
Other operating expenses	319 946	275 525
Loss on the sale of shares	10 255	-
Depreciation	211 766	179 128
Total operating expenses	603 952	518 490
Operating profit	652 040	618 128
Interest and other finance income	45 319	15 881
Interest and other finance expense	-483 323	-397 558
Net financial items	-438 004	-381 676
Profit before tax	214 035	236 452
Tax expense	60 764	65 179
Profit before minority interests	153 272	171 272
Minority share of profit	7 824	631
Profit after minority interests	**145 448**	**170 642**

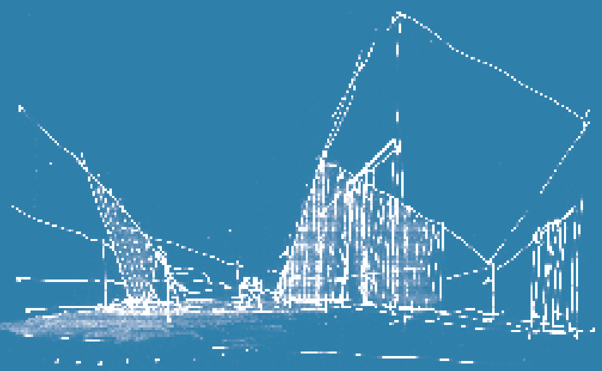
Consolidated balance sheet	31.12.2007	31.12.2006
Assets		
FIXED ASSETS		
Intangible assets		
Goodwill	11 812	14 961
Total intangible assets	11 812	14 961
Tangible assets		
Sites, buildings and other real property	10 905 437	8 913 639
Plant and machinery	43 138	43 476
Buildings under construction	928 661	1 083 241
Total tangible fixed assets	11 877 236	10 040 356
Financial assets		
Investments in associated companies	174 602	128 152
Investments in shares/stakes	4 069	4 065
Other long-term receivables	107 849	109 752
Total financial fixed assets	286 520	241 969
Total fixed assets	**12 175 567**	**10 297 287**
CURRENT ASSETS		
Receivables		
Trade receivables	94 889	10 493
Other current receivables	203 431	210 694
Total current receivables	298 320	221 188
Bonds and certificates	21 924	40 810
Cash and bank balances	333 149	132 949
Total current assets	**653 393**	**394 946**
Total assets	**12 828 960**	**10 692 233**

Equity and liabilities	31.12.2007	31.12.2006
EQUITY		
Paid-in capital		
Share capital	142 194	142 194
Share premium reserve	1 271 984	1 271 984
Total paid-in equity	1 414 178	1 414 178
Retained earnings		
Other reserves	98 454	-52 993
Total retained earnings	98 454	-52 993
Minority share of equity	142 054	140 846
Total equity	**1 654 687**	**1 502 031**
LIABILITIES		
Provisions		
Pension obligations	19 216	9 591
Deferred tax	187 007	136 613
Other provisions	33 511	49 277
Total provisions	239 734	195 481
Other long-term liabilities		
Bond loan	4 140 000	4 844 150
Liabilities to financial institutions	4 337 236	1 380 309
Other long-term liabilities	55 676	54 011
Total other long-term liabilities	8 532 912	6 278 470
Current liabilities		
Certificate loans	1 900 000	2 250 000
Trade payables	233 558	113 886
Tax payable	6 122	1 054
Unpaid government taxes and duties	11 482	6 264
Dividend	2 086	140 750
Other current liabilities	248 379	204 297
Total current liabilities	2 401 628	2 716 251
Total liabilities	**11 174 273**	**9 190 202**
Total equity and liabilities	**12 828 960**	**10 692 233**

NOTE 30 – Minority interests

All figures in NOK 1 000

Company	Minority's shareholding	Minority's share of profit in 2007	Minority's share of equity at 31. Dec. 2007	Minority's share of profit in 2006	Minority's share of equity at 31. Dec. 2006
Papirbredden Eiendom AS	40 %	-32 634	52 994	41 871	81 628
Kristiansand K. Eiendom AS	49 %	-5 929	508	-62	6 437
The Brattøra companies	48 %	2 279	12 632	-1 419	10 353
Optimo AS	49 %	11 750	91 473	6 064	89 002
Total minority interests		**-24 534**	**157 606**	**46 454**	**187 420**



Niels Marius Askim and Lars Lantto

CHARTERED ARCHITECTS, Askim/Lantto AS

«A society governed by the principle of profit maximisation will at some point risk losing something vital: the ability to live life to the full.»

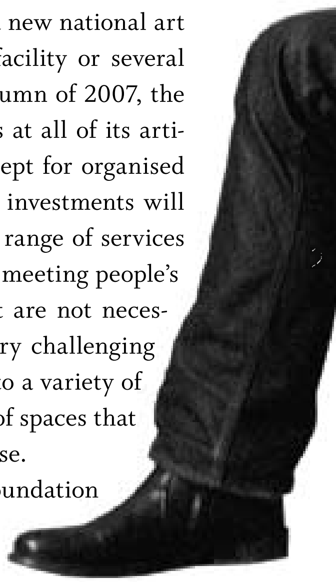
FOR THE FIRST time in history, the majority of the world's population lives in towns and cities. The future organisation of towns raises a number of questions, and creates major challenges. But it also represents a great opportunity. In principle, towns have the potential to be the most sustainable places to live.

With housing, commerce, culture and leisure all close together, people only have to travel short distances. This reduces transport requirements and thereby energy consumption, as well as giving greater scope for public transport and other resource efficient solutions. Towns also allow people to be close to a variety of venues, social structures, businesses and cultural experiences.

The developed world is guilty of a costly over-consumption that cannot be allowed to continue at its current level. Moving towards a more sustainable society will affect the consumption of society and individuals. Resource management in its widest sense will create new challenges that the architects of the future will increasingly have to deal with. By continuing to use existing structures, reusing and recycling buildings, and introducing new production and construction methods we will change the way we do things. Flexibility, elasticity and generality should be key concepts in the planning of future urban environments. The goal must be to create good spaces and high-quality arenas for human interaction. Investing in good social venues and meeting places that benefit us as a society is an important way of moving the focus away from uncritical private consumption.

In a modern society, quality of life is dependent on general living conditions, as well as opportunities for education, work and recreation. In spite of Oslo being the capital of one of the world's richest countries, the services that are meant to cover some of these needs are underdeveloped. A long period of rapid economic growth has not made the inhabitants of the city any happier.

Social venues that are not solely based on the consumption of goods are absolutely essential to a modern city. Oslo still lacks a new public library, a new national art museum, a big, high-quality swimming facility or several smaller, local swimming pools. In the autumn of 2007, the City of Oslo decided to turn off the lights at all of its artificial grass pitches during the winter, except for organised club sessions. In the long term, the right investments will help to create a society that offers a wide range of services to enhance the quality of life of everyone, meeting people's need for social interaction at venues that are not necessarily governed by market forces. It is very challenging to view cities as organic entities catering to a variety of needs, and thereby to enable the creation of spaces that enrich human interaction in its widest sense.



When the Freedom of Expression Foundation in 2006 decided to establish a literary centre at Wergelandsveien 29, it was impossible to know what a great success it would be, or to realise what a fantastic resource it would be for the local people. This spring Snøhetta's opera will open, but Oslo needs many more such projects. Both indoors and outdoors.

Entra Eiendom AS
Annual statement

Income statement 1 Jan.-31 Dec.

All figures in NOK 1 000

	Note	2007	2006
Operating income			
Rental income	10	820 081	798 515
Profit on the sale of fixed assets	2	8 904	30 617
Other operating income		21 447	22 416
Total operating income		**850 432**	**851 549**
Operating expenses			
Maintenance costs		36 269	38 436
Rehabilitation costs		10 047	13 189
Ordinary depreciation	2	128 750	120 215
Other operating expenses	8, 11, 13	262 759	246 917
Total operating expenses		**437 826**	**418 756**
Operating profit		**412 606**	**432 792**
Financial income and expenses			
Income from investments in subsidiaries		2 346	15 900
Interest income from Group companies		146 711	127 721
Other interest received		15 946	8 816
Other financial income		2	4 186
Interest paid		-447 325	-388 019
Other financial expenses		-13 997	-11 641
Net financial items		**-296 316**	**-243 036**
Profit before tax		**116 289**	**189 756**
Tax on profit	9	37 773	51 981
Profit for the year		**78 517**	**137 775**
Distribution of the profit for the year			
Dividend		144 000	140 000
Other reserves		-65 483	-2 225

Balance sheet at 31 Dec.

All figures in NOK 1 000

Assets	Note	2007	2006
Fixed assets			
Tangible assets			
Sites, buildings and other real property	2	6 046 605	5 571 149
Plant and machinery	2	33 931	39 182
Projects under development	2	352 444	585 834
Total tangible fixed assets		**6 432 980**	**6 196 165**
Financial assets			
Loans to Group companies	4,5	3 402 012	2 517 195
Investments in subsidiaries	3	1 038 195	976 243
Investments in associated companies/joint ventures	3	169 250	131 318
Investments in shares/stakes		4 065	4 065
Other long-term receivables	4	106 377	109 531
Total financial fixed assets		**4 719 899**	**3 738 352**
Total fixed assets		**11 152 879**	**9 934 516**
Current assets			
Receivables			
Trade receivables	5	43 997	17 590
Other current receivables		221 169	211 817
Total receivables		**265 166**	**229 407**
Market-based bonds and certificates	12	21 284	20 637
Cash and bank balances	6	230 913	43 868
Total current assets		**517 363**	**293 912**
Total assets		**11 670 243**	**10 228 429**

Balance sheet at 31 Dec.

All figures in NOK 1 000

Equity	Note	2007	2006
Paid-in capital			
Share capital	1,7	142 194	142 194
Share premium reserve	1	1 271 984	1 271 984
Total paid-in equity		**1 414 178**	**1 414 178**
Retained earnings			
Other reserves	1	152 524	145 921
Total retained earnings		**152 524**	**145 921**
Total equity	1	**1 566 702**	**1 560 099**
Liabilities			
Provisions			
Pension obligations	8	19 216	9 591
Deferred tax	9	83 799	46 026
Other provisions	14	32 211	48 277
Total provisions		**135 226**	**103 895**
Other long-term liabilities			
Bond loan	4	4 140 000	4 844 150
Liabilities to financial institutions	4	3 460 000	1 000 000
Other long-term liabilities	4	37 495	54 011
Total other long-term liabilities		**7 637 495**	**5 898 161**
Current liabilities			
Trade payables	5	110 208	75 648
Taxes due		6 027	5 356
Dividend		144 000	140 000
Certificate loans	4	1 900 000	2 250 000
Other current liabilities	5	170 585	195 270
Total current liabilities		**2 330 820**	**2 666 274**
Total liabilities		**10 103 540**	**8 668 330**
Total equity and liabilities		**11 670 243**	**10 228 429**

Oslo, 28.02.08. The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen
Chairman of the Board

Martin Mæland
Board member

Gerd Kjellaug Berge
Board member

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Bjørnar Sletten
Board member
(employee representative)

Mari Fjærbu Åmdal
Board member
(employee representative)

Torodd Bøystad
Acting Chief Executive Officer

Cash flow statement

All figures in NOK 1 000

Cash flow from operating activities	2007	2006
Profit before tax	116 289	189 756
Tax paid for the year	-	-46 667
Profit/loss on the sale of fixed assets	-8 904	-30 617
Profit/loss on the sale of shares	-	-4 176
Writedowns of shares	3 418	-
Ordinary depreciation	128 017	120 215
Changes in trade receivables	-26 407	3 032
Changes in trade payables	34 560	27 433
Change in other accruals	-20 470	-141 690
Net cash flow from operating activities	**226 503**	**117 286**

Cash flow from investment activities		
Sale of fixed assets	72 003	288 919
Purchase of fixed assets	-423 255	-507 844
Sales of shares and stakes in other enterprises	-	4 676
Purchase of shares and stakes in other enterprises	-110 136	-126 806
Purchase of other investments	-884 817	-131 748
Sales of other investments	2 506	45 125
Net cash flow from investment activities	**-1 343 699**	**-427 679**

Cash flow from financing activities		
New long-term liabilities	2 460 000	372 000
New current liabilities	671	-
Repayment of long-term liabilities	-720 666	-7 881
Repayment of current liabilities	-374 685	-69 204
Intra-group transfer of site – equity impact	72 087	-
Dividends received	6 834	-
Dividends paid	-140 000	-120 000
Net cash flow from financing activities	**1 304 241**	**174 915**

Net change in cash and cash equivalents	187 044	-135 477
Cash and cash equivalents at the start of the year	43 868	179 346
Cash and cash equivalents at the end of the year	**230 913**	**43 868**

Entra Eiendom AS
Accounting policies

The financial statements have been prepared in compliance with the Norwegian Accounting Act and generally accepted accounting principles.

Subsidiaries/associated companies/joint ventures
Subsidiaries, associated companies and joint ventures are included in the company accounts using the cost method. Investments are valued at the acquisition cost of the shares unless write-downs have been necessary. Investments are written down to their actual value if a reduction in value is due to reasons not believed to be temporary, and the write-down seems necessary in accordance with generally accepted accounting principles. Write-downs are reversed if the reason for them no longer exists.

Dividends and other distributions are recognised as income in the same year as the corresponding provisions are made in the subsidiaries. If dividends exceed the portion of retained earnings after the purchase, the excess represents repayment of invested capital, and the distributions are deducted from the value of the investment on the parent company's balance sheet.

Classification and valuation of balance sheet items
Current assets and short-term liabilities cover items that are due for payment within one year of the acquisition, as well as items relating to the business cycle. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued as the lower of the acquisition cost and their actual value. Short-term liabilities are shown on the balance sheet at nominal value on the initial date.

Fixed assets are valued at their acquisition cost, but are written down to their actual value if a reduction in value occurs which is not believed to be temporary.

Foreign currency
Financial items in foreign currency are valued at the exchange rate on the balance sheet date.

Rental income
Rental income is recognised in the income statement (accrued) concurrently with the lease period.

Lease contracts that are terminated early are valued on an individual basis. Payments relating to the termination of contracts are recognised as income to the extent that the company is able to re-let the premises to a new tenant at market rates. Such payments are accrued over the estimated vacancy period if the premises remain vacant.

Pensions
Pension costs and pension liabilities are calculated using a linear accumulation model based on assumptions relating to discount rates, projected salaries, the level of benefits from the National Insurance Scheme and future returns on pension funds, as well as actuarial calculations of mortality, voluntary early retirement, etc. Pension funds are valued at their actual value and are deducted from net pension liabilities on the balance sheet. Changes in liabilities due to changes in pension plans are allocated over the expected remaining contribution period. Changes in liabilities and pension funds due to changes and differences in calculation assumptions (estimate changes) are allocated over the expected average remaining contribution period if the difference at the start of the year exceeds 10 percent of the greater of the gross pension liabilities and pension funds.

A linear accumulation model and anticipated final salary are used as the basis for recognising pensions in the accounts. Changes to pension plans are amortised over the anticipated remaining contribution period.

Employers' National Insurance Contributions are expensed on the basis of the pension contributions made for secured (company) pension schemes.

Tax
The tax charge on the income statement covers both tax payable for the period and changes to deferred tax. Deferred tax is calculated at 28 percent on the basis of the temporary differences that exist between accounting and tax values, as well as any losses carried forward for tax purposes at the year-end. Temporary differences which increase or reduce tax and are reversed or may be reversed in the same period have been eliminated. Net deferred tax assets are shown on the balance sheet in so far as they are likely to be utilised.

Tax on Group contributions that is recorded as raising the cost price of shares in other companies, and tax on received Group contributions that is recorded directly against equity, is entered directly against tax on the balance sheet (the entry is made under tax payable if the Group contribution affects tax payable, and under deferred tax if the Group contribution affects deferred tax).

Tangible assets, plant and machinery
Tangible assets are recognised on the balance sheet and are depreciated over the anticipated economic life of the assets. Direct maintenance of fixed assets is recognised as an operating expense on an arising basis, whilst additions or improvements are added to the asset's cost price and are depreciated at the same rate as the asset.

Maintenance costs for large rehabilitation projects are described as rehabilitation costs in the accounts. This is done to distinguish them from ongoing, ordinary maintenance of the general management portfolio. The portion of the rehabilitation costs for these projects that represents additions or improvements is recognised on the balance sheet, whilst the remainder is charged as an expense. The accounting implications of this are described in note 3.

Expenses related to construction projects are recognised on the balance sheet as «Projects under development» until the completion of the projects. The financing costs for capital linked to the development of fixed assets are recognised on the balance sheet for accounting purposes, but are counted as an expense for tax purposes. Projects are recognised on the balance sheet and depreciated from the date of completion or from when the asset enters service.

Receivables
Trade debtors and other receivables are shown on the balance sheet at the nominal value after provision for anticipated bad debts.. Provisions for bad debts are made on the basis of individual assessments of the individual receivables.

Short-term investments
Short-term investments (bonds which are considered current assets) as valued at the lower of the average acquisition cost and actual value on the balance sheet date. Dividends and other distributions received from the companies are recognised as other financial income.

Uncertain liabilities
The company has a certain number of lease agreements where it is the tenant. This contracts are included in the letting activities. Under Norwegian Accounting Standards on uncertain liabilities and contingent assets, provision must be made for losses in the event that such premises remain vacant or partially vacant. The company has made such an assessment as of 31 December. The cost of leasing the premises, the duration of the lease and the sub-lease's value have been taken into account for the calculation of the present value. Assumptions have also been made about the letting of vacant properties using the estimated vacancy period. An estimated rental price has been set based on lease agreements achieved.

Long-term liabilities
Long-term liabilities are shown on the balance sheet at nominal value on the initial date. Premiums and discounts in connection with taking on long-term liabilities, as well as arrangement fees, are accrued over the period of the loan. Similarly, premiums and discounts are accrued through the repurchase of bonds over the remaining term to maturity for the relevant debt.

All of the company's debt is subject to variable rates (including fixed rate bonds, which are swapped to a variable rate). The company has then used interest-rate swaps to convert its debt to fix-rate loans with varying maturities. For information on maturities, please see note 4. The company accrues these interest-rate swaps in such a way that the fixed rate is expensed on the income statement. On the termination of interest-rate swap agreements, the profit or loss is accrued over the remaining term to maturity of the agreement in question.

Note 1 – Equity

All figures in NOK 1 000

	Share capital	Share premium reserve	Other equity	Total
Equity as of 31.12.2006	142 194	1 271 984	145 921	1 560 099
Intragroup transfer of site to Oslo Z AS			72 087	72 087
Profit/loss for the year			78 517	78 517
Dividend appropriation			-144 000	-144 000
Equity as of 31.12.2007	**142 194**	**1 271 984**	**152 524**	**1 566 702**

Note 2 – Tangible assets

All figures in NOK 1 000

	Sites *	Buildings	Machinery	Moveables	Projects under development *	Total tangible fixed assets
Acquisition cost as of 31.12.2006	630 641	5 453 563	269	59 683	585 834	6 729 989
Acquisitions	10 914	639 484	-	3 648	403 104	1 057 150
Disposals	-48 702	-9 721	-	-	-636 494	-694 917
Acquisition cost as of 31.12.2007	592 852	6 083 326	269	63 331	352 444	7 092 222
Accumulated deprecation as of 31.12.2006	-	513 055	142	20 627	-	533 824
Depreciation **		117 979	54	11 445	-	129 478
Disposals		-1 461	-	-2 599	-	-4 060
Accumulated deprecation as of 31.12.2007	-	629 573	196	29 473	-	659 242
Balance sheet value as of 31.12.2007	**592 852**	**5 453 753**	**73**	**33 858**	**352 444**	**6 432 980**
Anticipated economic life		50 years	4 years	3-5 years		
Depreciation schedule		Linear	Linear	Linear		

Acquisitions of buildings includes NOK 23 484 822 of interest on building loans included on the balance sheet. Profits on the sale of fixed assets totalled NOK 12 721 619.45. Losses on the sale of fixed assets totalled NOK 3 817 626.90. The net profit totalled NOK 8 903 992.55. In 2007 the company sold 3 properties. This year's rehabilitation costs charged to the balance sheet total NOK 97 474 488.

*) No depreciation is charged against sites and buildings under construction.

**) The difference between the year's depreciation set out in the note and the total depreciation on the income statement is NOK 727 301. Moveables have been included on the balance sheet if the depreciation is charged to joint tenant expenses on the balance sheet.

Note 3 – Subsidiaries, associated companies, etc.

All figures in NOK 1 000

Entra Eiendom AS

Investments in subsidiaries, associated companies and joint ventures are recognised using the cost method.

Subsidiary	Acquisition date	Business office	Shareholding and voting rights	Balance sheet value
Oslo Z AS (previously Entra Service AS)	20.09.2000	Oslo	100 %	-
Universitetsgaten 2 AS	03.09.2001	Oslo	100 %	215 096
Biskop Gunnerusgt. 14 AS	26.03.2001	Oslo	100 %	262 919
Instituttveien 24 AS	17.12.2001	Oslo	100 %	58 714
Entra Kultur 1 AS	28.02.2002	Oslo	100 %	1 275
Kristian Augustsgate 23 AS	01.02.2003	Oslo	100 %	68 963
Langkaia 1 AS	21.11.2003	Oslo	100 %	20 060
Nonnen Utbygging AS	10.02.2003	Oslo	100 %	7 601
Kjørboparken AS	21.12.2005	Oslo	100 %	130 014
Papirbredden Eiendom AS	10.01.2005	Oslo	60 %	60 446
Kristiansand Kunnskapspark Eiendom AS	04.07.2005	Oslo	51 %	6 879
Brattørkaia AS	31.01.2006	Oslo	52 %	12 753
Bispen AS	24.10.2007	Oslo	100 %	58 203
Cardinalen AS	24.10.2007	Oslo	100 %	41 616
Optimo AS	02.10.2006	Oslo	51 %	93 657
Balance sheet value as of 31.12.2007				**1 038 195**

Jointly ventures

UP Entra AS	31.12.2003	Hamar	50 %	14 297

Associated company

Oslo S. Utvikling AS	01.07.2004	Oslo	33.3 %	111 621
Kongsvinger Kompetanse- og Næringssenter AS	06.07.2006	Kongsvinger	20.0 %	1 404
Kunnskapsbyen Eiendom AS	31.12.2004	Oslo	33.75 %	3 746
Krambugata 3 AS *	27.09.2007	Trondheim	45.00 %	37 720
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21.28 %	463
Balance sheet value as of 31.12.2007				**169 250**

*) The company's shareholding in Krambugata 3 AS was reduced from 100 percent to 45 percent during 2007.

Note 4 – Receivables, liabilities and financial instruments

All figures in NOK 1 000

Proportion of receivables which fall due after more than one year	2007	2006
Loans to Group companies	3 402 012	2 517 195
Options	3 750	5 250
Loans to associated companies	84 049	79 025
Loans to tenants	925	-
Accrual of fees on financial instruments	17 653	25 256
Total long-term receivables	**3 508 389**	**2 626 726**

Proportion of long-term liabilities with a term to maturity of more than 5 years	2007	2006
Bonds	1 100 000	1 770 000
Other long-term liabilities	2 700 000	28 038
Total	**3 800 000**	**1 798 038**

	2007	2006
Liabilities secured with mortgages	1 100 000	1 100 000
Mortgaged assets		
Buildings and sites	727 572	737 275
Total	**727 572**	**737 275**

Maturity structure of long-term liabilities

Year	2007 Loan value NOK million	2006 Loan value NOK million
2007	-	708
2008	807	778
2009	460	1 028
2010	1 600	1 604
2011	300	4
2012	670	-
More than 5 years	3 800	1 774
Total	**7 637**	**5 898**

Undrawn credit facilities

As of 31 December 2007, the maturity structure of the company's new undrawn credit facilities is as follows

		2007 Loan value
Maturity structure of committed, undrawn credit facilities	**Year**	**NOK million**
Back stop	2009	540
Revolving credit facility/back stop	2011	1 600
Long-term loan	2014	-
Long-term loan	2016	-
Total		**2 140**

Special terms and conditions in Entra Eiendom AS's loan agreements

In general the Group's financing is based on negative pledge clauses. There are certain exceptions to this rule, and our long-term bond of NOK 1 100 000 000 is secured against the National Library and associated buildings, located at Henrik Ibsens gate 110 (previously Drammensveien 42) in Oslo. The lender also has a mortgage on the rental income from the property. Subsidiaries that are not wholly owned by Entra Eiendom AS are also financed separately.

Interest-rate hedging and financial instruments

Our interest-rate position should support the company's strategic development, and should reflect the company's risk profil and anticipated future market interest rates based on the company's interest rate view. The framework for handling interest rate risk is expressed as a preferred interest rate structure (standard portfolio).The aim of the standard portfolio is to ensure that the company's interest expenses do not exceed those on which our financing plan is based.
The standard portfolio specifies

– Weighted duration in the range 3-6 years, with a standard duration of 4. Duration as of 31.12.07 was 3.5 years.
– Segmentation of interest-rate fixing between different maturity dates.

Our portfolio of interest-rate hedging agreements have the following maturity structure

		2007 Loan value
Up to one year	37 %	3 530 000
1–2 år	12 %	1 150 000
2–4 år	9 %	900 000
4–6 år	18 %	1 670 000
6–8 år	11 %	1 050 000
over 8 years	13 %	1 200 000
Total	**100 %**	**9 500 000**

At 31 December 2007, the average interest rate on Entra Eiendom AS's portfolio of loans and interest-rate hedging instruments was 5.64 percent per annum.

Note 5 – Intragroup balances

All figures in NOK 1 000

Receivables	2007	2006
Trade receivables	14 663	5 283
Other current receivables	-	11 844
Loans to Group companies	3 402 012	2 517 195
Total	**3 416 675**	**2 534 321**

Gjeld	2007	2006
Trade payables	8 119	4 064
Other current liabilities	-	54
Total	**8 119**	**4 118**

The company has established a Group account system. It is the net bank deposits that are presented as Entra Eiendom AS's cash at bank. Receivables from subsidiaries are classified as financial assets.

Note 6 – Locked-up assets

All figures in NOK 1 000

Cash in hand and at bank at the period end is shown on the cash flow analysis.

	2007	2006
Locked-up tax deductions total	**5 255**	**5 096**

Note 7 – Share capital and shareholder information

The share capital of NOK 142 194 000 consists of 142 194 shares with a face value of NOK 1 000. All shares enjoy equal rights. All of the shares are owned by the Norwegian Government through the Ministry of Trade and Industry.

Note 8 – Pensions

All figures in NOK 1 000

The company has pension schemes that cover a total of 124 people. The schemes provides an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

The company also has a contractual early-retirement scheme for the public sector (AFP) linked to the Norwegian Public Service Pension Fund.

	2007	2006
Present value of pensions earned this year	11 512	11 376
Interest expenses on the pension liability	4 372	4 068
– Return on pension funds	-2 661	-2 800
Change in estimate charged to income	3 660	3 022
Administrative expenses of SPK (Norwegian Public Service Pension Fund)	150	186
Employers' National Insurance Contributions	2 402	2 383
Net pension expenses	**19 434**	**18 236**

	31.12.2007	31.12.2006
Estimated pension liabilities as of 31 December	111 604	96 843
Pension funds as of 31 December	-53 248	-50 427
Effect of estimate differences not charged to income	-39 140	-36 825
Net pension liabilities on balance sheet before Employers' National Insurance Contributions	19 216	9 591
Employers' National Insurance Contributions	2 709	1 352
Net pension liabilities after Employers' National Insurance Contributions	**21 925**	**10 944**

Assumptions

Discount rate	4.50 %
Anticipated pension increase/ adjustment of basic pension	4.25 %
Anticipated return on pension funds	5.50 %
Anticipated take-up percentage for early retirement scheme (AFP)	50.00 %

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors. Employers' National Insurance Contributions are charged as an expense during the period that they are paid.

Entra Eiendom AS' employees are members of the Norwegian Public Service Pension Fund. It is a defined benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level ensures a defined pension benefit. The guarantee means that employees will receive at least 66 percent 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 working week as a percentage of a full-time position and length of service (30 years' service qualifies for a full pension).

Entra operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 percent of a full-time position. Between the ages of 62 and 65, pensions are calculated in accordance with the National Insurance Scheme's stipulations. From 65 onwards, pensions are calculated using either the National Insurance Scheme's rules or the Norwegian Public Service Pension Fund's rules, depending on which are best for the member of the scheme. Employees are also insured against disability and death.

Note 9 – Tax

All figures in NOK 1 000

Tax for the year breaks down as follows	2007	2006
Tax payable	-	-
Tax impact of Group contributions entered as investments	-	-7 504
Change in deferred tax	37 773	59 485
Total tax	**37 773**	**51 981**

Calculation of the tax base for the year		
Profit before tax	116 289	189 756
Group contributions received entered as investments	-	26 800
Permanent differences *	16 212	-2 779
Basis for tax for the year	132 502	213 777
Changes to 2005 figures	2 450	-
Correction of deferred tax for 2006	-49	-1 329
Change in differences that are included in the calculation of deferred tax	-134 903	-212 448
Tax base for the year	**-**	**-**

Overview of temporary differences	Change	2007	2006
Receivables	285	-565	-280
Fixed assets	-27 169	312 159	284 990
Provisions in accordance with generally accepted accounting principles	-13 372	-48 302	-61 674
Pensions	9 625	-19 216	-9 591
Profit and loss account	18 991	133 949	152 940
Net temporary differences	-11 641	378 026	366 385
Correction income carried forward	-185 532	-	-185 532
Loss carried forward	62 270	-78 744	-16 474
Basis for deferred tax on the balance sheet	**-134 903**	**299 282**	**164 379**
28 percent deferred tax	-37 773	83 799	46 026
Deferred tax/Deferred tax assets on the balance sheet	**-37 773**	**83 799**	**46 026**

Tax payable on the balance sheet	2007	2006
Tax on the tax base for the year	-	-
Tax paid in excess of provision	-	-
Tax on Group contribution	-	-
Tax payable on the balance sheet	**-**	**-**

Explanation of why the tax for the year does not equal 28 percent of the profit before tax		
28 percent tax on profit before tax	32 561	53 132
Corrected 2005 figures	686	-
Correction of deferred tax	-14	-372
Permanent differences (28 percent) *	4 539	-778
Calculated tax	**37 773**	**51 981**
Nominal tax rate	28 %	28 %

*) Includes: non-deductible expenses, such as representation and profits on the sale of shares.

Note 10 – Rental income

All figures in NOK 1 000

Geographical distribution	2007	2006
Eastern Norway	536 863	507 753
Southern Norway	81 981	82 881
Western Norway	112 018	108 422
Central and Northern Norway	89 218	99 458
Total	**820 081**	**798 515**

Note 11 – Payroll expenses, number of employees, remuneration, etc.

All figures in NOK 1 000

Payroll and personnel costs	2007	2006
Salaries/wages, fees, etc.	70 617	63 301
Employers' National Insurance Contributions	11 316	10 411
Pension expenses	15 888	14 366
Other payments	517	337
Other personnel costs	6 380	4 248
Total	**104 718**	**92 663**

Personnel costs reclassified as shared costs for buildings	-23 076	-22 571
Personnel costs reclassified as owner's costs for buildings	-9 591	-11 020
Total	**72 051**	**59 072**

Over the course of the financial year, Entra Eiendom AS had an average of 125 employees.

Payments to leading employees

Key employees	Salaries	Profit dependent salary	Basic benefits	Pension Norwegian Public Service Pension fund *	Total remuneration
Torodd Bøystad, acting Chief Executive Officer	2 133	147	139	89	2 509
Anne Kathrine Slungård, Director of Market	1 222	50	68	89	1 430
Nils Fredrik Skau, Technical Director	885	78	136	89	1 188
Kjell Otto Larssen, Chief Financial Officer	1 437	128	145	89	1 800
Cay Bakkehaug, Director of Investment and Finance	1 330	-	137	89	1 556
Rune Olsø, Director of Strategy	1 103	40	68	89	1 300
Bjørn Holm, Director of Projects and Development	1 059	56	70	89	1 275
Sverre Vågan, Director of Human Resources	946	86	129	89	1 250
Mona Jacobsen, Director of Communications	1 039	86	121	89	1 335
Erik Løfsnes, Chief Executive Officer, left the company	2 041	189	138	89	2 457
Total	**13 195**	**861**	**1 153**	**892**	**16 100**

*) Norwegian Public Service Pension Fund: Company scheme through the Norwegian Public Service Pension Fund.

Erik Løfsnes resigned from his position as CEO on 1 July 2007. Under his contract, Løfsnes had to give 6 months' notice, and he officially left the company on 31 December 2007. When he resigned, and in accordance with his contract, it was agreed that he would continue to receive a salary for 12 months from 1 January 2008. 80 percent of any other income from employment that Erik Løfsnes receives during this period will be deducted from this.

The group life assurance scheme for members of the senior management team was terminated as of 31 December 2006. In conjunction with this, compensation was given for the scheme being terminated. In 2007 this compensation totalled NOK 729 200, which is included in the above table.

The company has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the company, and on the achievement of goals by departments and individuals. In the event of all goals being achieved, the maximum limit on performance-related pay is 12.3 percent of the individual employee's annual salary.

Fees are not paid to employees of Entra Eiendom AS for being directors of subsidiaries, etc.

The Chief Executive Officer shall receive a bonus that is determined on the basis of an assessment of achievement of objectives, and it is paid in the following year. Any bonus for 2007 is determined by the Board in 2008. Depending on the length of service, the general manager is entitled to severance pay for up to one year.

Remuneration of the Board and the Board's subsidiary committees

Directors' fees for 2006 were paid in 2007, with NOK 401 000 being paid to the Chairman of the Board* and NOK 160 000 to each of the other six members of the Board, which in total amounted to NOK 1 361 000. In addition, NOK 50 000 was paid to the Chairman of the audit committee, NOK 35 000 to the member of the audit committee, NOK 35 000 to the Chairman of the remuneration committee and NOK 20 000 to the member of the remuneration committee. In accordance with the resolution adopted by the Annual General Meeting on 13.06.2007, the following fees will be payable to Board members and members of the Board's subsidiary committees, effective from the date of the resolution

– Chairman of the Board, NOK 335 000
– the six other members of the Board, NOK 165 000
– Chairman of the Audit Committee, NOK 55 000
– member of the Audit Committee, NOK 40 000
– Chairman of the Remuneration Committee, NOK 40 000
– member of the Remuneration Committee, NOK 25 000

The Audit Committee and Compensation Committee each consists of two members of the Board.

*) In addition to her basic fee of NOK 320 000, the Chairman of the Board has, in accordance with the resolution of the AGM on 13 June 2007, received additional compensation totalling NOK 81 000. This is due to the fact that the Chairman was given additional tasks for a period after the departure of the CEO.

Auditor's fee (booked expense)	**2007**	**2006**
Legally required audit	1 259	1 833
Tax advice	-	80
Other services not related to auditing	461	197
Due diligence	404	616
Advice on accounting issues related to the transition to IFRS	538	270
Total remuneration of auditor	**2 661**	**2 996**

Note 12 – Market based shares, bonds and certificates

All figures in NOK 1 000

Utsteder	Foreign currency	2007 On balance sheet value	2007 Issuer value	2006 On balance sheet value	2006 Issuer value
Money market unit trust, Orkla Finans Likviditet	NOK	21 284	21 871	20 637	21 212
Total in money market unit trusts		**21 284**	**21 871**	**20 637**	**21 212**

Money market unit trusts are valued as the lower of the acquisition cost and actual value.

Note 13 – Other operating expenses

All figures in NOK 1 000

	2007	2006
Management, operation and development of properties	117 481	127 118
Payroll and personnel costs	72 051	59 072
Other administrative costs	73 227	60 728
Total other operating expenses	**262 759**	**246 917**

Note 14 – Other provisions and liabilities

All figures in NOK 1 000

	2007	2006
Provision for rent payments	32 211	48 277
Total other provisions for liabilities	**32 211**	**48 277**

PricewaterhouseCoopers AS
Postboks 748
NO-0106 Oslo
Telephone +47 02316
Telefax +47 23 16 10 00

To the Annual Shareholders' Meeting of Entra Eiendom AS

Auditor's report for 2007

We have audited the annual financial statements of Entra Eiendom AS as of December 31, 2007, showing a profit of MNOK 78,5 for the parent company and a profit of MNOK 1 388,2 for the group. We have also audited the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the financial statements of the parent company and the group. The financial statements of the parent company comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The financial statements of the group comprise the balance sheet, the statement of income and cash flows, the statement of changes in equity and the accompanying notes. The regulations of the Norwegian accounting act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements of the parent company. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the group. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including standards on auditing adopted by The Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the parent company have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the company as of December 31,2007 and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the financial statements of the group have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group as of December 31, 2007, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, February 28, 2008
PricewaterhouseCoopers AS

Bjørn Rydland
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Iben Sandemose

ARTIST AND AUTHOR

I LIKE TO CLIMB.

WOULD HAVE LIKED TO CLIMB HOME.

UP HIGH, NEAR THE BIRDS, ANGELS,

STORMS AND STARS.

AWOKE TO BUDDING TREES AND

DRY LEAVES. IN AN OAK,

OR A CHESTNUT, PERHAPS?

IT WOULD BE NICE.

Iben Sandemose

Corporate governance

Society is setting ever higher standards for the openness, controls and strategic management of a company. This applies at all levels, from shareholders through the Board to the management. Corporate governance covers the principles and the practice that regulate the interaction between shareholders, the Board and the management, seen in a long-term and value adding perspective. Good corporate governance gives you control and the ability to manage all parts of a business, through a responsible and efficient interaction between the Board and the management, respect for other stakeholders and open communications with the rest of the world. The following diagram illustrates the mutual interdependence and allocation of responsibilities:

At Entra, Corporate Governance is an ongoing process that is under constant development and improvement. The process covers all of the company's management and control systems that are designed to protect the interests of shareholders, employees and other stakeholders. The Group's main tool for this work is its corporate governance model, the Entra model. The model integrates the company's strategy and overall objectives with procedures for support functions and core activities in the value chain. Good work processes are an area of focus in terms of continuous risk management. Please also see the more detailed description of the Entra model under «Our business – strategic focus».

Through good corporate governance, the company seeks to achieve the following objectives:

- Increased predictability
- Confidence
- A basis for the effective handling of specific challenges and critical decisions.

This will help Entra Eiendom to achieve increased value added over time, whilst further improving risk management.

NORWEGIAN RECOMMENDATION

The Norwegian Corporate Governance Committee (NUES) has drawn up the Norwegian recommendation for corporate governance. The objective of the recommendation is:

> *«... to encourage listed companies to have a corporate governance system that clearly sets out the various roles of the shareholders, board and management over and above what follows from the relevant legislation. The recommendation is intended to increase confidence in companies, and to help maximise the creation of added value over time, to the benefit of shareholders, employees and other stakeholders.*
>
> ...
>
> *Good relationships with society and stakeholders affected by companies' activities also benefit the companies themselves, and individual companies should therefore also consider implementing their own guidelines in these areas.»*

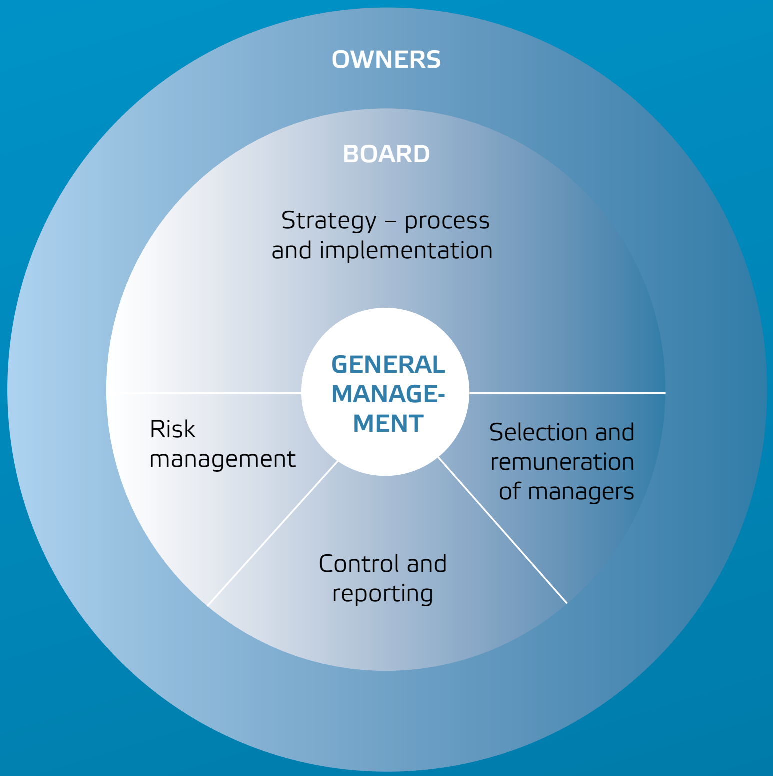
The Norwegian Government, through the Ministry of Trade and Industry, owns all of the shares in Entra Eiendom, which is not a listed company. However, the majority of the items in the recommendation appear to be relevant to all large companies regardless of their ownership structure. In so far as it is possible, Entra Eiendom wishes to run its business like a listed company. This description of Entra Eiendom's corporate governance system is therefore structured in accordance with the Norwegian recommendation.

This document is based on the NUES recommendations for good corporate governance of 4 December 2007. On account of the company's ownership structure, and the fact that the company is not listed on Oslo Børs, there are several aspects of the recommendations that are not relevant to the company. In line with the comply or explain principle set out in the recommendations, these items are also commented on.

In addition to the issues covered by the Norwegian recommendation, Section 16 includes a short description of the Group and of the Group's management.

1. CORPORATE GOVERNANCE STATEMENT

The company has established a set of values and ethical guidelines that underpin its operations. Our strategy and overall objectives highlight strategic choices and long-term goals. In order to support this strategy, and to ensure that it becomes part of our operations, we have drawn up policies, guidelines, routines and authorisation structures. Entra Eiendom has drawn up the following values and ethical guidelines:


OWNERS
BOARD
Strategy – process and implementation
GENERAL MANAGE-MENT
Risk management
Selection and remuneration of managers
Control and reporting

Basic values
- Ensure the safety of our customers, guests and employees
- Meet customers' requirements and expectations
- Take our corporate responsibility seriously by showing respect for customers, employees, partners and our shared environment.

Business ethics
- Act honestly and responsibly in all situations
- Do not accept breaches of ethical or moral rules
- Do not abuse power

Management philosophy
- Managers at Entra Eiendom shall provide supportive, proactive and open leadership

We are continuously working to ensure that these values and guidelines are adhered to throughout the organisation.
You can find further information about how the Norwegian Government exercises its ownership in the Ministry of Trade and Industry's White Paper no. 1 (2005-2006), Section 2.5 on Public ownership.

In its white paper no. 22 (2001-2002) titled «A smaller and better public ownership», the Ministry of Trade and Industry set out 10 principles for good corporate governance at state-owned companies:

1. Shareholders shall receive equal treatment.
2. There shall be transparency relating to the government's shareholding in the company.
3. Shareholders shall make decisions and resolutions at the AGM.
4. The government shall set out the aims of the company, whilst the Board shall be responsible for realising those goals.
5. The capital structure of the company shall be appropriate to the ownership structure and the company's situation.
6. The composition of the Board shall aim to achieve expertise, ability and diversity on the basis of the individual company's requirements.
7. Pay and incentive schemes should be designed in such a way that they encourage the creation of added value at the company, and are seen to be reasonable.
8. The Board shall independently monitor the company's management on behalf of the owners.
9. The Board should have a plan for its own work, and for developing its own expertise. The performance of the Board shall be evaluated.
10. The company shall be aware of its social responsibilities.

The way in which public ownership is to be exercised is described in greater detail in the government's new proposals on the matter: White Paper no. 13 (2006-2007) «Active and long-term ownership», presented on 8 December 2006. It includes the following statement:

> *«The government believes that the state should be an active, long-term and predictable owner of important Norwegian companies. Through its ownership the state wishes to promote the good and stable development of the Norwegian economy.*
>
> ...
>
> *Through its ownership the government shall help promote the companies' long-term growth and development. This requires an active ownership policy that sets out expectations that the boards be highly ambitious. The government will specify required rates of return and dividend levels that support the long-term aims of the companies. The ownership shall be exercised within the framework of generally accepted corporate governance principles.*
>
> ...
>
> *The government has long-term goals for public ownership. This means that environmental issues, restructuring, diversity, ethics, research and development must be taken into consideration in the boards' decision-making procedures in order to promote long-term development.*
>
> ...
>
> *The government will focus hard on evaluating the work of boards properly and systematically, in order to create competent boards that can safeguard the aims of the shareholders.»*

Further details of the government's recommendations on how to exercise ownership at companies that are wholly or partly state-owned can be found in Chapters 3 and 7 of the White Paper. The White Paper discusses the individual companies in question, which are classified by their types of objectives. Entra Eiendom comes under the category «Companies with commercial objectives». Also see Section 8.1.4 of the White Paper for a more detailed discussion of the company.

2. ACTIVITIES

The company's activities are defined in the mission statement in the articles of association (§3), which states that

> *«The company's main aim is to meet government requirements for premises. The company can own, buy, sell, operate and manage real property, and carry out other*

activities that are connected with this. The company can also own shares or stakes in, and participate in, other companies that perform the activities described in the previous article. The company shall be run on commercial principles.»

The Group's strategy and overall objectives are discussed in the chapter of the annual report entitled «Our business – Strategic focus».

§9 of the company's articles of association include special requirements regarding the safeguarding of cultural heritage in the Group's property portfolio;

«The features of historic value in the company's buildings shall be properly safeguarded in line with current laws and regulations. When disposing of properties comprising buildings constructed before 1950, the company shall follow the regulations contained in the fourth paragraph of section 2.1 of the Order on the disposal of real estate belonging to the state, etc. (Royal Decree of 19 December 1997), or any regulation which might replace it.

The company complies with these requirements whenever it sells properties.

3. COMPANY ASSETS AND DIVIDENDS

Company assets and equity

On account of Entra's stock exchange listed bonds, from 1 January 2007 the Group is presenting its financial results under IFRS (International Financial Reporting Standards). The Group's book assets totalled NOK 22 566.9 million at 31 December 2007. The Group's book equity excluding minority interests totalled NOK 8 446.9 million (37.5 percent) at 31 December 2007. The Group's financial strength is considered satisfactory. The Group's financial strength is constantly reviewed in terms of its aims, strategy and risk profile.

Dividend

In connection with the Norwegian budget for 2006, the Ministry of Trade and Industry defined a dividend policy for Entra Eiendom for the period 2005-2007 in White Paper no. 1 (2005-2006):

«For Entra Eiendom AS, the government has assumed that the dividend for the financial years 2005, 2006 and 2007 shall be set at 50 percent of the Group's annual profit, subject to the minimum dividend for each year corresponding to 2 percent of value-adjusted equity, provided that this is not in contravention of the stipulations of the Norwegian Companies Act. If during this period there are large accounting fluctuations in the annual profit, it may be possible to assess the dividends for the individual years on the basis of 2 percent of the value-adjusted equity as a whole over the relevant three year period.»

As a result of Entra Eiendom moving over to reporting under IFRS principles, the Ministry of Trade and Industry, in White Paper no. 1 (2007-2008), published the following clarification on the payment of dividends by Entra Eiendom:

«As of the financial year 2007, Entra Eiendom AS is going over to presenting its consolidated accounts under International Financial Reporting Standards (IFRS). After this transition, the profit and loss account may be affected significantly by unrealised changes in the value of the company's properties and bonds. As unrealised gains cannot be distributed as dividends, an adjustment has been made to how dividends are calculated. The dividend payable will be 50 percent of the Group's annual profit after tax and minority interests under Norwegian generally accepted accounting principles (NGAAP). However, the dividend shall be a minimum of 2 percent of book equity after minority interests under IFRS at the beginning of the financial year, provided that this is not in contravention of the stipulations of the Norwegian Companies Act. If in a given year there are large accounting effects resulting from the sale of properties, for example, a dividend of more than 2 percent of book equity can be considered on the basis of a three year period, provided that this is not in contravention of the stipulations of the Norwegian Companies Act.

It is the view of the Ministry of Trade and Industry that in the long-term this adjustment will not alter the dividend payable by Entra Eiendom AS in relation to the situation prior to the introduction of IFRS for the consolidated accounts.

The AGM determines the dividend on the basis of the Board's proposal. Section 20-4, subsection 4 of the Norwegian Companies Act states that the AGMs of state-owned companies do not have to adopt the dividend allocations proposed by the Board or corporate assembly.

Capital increases and share buybacks

The Board is not authorised to raise new capital or to buy back company shares.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSELY RELATED PARTIES

Shareholders and share transactions

All of the company's shares are owned by the Norwegian Government through the Ministry of Trade and Industry, and there is only one class of shares. There were no share transactions during the course of 2007.

Transactions with closely related parties

The «Provisional Norwegian Accounting Standard on Information about closely related parties» defines closely related parties as being the owners, members of the Board and management, as well as their spouses and cohabiting partners.
During the course of 2007 there were no transactions that could be considered significant between the company and shareholders, members of the Board, senior management or closely related parties of any of these.

In 2008 the company will establish guidelines to ensure that members of the Board and senior management inform the Board if they have a significant interest in any agreement signed by the company, whether directly or indirectly.

5. FREE NEGOTIABILITY

The company's shares are not freely negotiable. The Ministry of Trade and Industry cannot sell shares in the company without special authorisation from the Storting.

§ 5 of the articles of association states that the company's shares shall not be registered in the Norwegian Registry of Securities.

6. ANNUAL GENERAL MEETING

Section 20-5 of the Norwegian Companies Act regulates the AGM of state-owned companies.

In wholly state-owned companies, the Ministry that owns the company shall send out notices for ordinary and extraordinary general meetings, and it shall also decide how such notice is given.

Notice, agenda and relevant documents

The Annual General Meeting is normally held before 30 June of each year.

In accordance with Section 5-10 of the Norwegian Companies Act, notice of the meeting shall be sent no later than one week prior to the meeting being held, unless shorter notice is absolutely essential in special circumstances. This is one week shorter than the notice period in the Norwegian recommendation. We are striving to satisfy the recommendation's requirements.

From 2008 onwards the company will also seek to make notices of meetings and relevant documents available on the company's website no less than 21 days prior to the date of the AGM, in line with the recommendations.
§ 8 of the articles of association states that the following items shall be raised at and resolved by the AGM:

- Approval of the annual accounts and annual statement, including the allocation of dividends
- Other matters that legally fall within the remit of the AGM.

The Ministry that owns the company determines when the Annual General Meeting shall be held. On behalf of and in consultation with the Ministry, the management of the company prepares the agenda and the relevant documentation, and sends out notice of the meeting along with the those documents. The documentation contains all the information that is necessary for the shareholder to assess the items under consideration. Notice is sent to the shareholder, members of the Board, the company's auditor and the Office of the Auditor General of Norway. The registration deadline is to be set as close as practically possible to the meeting, usually two working days prior to the meeting. Registration can be done in writing or orally.

Attendance

The Minister or the Director General/Deputy Director General (subject to authorisation) represents the shareholder at general meetings. One or two advisers from the department of the Ministry that owns Entra also attend.
Normally the whole Board attends, but the minimum requirement is for the Chairman to attend. The company's auditor shall be present. The Office of the Auditor General of Norway is entitled to attend. The company management should at least be represented by the Chief Executive Officer and Chief Financial Officer.

The meeting

In accordance with Section 5-12 (1) of the Norwegian Companies Act, the AGM is opened by the Chairman of the Board. The first item on the agenda is the election of a chairman for the meeting. This is usually the Chairman of the Board. The meeting is held in accordance with the agenda.

Minutes

Minutes are written immediately after the meeting, and are signed by the chairman of the meeting and one other representative, usually the shareholder's representative. The signed minutes are archived by the company. The company's shareholder and the Office of the Auditor General receive copies.

7. ELECTION COMMITTEE

Entra Eiendom does not have an election committee. Please see the procedures for electing the Board under Section 8 below.

8. CORPORATE ASSEMBLY AND BOARD, COMPOSITION AND INDEPENDENCE

Entra Eiendom does not have a corporate assembly (the Group has less than 200 employees).

Election of the Board

In accordance with the 1st paragraph of Section 20-4 of the Norwegian Companies Act, the AGM elects the five shareholder representatives on the Board. The shareholder (the Ministry of Trade and Industry) nominates these representatives ahead of the AGM, and the shareholder determines the composition of the Board at the AGM. In addition, two Board members are elected from and by the employees. The Board members are elected for two years at a time, and can be re-elected.

Composition of the Board

The shareholder puts a great deal of emphasis on the fact that the Board as a whole should have good experience of working on boards and of the company's areas of activities.
The Board consists of seven members, two of whom are employee representatives. § 5 of the company's articles of association states that the Board shall have between five and seven members. All employee representatives are independent of the company's management and major business partners, and all shareholder representatives are also independent of the company's major shareholder. Two of the shareholder representatives are women, which is in line with the requirements of Section 20-6 (1) of the Norwegian Companies Act that both genders must be represented on the boards of state-owned companies. It also states that if two or more employee representatives are elected, both genders shall be represented. One of the two employee representatives on the company's Board is a woman. Each of the two employee representatives has two deputies.

The current composition of the Board is considered satisfactory in terms of helping to add value at the company and safeguard shareholders' interests, whilst fulfilling the company's need for expertise, capacity and diversity. This view is also supported by the assessments made by the Board and the Group management on an individual basis in the annual self-evaluations.

No representatives of the Group's management are Board members. The AGM elects the Chairman of the Board. No Board members own shares in the company.

Independence of the Board

The Board considers itself to be independent of the Group's administrative management and of the Group's shareholder. For individual issues where there may be a conflict of interest or where one or more of the Board members may be disqualified, the issue is subsequently dealt with and resolved without the affected Board member(s) attending.

9. THE WORK OF THE BOARD

The tasks of the Board

The Board has overall responsibility for the administration of the company, and for monitoring the management and the company's activities; cf. Section 6-12 of the Norwegian Companies Act.

The most important tasks of the Board include drawing up and adopting the Group's strategy and overall objectives. Furthermore, the Board shall ensure that the business is run in a responsible manner, setting the company's plans and budgets, staying informed about its financial position, advising the operational management, reviewing and assessing existing authorisations, considering and approving major investments and decisions of principle, and carrying out necessary audit functions.

An annual calendar has been drawn up for the work of the Board, detailing the topics that should be the main areas of focus at the various Board meetings.

The Board is also responsible for employing the Chief Executive Officer, and shall be consulted on other management recruitment decisions at the Group.

Guidelines for the Board

The Board has drawn up a set of guidelines for its work, which set out the tasks of the Board and its relationship to the operational management. They also specify requirements for Board meetings, dealing with issues such as notices of meetings, the implementation of meetings, relevant documents, what is needed for a decision to be valid, official rules about minutes and the presentation and distribution of minutes, and how potential disqualification shall be dealt with by the guidelines. The guidelines also set out requirements on how

Board members shall perform their duties. The contents of the guidelines are reviewed annually.

Guidelines for the general management

The guidelines for the Board also include guidelines for the general management governing the general manager's tasks and the relationship between the Board and the general manager. § 7 of the guidelines for the Board deals with the main difference between the responsibilities of the Board and of the general manager:

> *«The general manager is responsible for running the company's operations. The Board can give the general manager guidelines and instructions on how he should exercise his authority. The Board should wherever possible avoid getting involved in individual issues.»*

§ 8 clarifies that «General management does not cover issues that are unusual for the company or of great importance». The operational authority of the Chief Executive Office is regulated by the authorisation structure.

Financial reporting

The Group's annual accounts that are presented to the Board are reviewed by our internal finance department and by the company's auditor, in order to ensure that the company complies with generally accepted accounting practice, and that all of the information corresponds to the actual situation, and that no significant information has been left out.

The Board is given quarterly reports on the financial status of the company in relation to the budget and last year's figures, and quarterly forecasts are also made for the full-year figures. Monthly financial reports are also produced by the Group's management and business areas.

The company's audit committee reviews and evaluates interim and annual reports before they are given to the Board.

Chairman

The Chairman of the Board is Grace Reksten Skaugen.
She is in charge of the work and meetings of the Board. Prior to Board meetings, the Chief Executive Officer discusses a draft of the agenda with the Chairman, and the final agenda is agreed. Martin Mæland is the Vice Chairman of the Board.

Board meetings

There are six regular Board meetings each year, and a schedule is drawn up for when the meetings will be held. Additional Board meetings can also be held as required. In 2007 there were 13 Board meetings.

At all of the Board meetings, the Chairman gives a statement, and the Chief Executive Officer gives an account of the events of the past period, areas of risk and how they are being dealt with and of future challenges and tasks. The ordinary Board meetings cover the following main topics:

- at the first meeting (in February) the final consolidated accounts for the year are adopted, and the Board evaluates its own ways of working.
- at the second meeting (April/May) the Group's 1st quarter results are reviewed, and the administration reports on the anticipated results for the year. The Board has a discussion with the CEO, and they agree on the objectives for the year.
- at the third meeting (June), the Board reviews the company strategy, and the administration reports on the impending budget process.
- at the fourth meeting (in August) there is a report on the preliminary budget, the Group's 1st half results are reviewed, and the administration reports on the updated anticipated results for the year.
- at the fifth meeting (October), the Board adopts the Group's final budget. In addition the Group's 3rd quarter results are reviewed, and the management reports on the updated anticipated results for the year.
- at the sixth meeting (December), the management reports on results and status in terms of human resources. In addition, it reports on the provisional/anticipated annual report and accounts.

Board meetings also deal with other matters for the consideration of the Board (such as investments, purchases and sales), discussions and reports in accordance with the current authorisation structure and relevant topics/events.

In addition to the Board members, Board meetings are regularly attended by the Chief Executive Officer, the Chief Financial Officer and Director of Communications (reporter). Other members of the management team attend as required. The company's auditor attends when the annual report and accounts are being adopted, or on other occasions where the expertise of the auditor is relevant.

Sub-committees

There are two sub-committees: the audit committee and the remuneration committee.

Audit committee

The audit committee consists of the Board members Finn Berg Jacobsen (chairman) and Ottar Berge Guttelvik. They have been appointed for a period of two years. The Chief Financial Officer and committee secretary also attend regularly. The company auditor and other members of the company's management attend as required.

The audit committee's mandate is set out in a separate document prepared by the Board, which includes the following definition of the committee's aims:

«The Board's audit committee is a sub-committee of the Board of Entra Eiendom AS, and its purpose is to carry out more thorough assessments of questions relating to financial reporting, internal controls and risk management.

The Board's audit committee shall prepare issues for the Board, supporting the Board in exercising its responsibility for administration and supervision, and shall report to the Board.

The Board's audit committee shall ensure that the Group is subjected to an independent and efficient external audit and satisfactory internal controls.

The Board's audit committee shall monitor that the Group has procedures and systems in place that result in good compliance, and that the Group's ethical rules are adhered to.»

The audit committee has a fixed schedule of meetings, with at least four meetings each year. There are specific topics/areas that are dealt with at the meetings. Notices of meetings and relevant documentation should be distributed no later than one week before each meeting. The minutes of each meeting are to be distributed to the committee members no later than one week after the meeting, and thereafter to other Board members. The Chairman of the audit committee gives a brief summary of the committee's work at the subsequent Board meeting.

Remuneration committee

The remuneration committee consists of the Chairman of the Board Grace Reksten Skaugen (chairman) and Board members Gerd Kjellaug Berge and Martin Mæland. The Director of Human Resources also attends on behalf of the management.

The objectives of the remuneration committee are set out in separate guidelines prepared by the Board, which include the following definition of the committee's aims:

«The remuneration committee shall assist the Board in its work on all issues relating to terms of employment, pay and any redundancy packages for the Chief Executive Officer and those who report directly to the CEO. The committee shall keep up-to-date with, and propose guidelines for setting, the remuneration of key employees at the Group.»

The committee normally meets twice a year. The minutes of the committee's meetings are sent to the Board.

The Board's evaluation of its own work

At the first ordinary Board meeting of the year (in February) the Board assesses the quality of its own work. This includes looking at its way of working and its composition in terms of expertise and teamwork. The work of the Board is also evaluated on an ongoing basis in conjunction with assessments of individual issues.

Board portal

Entra Eiendom's Board uses a dedicated Board portal as an information tool.

10. RISK MANAGEMENT AND INTERNAL CONTROLS

The responsibilities and objectives of the Board

Entra's overall strategy for risk management states that:

«The Group shall take a proactive approach to managing risk. For all decisions and actions potential risks shall be:
- identified
- assessed
- quantified
- and dealt with»

In practice risk is managed at each business area as an inherent part of work processes.

The Board ensures that risk is dealt with in a satisfactory manner through existing policies and guidelines.

As a natural consequence of Entra's activities, areas of focus and defined objectives, the Board and management knows that the company must take risks. The Board and management have established routines and procedures for handling the consequent exposure to risk in the best possible way. These include project procedures, guidelines on the purchase and sale of properties, a finance policy and guidelines for managing financial risk, as well as an HSE policy.

The Board's audit committee has a special responsibility for ensuring that the company establishes and continuously develops systems for managing risk and providing internal controls. The committee also reviews procedures and systems for compliance activities and ethical guidelines.

The audit committee reviews interim and full-year financial reports. The focus of this review is on changes in accounting principles and practices, important estimates and compliance with relevant legislation, regulations and accounting standards. The committee also looks at the information in the company's interim reports and the Board's annual review, to check that it is accurate and complete, and complies with the requirements pursuant to relevant legislation and regulations.

In 2007 Entra established a Quality Assurance department, which is responsible for internal controls, amongst other things. A plan has been drawn up for internal control activities in 2008, which has been approved by the audit committee. The findings of internal control activities are to be reported to the audit committee.

Special authorities have been given and guidelines have been drawn up to govern the management's day-to-day implementation and follow-up of Board resolutions. System support also helps to ensure proper implementation and documentation.

The Quality Assurance department has overall responsibility for establishing, following up and communicating all of the company's procedures and guidelines. Separate parameters have been established for measuring and reporting risk elements in the business areas.

The Group's Investment and Finance unit is responsible for the day-to-day management of the Group's financial risk, and for ensuring that it is in line with the finance strategy adopted. Financial instruments are used actively to manage risk exposure.

Other commercial and financial exposure to risk through agreements (lease contracts, design and build contracts, etc.) are handled by the relevant business area, if necessary in cooperation with the administrative staff.

The management of the company's risks is discussed in greater detail under the business description in the annual report.

The ethical guidelines set out how Entra is to treat all of its stakeholders and what conduct is expected of employees. The guidelines and ethical tools shall help employees to make decisions and solve problems. The guidelines include a description of how employees can report illegal or unethical conduct by the company. Employees are encouraged to inform of any breaches of the company's ethical guidelines or current legislation. An internal ombudsman can be contacted in the event of issues that employees do not wish to report through their line management. The work of the ombudsman is governed by separate guidelines. In 2007 the ethical guidelines were expanded with guidelines on gifts and representation, including a ban on the purchase of sexual services.

The Board's review

The Board's audit committee performs an annual review of risk management and internal controls. In addition, assessments and reviews are carried out as and when issues arise through periodic Board and audit committee meetings.

A written report on the business is presented at each Board meeting, in which the management describes ongoing activities within all of the company's business areas, focusing on risk and defined parameters for quality control.

For each Board meeting a list is drawn up of issues previously raised by the Board, setting out what action the management has taken. The list is reviewed at Board meetings.

The audit committee and Board review the auditor's management letter, as well as the findings and assessments of audits in conjunction with interim and annual reports.

11. REMUNERATION OF THE BOARD

The remuneration of the Board is set annually by the AGM. At the 2007 AGM it was decided that the Chairman should be paid NOK 335 000, whilst other Board members should receive NOK 165 000. Deputies are paid NOK 5 500 for each meeting they attend. It was decided that the Chairman of the Board should receive additional compensation for her other work at the company. This will be payable on an hourly basis, and in 2007 the Chairman received a total of NOK 81 000 in additional compensation. No other members of the Board have performed any work for the company other than their duties on the Board. The Board members do not receive share options or any other performance-related pay from the company.

In addition, members of the Board's sub-committees receive the following remuneration

- Chairman of the audit committee: NOK 55 000.
- Member of the audit committee: NOK 40 000.
- Chairman of the remuneration committee: NOK 40 000.
- Members of the remuneration committee: NOK 25 000.

12. REMUNERATION OF KEY EMPLOYEES

Determining salaries and remuneration

The Board determines the Chief Executive Officer's salary and other remuneration. Please also see the comments under the section on the remuneration committee.

The aim is for the company's total remuneration of the Chief Executive Office and of other members of the management group to be competitive, but not market-leading. This is line with the «Guidelines on terms of employment for managers at wholly state-owned enterprises» of 13 July 2004, and Section 7.4 of White Paper no. 13 (2006-2007) on «Management pay and incentive schemes».

Performance-related pay

The Chief Executive Office and the rest of the management group are covered by the same performance-related pay scheme as the rest of the Group's employees. In 2007 certain changes were made to the company's performance-related pay scheme, and it is now based on an external benchmark created by Investment Property Databank, IPD. Customer satisfaction scores and individual goals continue to play a part in determining performance-related pay. Total performance-related pay in any given year can total no more than one and a half months' salary.

The principles governing the performance-related pay scheme are described in greater detail in a separate document.

In addition to the standard performance-related pay scheme, a discretionary bonus is paid to the CEO based on an assessment of what goals have been achieved. This bonus is limited to a maximum of 3 months' salary.

There are no share option schemes for key employees.

Remuneration in 2007

Please see Note 23 in the consolidated accounts for further details about the remuneration of key employees.

13. INFORMATION AND COMMUNICATION

Financial reporting and communication

The Group's annual and interim accounts are published within the deadlines specified by Oslo Børs and by our lenders.

The preliminary annual accounts are made public via Oslo Børs immediately after they have been reviewed by the Board in the second half of February. The complete annual report is sent to the shareholder and to other stakeholders, and is also published on our website.

Interim reports are made public via Oslo Børs and on our website immediately after they have been reviewed by the Board. A financial calendar setting out when our annual and interim reports will be published has been sent to Oslo Børs and is available on our website.

Meetings and presentations are also arranged with financial institutions and other stakeholders as required.

Entra Eiendom wishes to act and report to external stakeholders in the same way as a listed company. This applies to the content, frequency and contemporaneity of the company's external reporting. Reporting must fulfil all the statutory requirements and, at the same time, provide sufficient additional information to allow the company's stakeholders to form as accurate a picture of the business as possible.

Other communication

We have drawn up media guidelines for the Group, governing who should speak on behalf of the company on different matters.

Dialogue with shareholders

Separate meetings must be held with representatives of the shareholder and company at which the annual and interim accounts are presented. The CEO and CFO always attend on behalf of the company. Other members of the senior management team attend as required.

Shareholder representatives, the Chairman and the CEO also meet as required.

14. ACQUISITION

The company is wholly owned by the Norwegian Government through the Ministry of Trade and Industry. The Ministry of Trade and Industry cannot sell shares in the company without special authorisation from the Storting (Norwegian parliament). The Board has not implemented measures that could limit the possibility of other people buying shares in the company if the Storting decides that the Norwegian Government is going to reduce its shareholding. Nor does the Board intend to implement any such measures.

If in the future the Storting were to decide to sell some of the shares in the company, the Board would inform the shareholder of its assessments and recommendations in terms of selling the shares. This is on account of the Board's expertise and understanding of the company, which we believe would be valuable to the shareholder in any such process.

15. AUDITOR

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.

Auditor's relationship to the Board

The auditor always attends meetings of the audit committee, and also attends Board meetings to review and adopt the annual report. The auditor also attends meetings of the audit committee and Board when interim audit reports and other matters for which the auditor's expertise is relevant are being discussed. At all times, the Board is entitled to have separate meetings with the auditor, without representatives of the company management being present. From 2008 the audit committee will hold two meetings with the auditor each year, which will not be attended by the company's management.

Auditor's relationship to the administration

The Board has drawn up separate guidelines on the use of the external auditor, governing what work the auditor can do for the company in view of the requirement for independence. Any major tasks other than statutory audits shall be approved by the audit committee in advance. The auditor shall each year report to the audit committee on the work he has performed.

In 2007, in addition to statutory audits, the auditor provided consultancy on accounting and tax issues, performed an operational audit of the project portfolio, carried out due diligence in conjunction with the purchase of shares, gave advice on IFRS reporting and helped to evaluate what level of dividend could be payable. Please see the more detailed explanation in note 23.

Annual General Meeting

The auditor attends the AGM in connection with the discussion of the annual accounts. Here the distribution of the auditor's fee between auditing and other services is explained, and the total fee is approved.

Change of auditor/partner

Guidelines from the Ministry of Trade and Industry require partners to be rotated every seven years at enterprises in which there is a public interest. This is based on Chapter 11, Article 40 of the EU's 8th company directive on auditing, which is expected to be incorporated into Norwegian law by 1 April 2008. In 2007 the partner responsible was changed in accordance with the guidelines.

16. FURTHER DETAILS ABOUT THE GROUP

Group structure

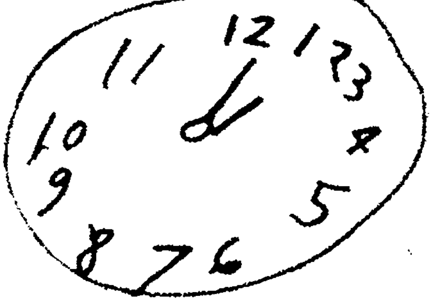
The parent company is Entra Eiendom AS. The parent company owns eleven wholly owned and four part-owned subsidiaries. These include 14 companies that are involved in the ownership, development, management and operation of individual properties. With effect from 1 July 2007, Entra Eiendom purchased all of the shares in the property companies Bispen AS and Cardinalen AS. In addition, Entra Eiendom has shareholdings in seven further companies. Please see in the consolidated accounts Note 11 for a summary of subsidiaries and Note 12 for joint ventures and associated companies.

Company managers and employees sit on the boards of the subsidiaries. The Chief Executive Officer of Entra Eiendom is the chairman of all of the subsidiaries' boards. The boards meet the requirements relating to balanced gender representation. Members of these boards are not remunerated for their work.

At 31 December 2007 the Group had 151 employees, working 143.5 man years. Apart from two employees at Papirbredden Eiendom AS and 24 employees at Optimo AS, all of them were employed at the parent company.

Group management

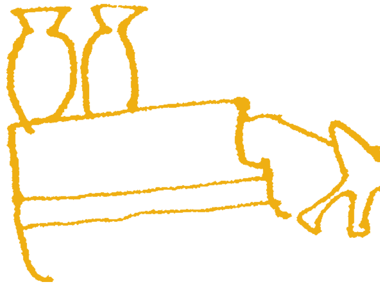
The Group's management group consists of nine people. The acting Chief Executive Officer is Torodd Bøystad. In addition to him, the management group consists of the heads of the three main business areas (Projects/Development, Marketing and Technical Services), the Chief Financial Officer, the Director Investment and Finance, the Director of Human Resources, the Director of Communications and the Director of Strategy. The management group holds regular weekly meetings.



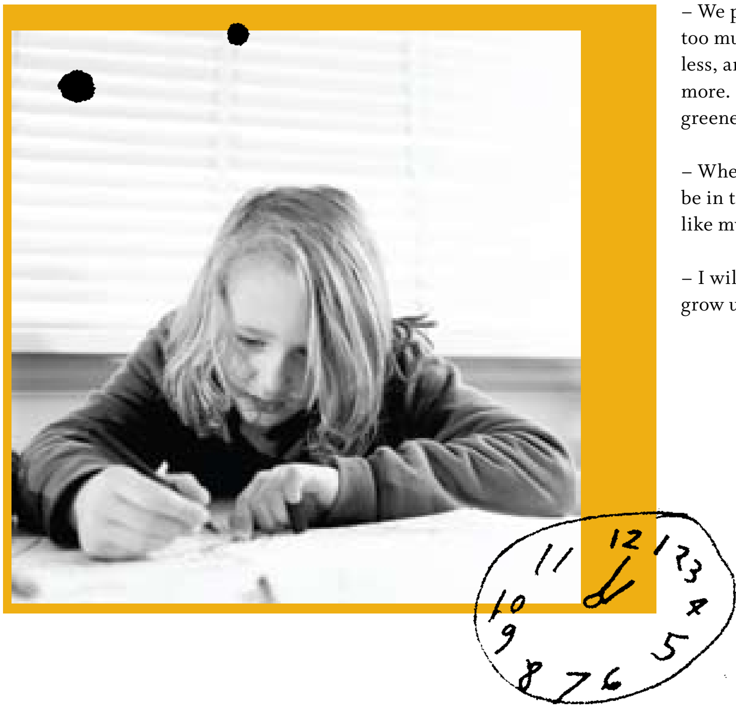
Frans, Noa and Jesper
OSLO, 9 YEARS OLD

«Oslo is the first town of the future»

«This was where it started»



Jesper: I cycle, which is environmentally friendly. And I use a scooter, roller skates, skis and a snowboard.



– We pollute the environment too much: we must use cars less, and use trains and trams more. Fewer factories and greener cars.

– When I grow up I want to be in the army. I want to be like my uncle.

– I will fly to work when I grow up. In a luxury plane.

Noa: In the future we will fly in spaceships and breath in oxygen through helmets. Maybe we will go on holiday to the moon or to Mars.

– In the future, the buildings will be slightly wavy and weird, with lots of space for lots of things.

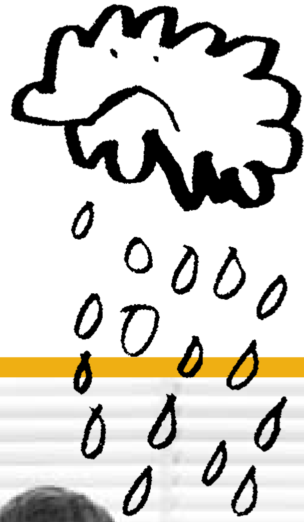
– There will be bigger fires in the future.

– We must try to cycle to work more, or maybe even go to work on skis. Or on a rope pulled by an environmentally friendly car.

– We are trying not to smash the ozone layer.

– I don't know what I will be. Maybe an actor, or work on children's TV, or be a clown or a stuntman.

– In a hundred years 11,000,000 people will live in Oslo, because we keep boasting that it's such a great place to live. Oslo is the first town of the future. This was where it started.



Frans: A town is somewhere that you can live in in a country. Like Oslo or Trondheim, or even Tromsø.

Our business – strategic focus

ENTRA EIENDOM AS is charged by its shareholders with achieving a good market return on invested capital. In open competition on the private property market, the company shall be the best provider of office premises to the public sector.

Entra's vision is to be a host for people, thoughts and ideas, working with its customers to create tomorrow's spaces for problem solving.

ENTRA'S OVERALL OBJECTIVES ARE

- To have satisfied customers
- To provide shareholders with a market rate of return
- To be a leading player in its prioritised markets
- To offer challenging and attractive employment opportunities

To achieve these objectives, Entra Eiendom has chosen the following strategies

- The primary objective of Entra Eiendom is to cover the public sector's need for premises in a competitive market.
- Entra Eiendom shall be a major player in Oslo, Bergen, Trondheim, Kristiansand and Stavanger, and shall also proactively seek to act as a host for public sector customers elsewhere in Norway.
- Entra Eiendom wishes to achieve a considerable market share/critical mass in the three largest cities, and to help ensure that urban development projects benefit society as a whole.
- Entra Eiendom shall proactively seek out new public sector customers outside its core regions, provided that the projects are big enough either in their own right, or in a natural combination with other projects.

ENTRA EIENDOM SHALL PERFORM FUNCTIONS THROUGHOUT THE VALUE CHAIN FOR THE PROPERTY INDUSTRY.

Our core competence is focused on six main areas

- Property development
- Being a builder in the realisation phase
- Being a property owner
- Managing our own portfolio
- Operating and maintaining our own properties
- Offering a range of services that go beyond management, operation and maintenance

ENTRA EIENDOM SHALL HAVE A PRESENCE IN ITS SELECTED CITIES, EITHER THROUGH ITS OWN EMPLOYEES OR BY MEANS OF STRATEGIC ALLIANCES.

Local players often know about projects at an early stage, have access to attractive sites and are familiar with the local bureaucracy.

Entra Eiendom can contribute building expertise, financial strength and knowledge of central government bodies.

Combining Entra Eiendom's resources with those of the local players provides synergies. Entra will seek to establish local alliances or to achieve the same effect by developing its own local presence.

CONTINUOUS STRATEGIC REVIEW

Entra's overall strategy is set out in its Business Plan, which is regularly reviewed by the Board as part of its continuous review of the company's strategy. The strategy should set out Entra's overall objectives in general terms, and provide a framework that allows the company to be as successful as possible. Entra has so far provided a good rate of return, whilst also fulfilling the company's ambitions in terms of corporate social responsibility in areas such as working conditions, the environment, energy, culture and architecture. These issues have been at the heart of the company's main aims for a long time, and Entra constantly tries to improve its performance in these areas.

The goals of the strategic review are to

- Formulate a commercial interpretation and clarification of the company's operating framework.
- Lay the foundations that will allow the company's property portfolio, financial resources and human capital to be managed in an appropriate manner.
- Define Entra's business concept.
- Review our current values, vision and overall objectives.
- Ensure that the company meets its social obligations throughout the organisation.
- Develop primary strategies that match the motivations and

expertise of the human capital with the company's ambitions and priorities.

- Develop practical strategies and plans of action for Entra, with a focus on the fields of property management, marketing, finance and human capital.
- Find an appropriate organisational structure for Entra, and review it regularly.

Entra Eiendom's activities are based on a corporate governance model that ensures the compatibility of its strategic choices and operational activities. The successful implementation of the company's strategies is secured through a management model with procedures and tools for auditing and follow-up.

Entra has a framework for formulating goals for employees and evaluating their performance, in line with its chosen strategies. The company's aims and strategies are broken down into individual goals for the operational units; cf. Fig. 1, page 74.

Entra's business plan is the Board's most important corporate governance document, and the Board has overall responsibility for the company's strategic direction and development. The business plan is also Entra's most important tool for reporting to its shareholder how it aims to achieve the shareholder's objectives for its ownership. The business plan defines areas such as the company's vision, business concept and overall objectives. The key elements to Entra's business are being a good host, playing an active role throughout the value chain of the property industry and fulfilling the company's social obligations.

In 2007, Entra tightened up the company's main strategy by increasing the focus on contracts and development projects with government and public sector customers. The regional strategy was also tightened up, with a view to achieving a significant market share/critical mass in Oslo, Bergen, Trondheim, Stavanger and Kristiansand. Entra Eiendom will also proactively seek new public sector customers outside its core regions, provided that the projects are big enough either in their own right, or in a natural combination with other projects.

CORPORATE SOCIAL RESPONSIBILITY

The parliamentary bill St.prp. 84 (1989-99) relating to the establishment of Entra Eiendom AS, under the chapter «The State as Client and Property Manager in a Social Perspective», states that the company shall:

- be a driving force in the development of a more environmentally friendly building and construction industry
- set a good example in urban and regional development, cultural conservation, research and other development activities
- facilitate pilot projects for testing new technical solutions
- have a particular responsibility for architecture and aesthetics

Responsibility and trust are closely entwined. For Entra it is essential to have the trust of its customers, owners, employees and of society as a whole. A conscious effort is therefore being made to fulfil the company's social responsibilities in a comprehensive manner. The company's ambition is to integrate social responsibility into the everyday running and development of the company.

At the start of 2007, the company established an action plan for corporate social responsibility for the period 2007-2009. Over the course of 2007, to ensure the successful implementation of the action plan, Entra set up cross-disciplinary working groups in the fields of health, safety and the environment (HSE), responsible purchasing, ethics, equal opportunity and ethnic minorities. The groups report to a steering group for corporate responsibility. The steering group shall ensure that the action plan is implemented, and also provides a forum for the discussion of other topics relating to corporate responsibility.

Entra Eiendom's web-based quality assurance system, the Entra model, includes policies and procedures for corporate responsibility. The model integrates company strategy, corporate responsibility and corporate governance with procedures and tools for business areas and support functions. The Entra model is constantly being developed, and changes are communicated to all employees through monthly newsletters, amongst other ways.

In order to achieve its objectives relating to corporate responsibility, Entra has focused on improving its corporate

FIGURE 1

IMPLEMENTATION OF STRATEGIES

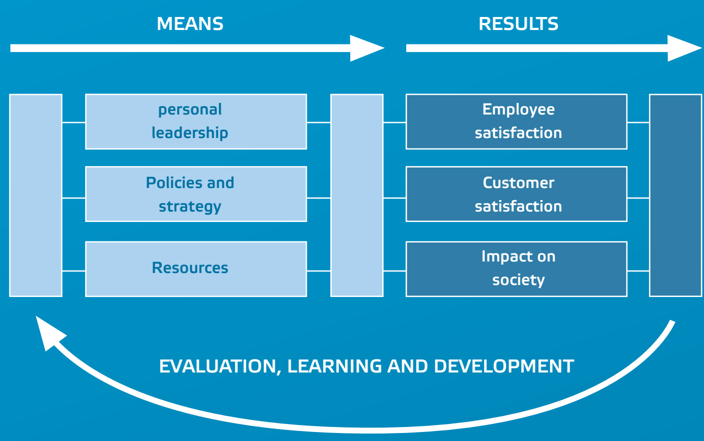
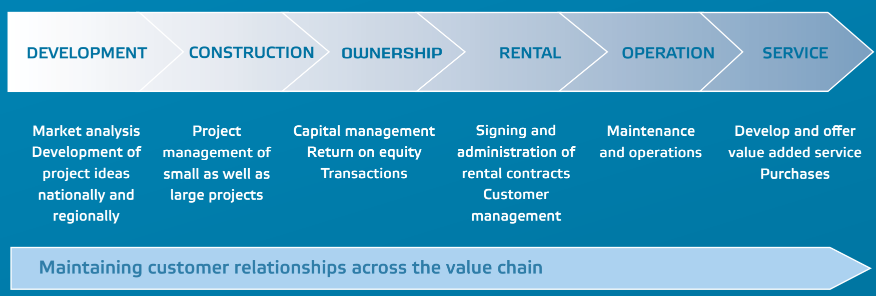


FIGURE 2

VALUE CHAIN

Entra Eiendom carries out all functions within the value chain



culture and employee attitudes. For the period 2007-2009 it has chosen to prioritise

- Implementation of the action plan throughout the organisation, through internal notices and meetings with employees.
- Providing information and training to, and setting requirements of, advisers/partners who act on behalf of Entra. New framework agreements to ensure that the company fulfils its social responsibilities are to be established.
- Mapping expertise in areas such as environmentally friendly, energy efficient and responsible purchasing, and planning training at least one year ahead.
- Procedures, documentation, monitoring systems and reporting
- Systematic HSE work to prevent unwanted circumstances and incidents.

Ethics

The company's ethical vision is that «Entra Eiendom acts honestly and responsibly in all contexts, has zero tolerance for breaches of ethical and moral guidelines, and does not abuse power».

The vision is specified in greater detail in various overall ethical objectives:

- The company shall be an industry leader in its work on ethical issues
- Its activities shall be performed in accordance with fundamental human rights, and the same requirements shall apply to partners and suppliers
- There shall be transparency about problems relating to corruption, conflicts of interest and disqualification.

In 2007, the company's ethical guidelines were expanded to include guidelines on gifts and representation, as well as ethical rules for suppliers. The Ministry of Trade and Industry's intention of requiring the purchase of sexual services to be prohibited has been incorporated into the guidelines.

Entra already had a company ombudsman, who looks into ethical issues and compliance with relevant legislation. The procedures relating to the ombudsman's tasks have been updated, to take into account the Working Environment Act's new rules on reporting.

All of Entra's operational staff have attended a course on purchasing, communication with suppliers and ethics. The course will be extended to other employees in 2008.

In 2007, all employees and regular project managers were surveyed on the Entra model, and their familiarity with the company's ethical guidelines were measured. 93.7 percent of respondents had read the ethical guidelines, and 88 percent believed that the ethical guidelines provided a good basis for dealing with ethical dilemmas.

The external environment

All buildings impact the environment throughout their life cycle, from their construction through their operation to their demolition. The company's environmental vision is that its «properties shall contribute towards sustainable development within its financial framework». Environmental work at Entra focuses on the following main challenges:

- Energy consumption and energy carriers
- Climate change
- Waste and waste management
- Hazardous substances

Entra also focuses on the following environmental topics:

- Space efficiency
- Indoor climate
- Water consumption
- Work travel
- Skills development and raising awareness of environmental issues

THE ENTRA MODEL

In 2006, Entra finished creating a new corporate management tool called the Entra model. The reason for developing it was that in 2005 we implemented a new organisational model to provide better support to the value chain, and to lay the foundations for the continued development of the company. Establishing and quality assuring good work processes has been part of our ongoing efforts to minimise risk. The company's aim of improving the way in which it meets its obligations to society is an integrated part of the model.

The Entra model was developed with a large amount of employee input. It was done in consultation with the management, and with the support of the Board, the Audit Committee and the employee organisations. The Entra model has been quality assured by Det Norske Veritas (DNV). DNV has verified that the Entra model provides a good basis for ensuring effective and focused corporate governance at Entra Eiendom.

The Entra model integrates overall *governance* with procedures for *support functions* and core activities in the *value chain*.

Governance provides the necessary guidelines to the value chain and support functions. Governance shall also help to ensure that Entra achieves its strategic goals in a way that makes it a reliable and trustworthy partner. Important aspects of governance include values and principles to guide the company's operations, including Entra's view on corporate responsibility in areas such as the environment, HSE, quality, ethics, responsible purchasing and a healthy working environment.

The support functions shall help to ensure that our core activities can be carried out effectively and to a high standard. The support functions make it possible to manage the company's properties in a professional manner and allow good purchasing routines.

The value chain includes all processes that are necessary in order to perform Entra's role as a good host. Collectively, these core processes shall add value for customers. Our procedures within the value chain shall, with the help of practical tools, turn our strategy and principles for corporate social responsibility into work processes.

In 2007 there was a focus on implementing and developing the model. Over the course of the year, all of Entra's employees and regular project managers were surveyed on the model. 95 percent of respondents were positive about the quality assurance system. The many constructive suggestions received mean that the survey provides a good basis for further developing the model.

CUSTOMER FOCUS

Good customer care is a prerequisite for operating in a long-term rental market. Satisfied and loyal customers are the best guarantee that we are doing a good job. At the very core of the company's customer relationships there must be an active dialogue in which customers encounter professionalism, responsiveness and a service-minded attitude. Entra Eiendom AS currently has a broad customer base, with the public sector as its largest customers.

This places high demands on our own organisation, in terms of being able to satisfy the different customer requirements.

The company has built up a unique insight into the needs of public sector tenants, and views this as a competitive advantage.

Regular customer satisfaction surveys and close dialogue with our customers provide us with the necessary feedback to implement improvements.

Entra's target is for 90 percent of customers to be so satisfied that they would consider leasing from us again. This year's customer survey was the second one to be performed in collaboration with Scandinavian Leadership. Entra Eiendom is benchmarked against around 20 of the largest players in the industry, who it is natural for the company to compare itself with. This gives the company a way of measuring internal developments in relation to the market situation.

In 2007 97 percent of Entra's customers said that they would be happy to lease from Entra again, against 93 percent the previous year. 94 percent said that they would recommend Entra to others, against 89 percent the previous year.

PROJECT DEVELOPMENT

The development of new and existing properties is the first link in Entra Eiendom's value chain. This provides the foundation for the company's value creation, which shall ensure a market return to our shareholders. One of our defined objectives is that 15 percent of our portfolio at any given time shall be development properties. At the close of 2007 Entra Eiendom had a portfolio of around 1 116 365 m^2, of which 221 968 ^{2} was being developed.

In 2007 the project development department worked on implementing a new quality assurance system. The aim was to increase the profitability of projects by increasing the quality of actions and decisions, and to learn from previous projects by transferring experience. Through the Entra model, uniform procedures and tools have been introduced for the most important decisions that need to be taking during the implementation of a project, and this will also help to improve the documentation and traceability of important decisions.

Entra Eiendom's strategy and business ethics emphasise words like respect, safety, meeting expectations and high ethical standards. In view of this, the company has produced a document setting out the values that underpin all of the building projects that Entra Eiendom and its subsidiaries are involved in. The document deals with topics such as responsible purchasing, impacts on local communities, the environment, HSE, healthy working environments and business ethics. In 2007 there was a particular focus on our objective of being one of the leading players in the industry in relation to HSE issues. As a result, Entra Eiendom now imposes stricter rules on people working on the company's building sites. Consultants have been used to perform external HSE audits, and the company's performance is now measured against quantifiable HSE goals.

All of the buildings in Norway are responsible for around 40 percent of the country's total energy consumption. As a major property manager, Entra Eiendom considers it important to limit the environmental impact of its buildings, and all of its construction projects focus on measures to save energy and protect the environment. Entra's goal is to comply with new regulations immediately for all of its new projects, even if there is a transition arrangement in place.

The ability of the Directorate for Cultural Heritage to protect buildings in public ownership is one of external forces that Entra has to work with, but to optimise the planning, predictability and quality-led management of its properties, the company has worked with the Directorate for Cultural Heritage to come up with a comprehensive conservation plan, which deals with cultural heritage issues at all of its property portfolio.

Work on this plan started before the government introduced its cultural heritage project, which requires agencies and enterprises to have conservation plans. Entra has chosen to adjust its conservation plan to reflect the conservation categories and registration and documentation requirements of the Cultural Heritage Project. The Directorate for Cultural Heritage has separately drawn up a list of priorities, which names 20 properties in the conservation plan that it will recommend listing. About half of these are customs houses, which can be found in a number of towns in southern Norway: Oslo, Drammen, Moss, Skien, Porsgrunn, Larvik, Fredrikstad, Kristiansand, Stavanger, Bergen and Trondheim. The Directorate for Cultural Heritage also wants to list some other buildings in the portfolio, including the National Library in Oslo and the lazar house in Bergen.

In addition to the requirement for conservation plans, the government now requires enterprises to have a plan for managing the cultural heritage covered by their conservation plans, but which is not to recommended for listing.. Entra has started discussing what this should cover with the Directorate for Cultural Heritage, and will introduce cultural heritage based management plans into the MOM plans that the company already uses.

Research and development projects

Entra Eiendom and ROM Arkitekturpsykologi are collaborating on a pilot project. ROM arkitekturpsykologi's core expertise is in the design of premises optimised for the interaction between the company's culture, its formal structure and its physical architecture. ROM's role is to ensure that there is good communication and cooperation between user processes and construction processes within a project. Designing and moving into new premises or office layouts constitutes a change to any organisation. Through its collaboration with ROM Arkitekturpsykologi, Entra will be one of the first and leading property companies to offer its tenants professional consultancy for these processes. The purpose of the partnership for Entra is to increase our competitive edge by ensuring good access to leading expertise in the field of architectural psychology. The partnership is based on Entra's business concept of offering customised premises and services to Norwegian public and private sector enterprises, and its vision of creating the spaces of the future for problem solving.

Entra Eiendom is involved in the R&D project *Extended producer responsibility for buildings (GLITNE)* run by the Research Council of Norway. The main aim of the project is to gain a better understanding of how environmentally friendly buildings can be made more competitive. The project involves participants from the whole industry, including Statsbygg, NCC, Veolia, the National Office of Building Technology and Administration, The Norwegian Financial Services Association, Bellona, Snøhetta, SINTEF Building and Infrastructure and Standards Norway.

Entra Eiendom is also participating in the Health and light programme. This is a national R&D programme based around the Drammen region and the scientific community at Papirbredden, Drammen Science Park. The main strategies of the programme are to develop innovative services and products, and to improve cooperation between researchers, businesses and the public sector in the field of health and light. Entra's role is related to developing commercial buildings with the following areas of focus: preventive health, better performance, a more pleasant environment, integration of daylight/artificial light in designs/architecture and energy/the environment.

Current development projects

In the summer of 2007, Entra Eiendom formally took over the various properties at Kjørbo in Bærum. New lease contracts have been signed for all of the buildings there, in conjunction with which all of the office blocks will gradually be refurbished. One of the tenants will be the Asker and Bærum police force. The new police station will occupy approx. 12 000 m² of floor space, of which 7 000 m² will come from refurbishing the existing property. In parallel with the refurbishment of the properties, a new zoning plan is being drawn up for the area. The ambition is to turn an isolated industrial estate into an dynamic park with a mixture of businesses and public spaces for recreation and leisure.

In December 2006, the engineering department of Oslo University College moved out from some of its premises in Cort Adelers gate 30. The new tenant is John Bauer Privatgymnas, and the refurbishment of the premises was finally completed in the summer of 2007. In the summer of 2007 Oslo University College moved out of the remaining premises, and work has now started on refurbishing them. The project will be completed in the summer of 2008.

In Oslo, Entra Eiendom and the City of Oslo have agreed to transfer the properties at Pilestredet 28 and 30 A and B to Entra. As part payment for the properties, Entra Eiendom has undertaken to refurbish the property at Pilestredet 30 C (the «Blitz» youth centre) for the City of Oslo. The buildings at Pilestredet 30 A and B are to be refurbished and converted into a mixture of small flats, bed-sits and shared flats, and will be rented out to the Church City Mission. There will also be a museum flat in 30 B, in memory of Edvard Munch, who lived in the block when he was young. The zoning plan for the area has been approved, and subcontractors are currently being hired. Work on construction is expected to start during the 1st quarter of 2008.

In Oslo, Entra Eiendom has decided to go ahead with Oslo Z, a new office block on the site between the sidings at Oslo Central Station and the old customs house at Schweigaardsgate 15. There has been an architectural competition for the design of the building and the link to the station area. The project comprises 15 000 m² of gross floor space. It is hoped that work on construction can start in the 1st quarter of 2008.

The Ministry of Culture and Church Affairs is looking at the possibility of moving the new National Museum of Art, Architecture and Design to a single site. The project is a collaboration between Statsbygg and Entra Eiendom, and aims to come up with an outline proposal for a new building for the National Museum in the Tullinløkka area of Oslo. Entra is participating on the basis of its ownership of several properties in Kristian Augusts gate. An international architectural competition is planned for the design of the museum building, and the competition specification will be ready in the near future.

At Akersgata 51 in Oslo, 17 800 m² of floor space is being completely refurbished and converted. The project started with internal demolition work in the autumn of 2006, and is continuing with refurbishment and conceptual changes to the building, including new vertical communications, the creation of light wells and a partial two-storey extension. Estimated completion is in the summer of 2008.

The refurbishment of the old Oslo Havnelager building at Langkaia is continuing. Work started at the end of 2005, and the property is being refurbished storey by storey. This is being done while there are still tenants in the building, which makes it very challenging to ensure that the building process is safe.

In conjunction with the refurbishment and extension of the National Library, it was decided to build an additional 5 000 m² underground space. This space is currently being used for parking, but is designed to be upgraded into storerooms as required. At the request of the Ministry of Culture and Church Affairs, Entra Eiendom has now started upgrading this space into storerooms. The project will provide storerooms for the National Library and the National Museum of Art, Architecture and Design.

At Strømsveien 96, Entra Eiendom has agreed to an extension of the Norwegian Pollution Control Authority's lease, in conjunction with which it is upgrading the building. The project will involve improving the indoor climate in conference rooms, upgrading common functions and will result in more efficient use of space for the tenant. Construction work started in the summer of 2007, and is expected to be completed in summer 2008.

At Brynsengfaret Entra has started refurbishing Brynsengfaret 6c. This 700 m² building is on the Directorate for Cultural Heritage's yellow list, and is close to the Alnafossen business park.

On 1 October, work was started on an extension to Romerike police station. The property is situated at Jonas Lies gate 20-28. The 4 000 m² extension will mainly consist of offices. Completion is expected on 1 January 2009.

In Bergen the development of the Nonneseter quarter is underway. This 17 000 m² new-build has been leased to the City Treasurer of Bergen, the Bergen Tax Office, the Hordaland County Tax Collection Office, the Hordaland County Tax Office and Manpower. The property consists of two main buildings joined by an atrium. The taller building is 13 storeys high, whilst the lower one is 11 storeys high. Estimated completion is in the summer of 2008.

In Trondheim, work has started on refurbishing Erling Skakkes gt 25. The property is by Statens Hus, which was recently acquired by Entra. This project, along with the construction of a hotel in Olav Tryggvasons gate and the Bratørkaia development, reinforces Entra's strong position in Trondheim.

Completed building projects

In the winter of 2007, Vøyenenga school was completed and handed over to Bærum Municipality. The school is a PPP project (public private partnership), and will involve Entra financing and building the school, and operating it for a period of 20 years. Three forms started using the school in February, with the whole school becoming operational in autumn 2007. Since the autumn of 2007, a municipal nursery school has also occupied part of the building.

At Østerås in Bærum, the extension and refurbishment of The Norwegian Radiation Protection Authority's premises has been completed. The project consisted of refurbishing 3 600 m^2 of floor space, and of adding a 600 m^2 and a 400 m^2 extension. Sylvia Brustad, the Minister of Health and Care Services, performed the official opening on 13 June 2007. The building is fully leased for 20 years.

Akersgata 32 is a jointly owned building where Entra owns approx. 2 100 m² of commercial premises. The building was completely refurbished in 2007, in partnership with the other joint owners. New lease contracts have been signed for the whole building.

Work on Stovner police station was completed in February 2007. An extra storey was added, the entrance was redesigned and building services were upgraded. The police station remained fully operational throughout the construction phase, which made it a challenge to ensure the safety of the public and users during the project, whilst allowing the police to go about their work with as little disturbance as possible.

In Lillestrøm, Entra has refurbished Storgata 14. This 2 100 m^2 property was completed in spring 2007, with Adidas being the main tenant. However, in the summer of 2007 the building suffered a fire, and repair work is now underway. Adidas will move back into the premises in March. The ground floor has been leased to a restaurant, which will take possession in autumn 2008.

In the autumn of 2007, Entra Eiendom completed the refurbishment and conversion of Wergelandsveien 29. The building was previously used by the education sector, housing institutions such as the Oslo Teacher Training College, Oslo University College's engineering department and the private school John Bauer. The building has now been leased to The Freedom of Expression Foundation, which will use it as Norway's first literary centre. This

3 400 m² building houses a café, bookshop, stages and rooms for discussions, debates and seminars. There are places where authors and writers can work, as well as an author's apartment.

Companies jointly owned with municipalities

Entra Eiendom owns the company Papirbredden Eiendom AS in partnership with Drammen Eiendom KF. Papirbredden Eiendom owns Papirbredden - Drammen Science Park, Union Scene and a neighbouring site with the potential for a 18 000 m^2 development. In the spring of 2007, work was started on refurbishing the parts of Union Scene that are not yet being used. The main tenants will be various cultural organisations in Drammen. The premises will be gradually refurbished and taken into use, with final completion in spring 2008.

Kristiansand Kunnskapspark is a joint venture between Entra Eiendom and the Municipality of Kristiansand, which is responsible for building a science park at Gimlemoen in Kristiansand. The plan is for 15 000 m² to be developed there in three construction phases, with the park offering tailor-made premises to knowledge economy and innovative businesses associated with Agder University College. The first phase, which consists of 6 800 m², was officially opened on 15 November. The building is not yet fully leased, and work on leasing it out and customising it will continue into 2008.

In Mo, Entra Eiendom and Rana Municipality have agreed to establish a jointly owned real estate company for the development, building and operation of a university and cultural centre. The tenants will include Nesna University College, Bodø University College and Rana Municipality. The plan is for the project to be completed in 2011. The first step will be to hold an architectural competition for the building.

Companies jointly owned with other companies

In partnership with Utstillingsplassen Eiendom AS and Koteng Holding AS, Entra Eiendom owns the old harbour storage houses at Brattørkaia in Trondheim. This partnership is organised through a company called Brattørkaia AS. A new zoning plan for the area was adopted in March 2007, and we are now working with our partners to establish a link to the railway station and on to the city centre. Brattørkaia AS has so far completed premises for NTNU Sealab and Sintef at Brattørkaia 17b, and in the summer of 2007 the final phase of the project was started.

On 19 September it was announced that Brattørkaia AS had won the competition to house the new national pop and rock music centre, to be located at the «Flour warehouse» at Brattørkaia 14. The criteria on which the choice was made were price, functionality/quality and location. The net floor space of the building will be 3 325 m², half of which will be exhibition space. The centre will also house a stage, workshops, a café and offices. Making use of the very latest in interactive exhibition technology, the centre will present the history of Norwegian rock and pop music. The centre will open in the summer of 2009.

In Trondheim, Entra Eiendom has started work on building a hotel at Krambugata 3 in partnership with two local investors. The project consists of converting an office block, as well as demolition and new build. This 10 000 m² hotel will have 197 rooms, and will be operated by Choice Hotels.

MARKET CONDITIONS

The strength of the economy and a very limited rate of new building in recent years has pushed the office market back to its old heights. Over the past two and a half years, rents have been rising at an increasing rate. The rapid pace of 2006 continued into 2007, with ever higher prices in the prestige segment. This was particularly true of Oslo/Akershus, but the same trend can be seen in all of the major city regions.

Rental market

The strength of the economy and very limited amount of new building means that the office market is now heading towards record levels. Over the past three years the rental market has been growing, initially slowly, by 5 percent in 2005, but picking up pace in 2006. This growth continued into 2007, with the top segment of the market, prestige offices mainly situated in Vika, rising by approx. 50 percent from June 2006 to June 2007. These offices are now achieving rents of between NOK 3,500 and 4 300/m². A new record of approx. NOK 4 550/m² was set in August 2007, at Haakon VII's gate 6, but most experts think that it is very likely that we will see more records in the near future.

The other high quality segments of the office rental market are now starting to pick up pace, particularly in Skøyen and Lysaker in Oslo, but also gradually spreading out to areas in the east of the city centre and Nydalen. In the autumn of 2007 rents in Helsfyr also started rising somewhat faster, after the area had experienced low rents and high vacancy levels since 2002. It is realistic to think that rents will continue to rise by between 15 percent and 30 percent in 2008, as analyses of the rental market suggest that there will be a shortage of good premises, and vacancy levels throughout the Oslo market are likely to remain below 4 percent for the coming two to three years.

During the current upturn, there has been a clear trend of the market becoming more segmented than was the case in the 1994-2001 upturn. Rents for the best premises have risen quickly as tenants with more money to spend have sought upgrades, whilst premises of an average standard or in average locations benefited little from the improving market, as they have until recently had strong competition for tenants. This changed during 2007, with other segments experiencing the knock-on effects of rapidly falling vacancy levels, and stronger competition for premises throughout the city.

Figure 3 illustrates how the different office segments in Oslo have experienced rising and falling cycles since 1985. Figure 4 shows the same rents in real terms, using 2007 NOK.

Although rents in the prestige market have risen almost 50 percent in a year, this represents an increase from the absolute low (in real terms) of the past 20 years, as illustrated in figure 4. Within a longer term perspective, rents are not yet at record levels in real terms, particularly for high standard segments in other areas than Vika/Aker Brygge.

Investors have started focusing more on other cities than just Oslo. Several of the other major Norwegian cities have seen rents rise to record levels over the past year. This is particularly true of Stavanger/Forus, where the office market is driven heavily by companies in the oil and gas sector, as illustrated in figure 5. Leases have now been signed for well over NOK 2 000/m² in Stavanger and around NOK 1 700/m² in Forus. Trondheim has also seen rents rise sharply, with a general increase in rents of 18-20 percent from 2006 to the first quarter of 2007. Bergen is continuing to lag somewhat behind, but it has also seen lease contracts for brand new, centrally located buildings signed at around NOK 2 000/m².

In the face of rising demand for office space, and limited supply, vacancy levels have continued to fall. In Stavanger, vacancy levels are at an all-time low. There are actually very few vacant offices in the city centre, and agents report that the vacancy rate is now 1-2 percent.

The transaction market

The transaction market for commercial property improved significantly over the course of the past two to three years. Confidence in the rental market was restored by the fact that rents have increased in the most central areas, and the low interest rates have resulted in many investors putting more money into property than previously. First-class properties with long contracts retained their values well during the downturn in 2002-2004, and falling interest rates led to an increase in values due to lower required rates of return for this type of investments up until the 2nd quarter of 2005. Interest rates rose somewhat during 2006, and they continued to rise during the first half of 2007. However, long-term interest rates now appear to have stabilised, after falling slightly from their peak in the summer.

Norges Bank's interest rate path has been lowered by 40 basis points, due to a combination of a strong NOK and uncertainty in the international credit markets, which has

FIGURE 3

OFFICE RENTS
1986–2007
NOMINAL NOK

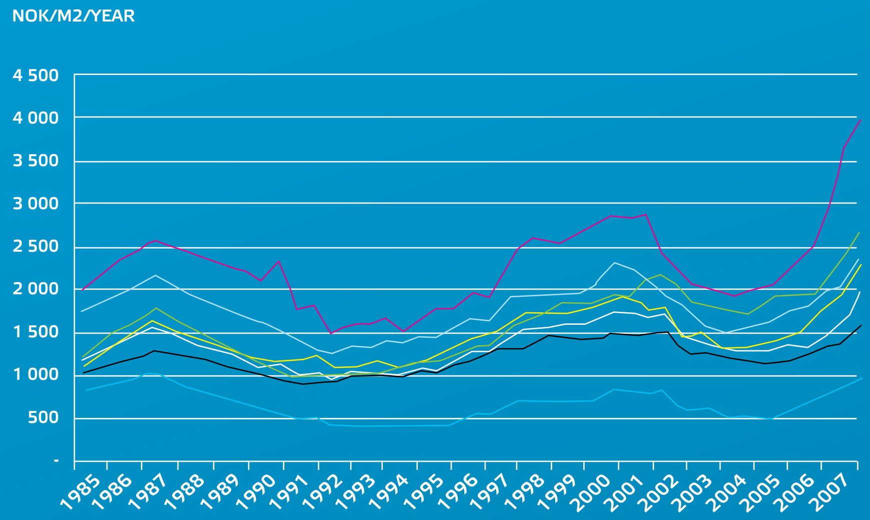


FIGURE 4

OFFICE RENTS
1986–2007
REAL 2007 – NOK

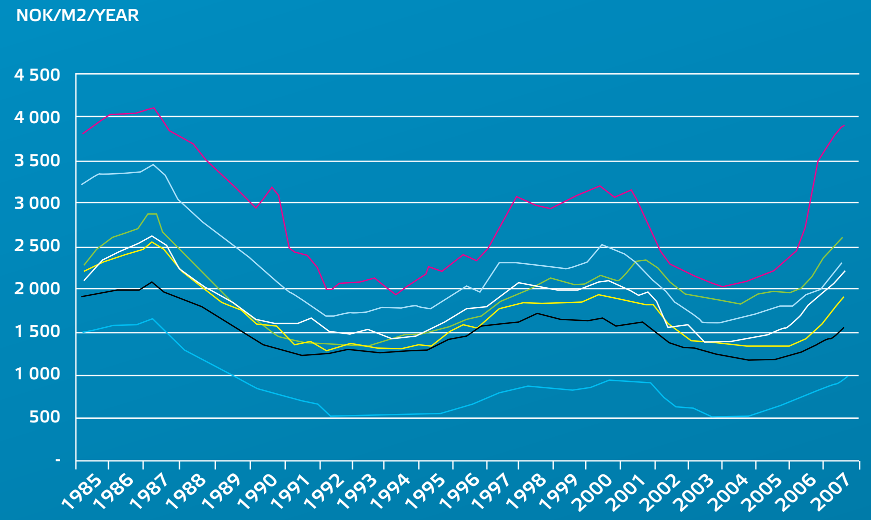
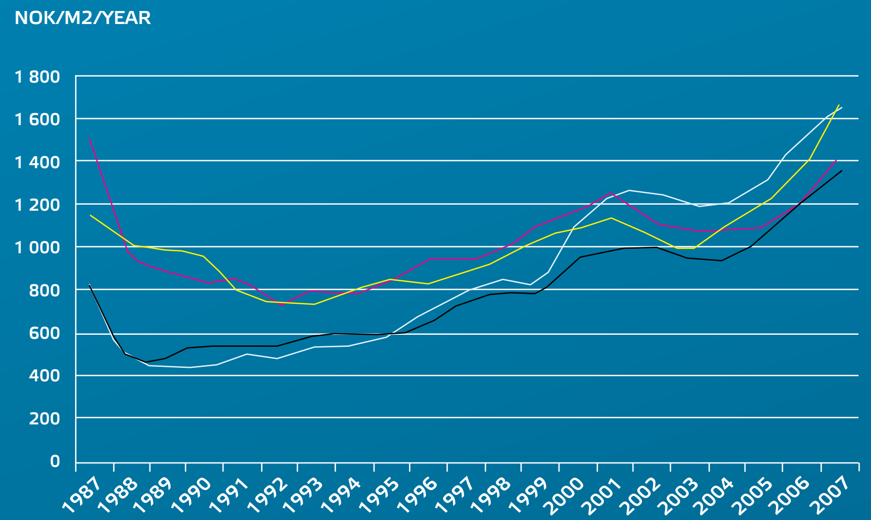


FIGURE 5

REGIONAL OFFICE RENTS
1987–2007



SOURCE: DAGENS NÆRINGSLIV
AKERSHUS EIENDOM

led to lower interest rates and economic growth internationally. In the wake of the turbulence in the international credit markets, lenders are now operating more restrictive lending policies, and the terms on which loans are offered are generally not as favourable as they were. Viewed in isolation, tougher lending criteria should result in a higher risk premium on properties for sale. However, this has been counteracted by increasing optimism in the rental market, fuelled by expectations of rising rents as vacancy rates continue to fall as a result of higher employment.

The annual transaction volume for commercial property rose by 50–100 percent in 2004, 2005 and 2006, as illustrated in figure 6. Properties are still being sold in record time, and although the swap rate has risen by almost 140 basis points since reaching its most recent low in March 2006, and almost 40 basis points this year, this has so far not put off investors. In fact, in 2006 the rising interest rates were more than offset by the lower yield requirements of investors, which meant that the overall yields fell, even for properties with long leases.

Figure 7 shows the historic yield on Norwegian 10-year government bonds and swaps.

Demand for commercial property continues to increase, and there has been a trend towards many properties being sold on a number of occasions in recent years. Several groups of investors have done well out of the upturn; it has not been uncommon to double your equity in syndicated projects. This development has followed international trends that have seen commercial property become an investment object.

Investing in commercial property has become very popular, and new players have entered the market, helping to push up the prices of commercial properties. New listed companies have made it possible for new groups of investors to invest in property. New property investment trusts are also keen buyers, along with the longer established syndicators. Foreign buyers do not constitute a large proportion of the market, but there are several new players around. Some listed companies and unit trusts also have a large proportion of foreign investors.

In 2006 there was a strong increase in the volume of warehouses and commercial properties sold. Office premises are the most standard and popular properties, and are responsible for the highest volumes. This trend continued in 2007, and there was also higher turnover of sites and development projects.

Whilst there were previously quite large regional risk premiums in the form of higher required rates of return, we are now seeing that property outside Oslo is also achieving very good prices. This continued in 2007, with two large properties in Trondheim being sold with a gross yield of approx. 5 percent, for instance.

The turbulence in the credit markets in the summer of 2007 has so far not had any serious impact on the Norwegian commercial property market. Thus far, the likelihood of worse financing terms appears to have been counterbalanced by the expectations of low vacancies and higher rents for most segments.

Conversion for growth

Competition for the most qualified employees further increased over the course of the year. Many companies view new and pleasant premises as a way of attracting employees. Higher construction costs mean that the cost of new-builds and conversions is rising. The combination of higher costs for lessors and the increasing willingness of tenants to pay high prices, has caused rents for new and newly refurbished premises to rise fairly sharply.

Entra Eiendom's core customers, public sector tenants, are directly affected by the market trends. Having previously indicated that they would need less space in the future, the public sector is now positioning itself for growth.

The market department at Entra has focused on tenants' restructuring needs and on cooperating to ensure flexible and suitable premises.

In the Eastern Norway Region, activity was high throughout the year, both in terms of leasing out vacant premises and working with existing tenants on major conversion/refurbishment projects.

The Kjørbo property at Sandvika was formally taken over on 2 July 2007. It was fully leased, and the tenants will move in gradually as the refurbishment process is completed.

Akersgata 51 is being totally refurbished, and is almost fully leased. The biggest tenant is Vinmonopolet.

All of the lease contracts for Filmens Hus, Dronningsgate 16, have been renegotiated.

The refurbishment of Langkaia 1 is going to plan. In February 2007 Aftenposten moved in, and new contracts have been signed with Dagbladet and the Bonnier Group, amongst others.

The literary centre in Wergelandsveien was officially opened in November. From the very first day it has been a hit with the public, and Entra Eiendom is pleased with the highly successful implementation of the project. At the end of the year, the challenge for the region was that there were virtually no vacant premises.

FIGURE 6

TRANSACTION VOLUME OF COMMERCIAL PROPERTY DEALS LARGER THAN NOK 50 MILLION

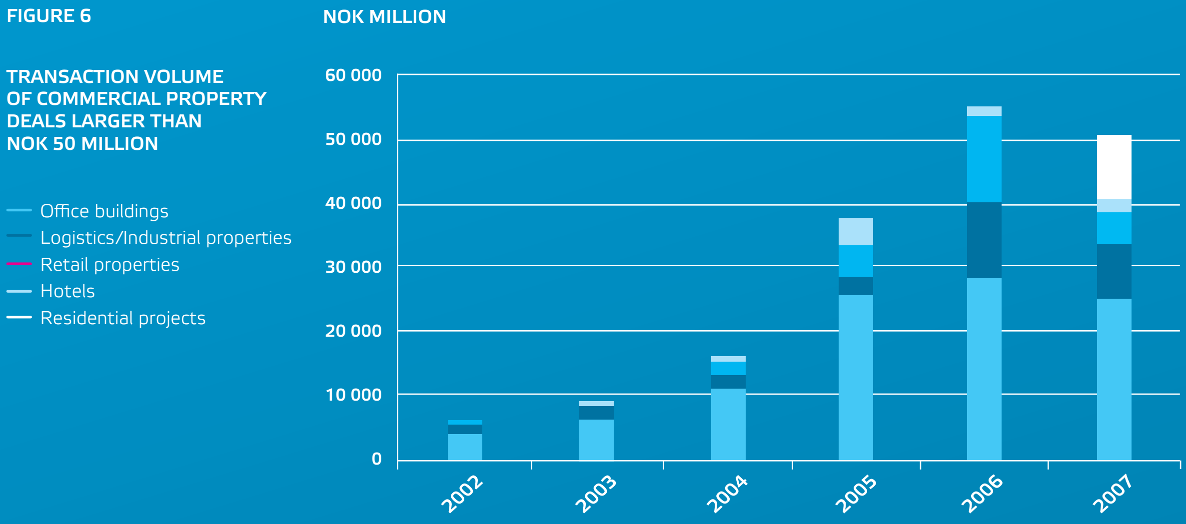
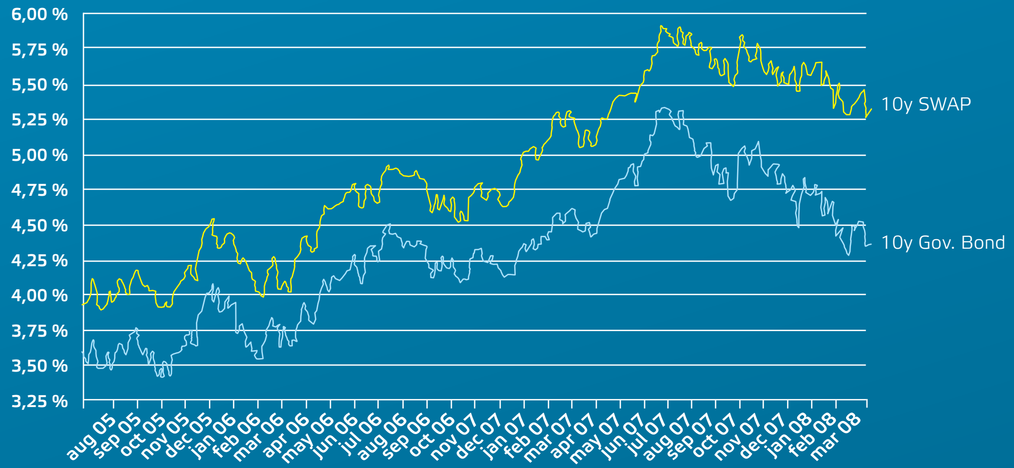


FIGURE 7

NORWEGIAN 10 YEAR INTEREST RATES



SOURCE: AKERSHUS EIENDOM

In the Western Norway Region, an outline proposal for developing the property at Prof. Olav Hanssen vei 10 in Stavanger has been presented to the tenants, the Norwegian Petroleum Directorate and the Petroleum Safety Authority Norway.

Lagårdsveien 100 is going through the planning process for a 14 000 m² office block, to be located by the new Hillevåg station.

In Bergen the Nonneseter quarter is being built, with the tax authorities and city treasurer have further extended the amount of space they require, to 15 000 m² out of a total of 17 000 m². Manpower is bringing all of its operations in Bergen to the building at Nonneseter. A new price record for Bergen was set in this building towards the end of the year.

This year saw the 150th anniversary of the completion of the building at Kalfarveien 31, which was originally a Lazar house. The property is currently leased by the University of Bergen.

An outline design has been drawn up for the refurbishment and extension of the property at Valkendorfsgate 6.

In the Central and Northern Norway Region, the zoning plan for Brattørkaia was adopted by the city council in March. Brattørkaia 17B is being built, and there is a lot of interest in the project in the market.

Erling Skakkesgate 25 is being fully refurbished, and potential tenants are being spoken to.

Statens Hus was bought during the second half of the year, and the tenants are being gradually phased into Entra Eiendom's systems.

In Tromsø a new lease contract was signed with the National Public Roads Administration, along with an agreement to extend their premises.

In the Southern Norway Region, the company has performed customisations and improvements for existing tenants. The Kristiansand Science Park was officially opened in November, and by the end of the year, 18 lease contracts had been signed. The project is virtually fully leased.

In Drammen, the customs house at Hans Kiærsvei 1B was leased to Kontorcompagniet.

All of the leases for Statens Hus in Drammen were renegotiated over the course of the year.

At Storgaten 51 in Tønsberg, a new contract with NAV Vestfold was agreed.

OPERATIONS AND MAINTENANCE

Over the course of a few years, the operation and maintenance of property has become a field requiring high levels of expertise. With more technically advanced buildings, greater demands from tenants, requirements for optimised running, the recognition that poorly planned maintenance is expensive and above all new regulations, the need for the right kinds of expertise has increased significantly. There were several recruitment drives at the operations and maintenance department in 2007. In spite of the tight labour market, Entra has managed to recruit people with the required skills.

For Entra's operations staff, control and inspection procedures and the coordination of subcontracted services are increasingly taking over from more practical work. Entra requires professional tools to ensure uniformity across the whole company's operations. The operation and maintenance department has an Internet-based MOM system that documents our properties, and notifies us of necessary inspections, monitoring and internal controls/HSE routines. In 2007 this MOM system was further developed. This involved adding new control procedures for legionella, plans setting out tenants' use of the premises, documentation of historic properties, condition surveys and new internal control routines for electrical systems.

A post of MOM manager was created in 2007 with responsibility for monitoring and maintaining the MOM system.

A project management tool for improved reporting, monitoring and documentation of projects was also integrated during the year.

Service Level Agreements (SLAs) are becoming increasingly important in Facility Management (FM), and in 2007 the operations and maintenance department had a student doing his masters on SLAs working in the administrative section, and another student wishes to do a master on the same subject in the spring of 2008. This helped the company to gain a better understanding of SLAs, which it has now developed for its own use.

The company is running several energy-saving projects, and has cooperated successfully with Enova for many years. In the past, Entra had worked with Enova in the Eastern Norway and Western Norway regions, with new builds, conversion projects and operational issues being addressed. In 2007 this partnership was extended to the Southern Norway and Central and Nothern Norway regions.

In 2007 the company completed a multi-year project to phase out light fittings containing PCBs at all of its properties, as required by the government. This has involved an extensive process of mapping and replacing the fittings, safely disposing of the waste and training the company's staff on PCBs. All double glazed windows containing PCBs have also been marked, to comply with new regulations. Entra Eiendom participates in the Ruteretur scheme, which commits it to ensuring that its suppliers are members of an approved scheme for the return double glazing containing PCBs.

In 2007 Entra introduced tools to measure environmentally friendly measures. This web-based tool constantly measures energy consumption at all of Entra's properties, providing hourly values for most of them. This is an automated process. There is an equivalent system for water consumption. Partnership agreements with waste management companies ensure that the company receives regular reports. This allows the quantity of waste and recycling percentage at individual properties to be compared, helping tenants to take measures to improve matters.

During the year, a pilot project to produce CO2 accounts for individual properties was started. Work on introducing this at all of Entra's properties is continuing in 2008.

Entra Eiendom has come a long way with the use of technology to optimise operations, and to provide a basis for taking the right actions in terms of protecting the environment. These efforts are continuing in 2008.

In order to improve the efficiency of ordering and delivery procedures, framework agreements with suppliers of operations and maintenance services to the properties are being introduced. This helps to ensure that their deliveries fulfil all price and quality requirements. These efforts are continuing in 2008.

Enova projects

In 2006 we initiated two projects that aim to optimise energy use at most of the properties that Entra Eiendom owns and runs in the Eastern Norway and Western Norway regions. The projects are supported by Enova SF, which is the government body promoting energy efficiency.

By 2009, the Enova project in the Eastern Norway Region aims to reduce energy consumption by approx. 11 percent at the 33 existing buildings that are covered by the project, which have total floor space of approx. 400 000 m². Two new builds of approx. 25 000 m² in total are also involved. The typical energy consumption of the buildings prior to the project was 100 GWh/year, and the total energy savings target is 11.3 GWh.

The buildings covered by the project are in Drammen, Sandvika, Oslo, Lillestrøm and Østfold.

In the autumn of 2006 a corresponding Enova project was started for all of Entra's properties in Stavanger and Bergen. By 2010, that project aims to reduce energy consumption by approx. 16 percent at the 13 buildings involved, which have total floor space of approx. 97 000 m². The typical energy consumption of the buildings prior to the project was 18.9 GWh/year, and the total energy savings target is approx. 3.1 GWh. The project also covers a new build in Bergen, where it is estimated that more energy efficient solutions than the «current standard» will save approx. 1.9 GWh/year.

In the autumn of 2007, Entra also introduced two portfolio projects for all of its properties in the Southern Norway and Central and Nothern Norway regions. These two projects aim to achieve equivalent energy savings to those in Eastern Norway and Western Norway.

All four Enova projects involve employees from Entra's marketing department, project and development department and operations and maintenance department. In 2006 and 2007 several analyses were performed on buildings in the various regions to discover potential energy savings measures. These analyses have also been used as background material for rehabilitation projects that are being started or that are underway.

In 2007 the company continued using its system for energy and waste reporting for all of its properties. The quantity of 12 different types of waste (fractions) is reported monthly, accumulated and compared across properties. The company uses a web-based EOS system created by Entro Nova to document the results. Both waste levels and energy consumption will in the future be reported per m² of heated floor space. The results can also be used to motivate tenants to reduce waste levels and energy consumption, and for their reporting under the Green State initiative.

Entra Nova has written a report on energy consumption at our properties, as recorded by the EOS system. This report shows several consumption trends that are important to everyday operations.

MANAGEMENT

Entra Eiendom uses the Balanced Scorecard to help it with its governance of the company. This measurement system is an important tool in the day-to-day management of the company that is rooted in the company's business plan. It helps all parts of the company to work towards common overall targets.

The Balanced Scorecard sets targets at the company, department and individual level. The individual targets are set at employee appraisals.

The company has chosen to link performance related bonus to the measurement system, based on individual targets achieved by employees, customer satisfaction achieved by the group and return on capital achieved by the company. A performance related pay scheme is a way of increasing awareness of Entra's strategy in day-to-day work. The system of the Balanced Scorecard and performance related pay allows Entra to reward employees who act and take decisions in line with our strategies, objectives and values. Performance-related pay is a good way of both attracting and holding onto good employees.

Values

We would like to highlight the following of Entra's values:

- We are innovative – we are willing to change and focus on future-oriented solutions
- We are open – we communicate directly and openly, and work well as a team
- We are good hosts – we give you what you need, and a little bit more

We believe that living up to our values plays an important role in achieving our overall objectives.

Management requirements

Entra sets high standards for all of its managers. Mangers at Entra shall:

- Provide all employees with a clear idea of Entra's objectives and strategies
- Set targets and clear requirements for employees, and ensure that they are followed up
- Be business oriented, look for new opportunities and implement changes
- Be good examples of how to adhere to Entra's values
- Motivate their employees and make it possible for them to enjoy their work

Transparent and accessible

Entra Eiendom is concerned that it should appear honest and responsible in all contexts, focusing on attitudes, values and ethics. We set equally high demands on our partners and business contacts. We have established ethical guidelines for the company. They have put us in a better position to deal with potential problems, and have highlighted some of the issues involved. There have been no incidents of corruption at Entra.

The company is actively engaged in developing a management style characterised by openness, where it is second nature to provide feedback and develop a culture based on improvement. We wish to further develop our core competence and will enter into alliances with strong specialist groups where this makes sense. Using a systematic approach to skills development, we are developing a future-orientated, customer-friendly organisation in which both the culture and the infrastructure encourages skills sharing. Customer and employee surveys are key sources of information in our development and improvement work.

The company has a structure with short paths between customers and Entra's decision-makers, and employees are given responsibility and authority, which helps to optimise decision-making procedures, increase cooperation and promote open communication.

Employees

Satisfied employees create a climate for good customer relations. Our ambition is for each individual employee to feel that they have a stake in and care about the work and development of the company.

We measure employee satisfaction annually. It is important to Entra that our employees are happy, because we believe that there is a link between high levels of employee satisfaction, high levels of customer satisfaction and good financial results.

Since 2001 the company has measured employee satisfaction. In 2006 the company achieved an employee satisfaction level of 90.4 percent, which was the highest level in the company's history. In 2007 a more detailed survey was carried out in collaboration with the National Institute of Occupational Health (NIOH). The survey was entitled «The new workplace», and is also a joint research project between NIOH and the International Research Institute of Stavanger. The project is fully financed by the Research Council of Norway. The 2007 survey is not directly comparable to previous surveys. However, in response to the following question: «How satisfied are you with your job as a whole – taking everything into account», 90 percent of employees said they were satisfied. This year's survey appears to confirm previous years' high employee satisfaction levels, as many of the responses to the survey were good in relation to relevant reference data.

In spite of the high levels of satisfaction, there are areas for improvement. The results from the survey are being evaluated and action plans will be drawn up for work on improvements.

Number of employees

At the close of 2007, Entra Eiendom had 149 employees in total. This was equivalent to 145 man-years. That was 6 more employees than at the close of 2006.

Staff turnover
Staff turnover in 2007 was 9.6 percent. This was 1.9 percent higher than in 2006. If you ignore natural wastage, staff turnover was 8 percent. For 2007, we set a turnover target of between 4 and 12 percent.

Equal opportunity
In 2007, 23.5 percent of Entra Eiendom's employees were women. This is 1.5 percent less than in 2006. Around 54 percent of our staff is involved in the operation of our properties. These positions generally require technical training, and it has proved to be very challenging to recruit women to them. Three women work in operations, and it is proving very difficult to increase the number of women in these kinds of positions.

Entra has the same arrangements for working hours for both genders.

62 percent of administrative employees were women. One manager was recruited in 2007, who was a man.

5.3 percent of the workforce at Entra works part-time, of whom 50 percent are women.

Sickness absence
Sickness absence at the company was 4.81 percent of total working hours. This was a reduction in the level of sickness absence of 0.4 percent compared with 2006. Sickness absence in 2007 was 0.3 percent higher than the company's ambitious target of 4.5 percent. During all of the first three quarters of 2007 (4th quarter figures are not yet available), sickness absence at Entra Eiendom was lower than overall sickness absence in Norway, and lower than that of the building and construction industry, commercial services and property management.

Inclusive working life
In 2002 Entra Eiendom entered into an agreement on inclusive working life, which has focused particularly on preventing sickness absence. We hold regular seminars for managers and other key personnel on the subject of inclusive working life, with a particular focus on work to reduce sickness absence.

The company had the following operational targets for its work on inclusive working life in 2007:

- Reduce sickness absence to 4.5 percent
- Take measures to prevent the exclusion of employees at Entra
- Achieve an average retirement age at Entra of 65 or older

Competition for employees is expected to be strong in the coming years. In connection with this, we also anticipate strong competition for older Norwegian workers. To counteract early retirement from working life, there has been an emphasis on inclusive working life and policies for older workers. Entra has designed a phase of life policy that focuses on older workers from the age of 55 upwards. The company expects this to have a positive influence on retirement ages. The average retirement age was approx. 62.5 years old for employees who retired in 2007, which was approx. one year lower than in 2006.

A working chance
Entra is working with Vålerenga to combat racism through the project «A working chance». This gives young people between the ages of 17 and 23 from a range of ethnic backgrounds the chance to gain work experience with the possibility of a permanent job, if they are not currently studying or in work. Entra currently has two young people receiving training under the scheme.

Working environment
Employee surveys show that employees are very happy with the working environment. They also reveal that relations are good between managers and workers, and between colleagues.

There were no fatal accidents at Entra Eiendom in 2007, nor were there any recorded accidents or incidents that caused serious personal injury.

Cooperation
Cooperation with employee organisations was good and constructive in 2007, and made a positive contribution to the running of the company. We hold four contact forum meetings each year, in addition to various more informal information, discussion and negotiation meetings. The contact forum meetings provide an arena for the mutual exchange of information between the parties.

SPONSORSHIP ACTIVITIES

Entra Eiendom's sponsorship activities shall:

- create positive associations with the company and strengthen the Entra Eiendom brand in our most important areas of focus, particularly with our customers and the authorities.
- help to build networks and emphasise the importance of customer service.
- demonstrate Entra's social responsibility and values.

- create a sense of commitment, motivation and pride amongst Entra's employees.
- be a commercial investment for Entra.

Entra Eiendom has mainly chosen to focus its sponsorship activities on sport and culture.

The company is the main sponsor of Ridderrennet, the annual skiing competition held at Beitostølen for disabled athletes. Being a part of Ridderrennet gives us associations with values such as happiness, boldness, openness, creativity and compassion – values that are important to us in our work. Our employees find it inspirational and meaningful to assist in various ways during the race.

Entra Eiendom is the main sponsor of the Vålerenga ice hockey team. The team is the living proof that team spirit and desire are an unbeatable combination. As the sponsor of one of the Norway's best and longest established ice hockey clubs, it is a pleasure for us to be able to follow the team's exploits in the rink. Like us, they know that you have to trust your own ability to develop and cooperate in order to compete at the highest level. Employees, partners and customers have greatly enjoyed watching many exciting matches at Jordal Amfi in 2005. The arena is also used for internal events at which humour and competitions are used to weld employees together.

The company has signed collaboration agreements with Vålerenga, Brann, Rosenborg and Start, which are football teams from Oslo, Bergen, Trondheim and Kristiansand respectively.

Our sponsorship of top flight football makes us visible in these important geographic areas, and helps to improve personal customer relationships.

Entra has a cooperation agreement with the four curling players who become overnight heroes at the Salt Lake City Winter Olympics in 2002. The agreement includes several exciting activities that will be carried out by the parties. Entra Eiendom AS uses the curling players as motivators and contributors to well-being in the company. In addition we use the curling arena for customer care and relationship building, with humour and informal competitions as important criteria for success.

We also have a collaboration agreement with the Norwegian Folk Museum. In 2005 we helped to restore the restaurant at the museum. In 2007 we finished upgrading the area in front of the restaurant. It is a pleasure for Entra Eiendom AS to be able to contribute to this.

In 2005, Entra entered into a five year collaboration agreement with the National Museum of Art, Architecture and Design. White paper 84, which dealt with the establishment of Entra Eiendom AS, emphasised the importance of Entra's influence on society, and gave the company a special responsibility for architecture and aesthetics. In addition to its purely commercial aims, our sponsorship activities therefore also help to fulfil the task that we have been given by our shareholders.

The agreement makes Entra Eiendom AS the main sponsor of the National Museum for the duration of the agreement.

Entra is also one of the main sponsors of Kosmorama, the Trondheim International Film Festival.

The festival was established and first held in 2005. It has grown far more quickly than the other Norwegian film festivals, and has made a strong impact in central Norway, receiving extensive media coverage at both the regional and national level.

Investing in Trondheim fits in with the company's strategy. We believe that part of our responsibility to society is to put back some of the value that we add into the local community. The festival has helped Entra to increase recognition of its brand name in Trondheim, in line with our marketing strategy. At a regional level the festival is used as a perk for customers and employees. Our sponsorship of Kosmorama also gives us exposure at a national level.

The company supports the environmental charity Bellona by advertising our support for its cause on its website.

Entra has an agreement with Haga Golfpark which is primarily a commercial arrangement to offer leisure activities to our employees.

Property index

PROPERTY	PLACE	GROSS AREA Total	Offices	Educational	Development	Other
Kirkegaten 2b	Arendal	5 808	5 808	-	-	-
Kystveien 2	Arendal	871	871	-	-	-
Firmaleilighet, Beitostølen	Beitostølen	150	-	-	-	150
Allehelgensgate 6	Bergen	14 104	14 104	-	-	-
Kaigaten 9	Bergen	9 991	9 991	-	-	-
Kalfarveien 31	Bergen	8 441	8 441	-	-	-
Nonneseterkvartalet	Bergen	17 218	-	-	17 218	-
Spelhaugen 12	Bergen	8 938	8 938	-	-	-
Strømgaten 1/Marken 37	Bergen	6 366	-	6 366	-	-
Tollbualmenningen 2a	Bergen	1 824	1 824	-	-	-
Valkendorfsgate 6	Bergen	13 536	13 536	-	-	-
Molovegen 10	Bodø	5 531	5 531	-	-	-
Tollbugata 2	Bodø	894	894	-	-	-
Grini Næringspark 13	Bærum	4 404	4 404	-	-	-
Ringstabekkveien 105	Bærum	13 050	-	-	13 050	-
Vøyenenga Skole	Bærum	6 620	-	6 620	-	-
Grønland 32	Drammen	7 331	7 331	-	-	-
Grønland 60	Drammen	8 572	-	-	8 572	-
Hans Kiærsgate 1b	Drammen	2 225	2 225	-	-	-
Konggata 51	Drammen	3 403	-	-	-	3 403
Kunnskapsparken Drammen	Drammen	21 638	-	21 638	-	-
Nedre Storgate 18	Drammen	4 446	4 446	-	-	-
Brochsgate 3	Fredrikstad	4 130	4 130	-	-	-
Gunnar Nilsensgate 25	Fredrikstad	4 370	4 370	-	-	-
Tollbodbrygga 2	Fredrikstad	1 765	1 765	-	-	-
Instituttveien 24	Kjeller	27 135	-	27 135	-	-
Firmahytte, Kragerø (Solsiden 1–3)	Kragerø	312	-	-	-	312
Gamle Kragerøvei 9	Kragerø	915	915	-	-	-
Løkkebakken 20	Kragerø	528	528	-	-	-
Fjellanlegg	Kristiansand	1 120	-	-	-	1 120
Gimlemoen 19	Kristiansand	6 821	6 821	-	-	-
Kongsgård Allé 20	Kristiansand	12 253	-	12 253	-	-
Lømslandsvei 23	Kristiansand	1 402	1 402	-	-	-
Lømslandsvei 24	KristiaNsand	192	-	-	-	192
Lømslandsvei 6	Kristiansand	1 445	-	-	-	1 445
Markensgate 19	Kristiansand	5 047	-	-	-	5 047
St. Hansgate 1	Kristiansand	469	469	-	-	-
Tordenskioldsgate 65	Kristiansand	24 705	24 705	-	-	-
Tordenskioldsgate 67	Kristiansand	656	656	-	-	-
Vestre Strandgate 21	Kristiansand	2 014	2 014	-	-	-

PROPERTY	PLACE	GROSS AREA Total	Offices	Educational	Development	Other
Storgata 19a	Larvik	1 765	1 765	-	-	-
Jonas Lies gate 20-28	Lillestrøm	12 421	8 349	-	4 072	-
Nittedalsgata 2b	Lillestrøm	2 970	2 970	-	-	-
Jeløgata 2	Moss	946	946	-	-	-
Kongensgate 44	Moss	3 010	3 010	-	-	-
Prins Chr. Augusts Plass 3	Moss	5 041	5 041	-	-	-
Vogtsgate 17	Moss	9 542	9 542	-	-	-
Jernbanegaten 4	Mysen	603	603	-	-	-
Akersgaten 32	Oslo	2 170	2 170	-	-	-
Akersgaten 34	Oslo	3 528	3 528	-	-	-
Akersgaten 36	Oslo	1 363	1 363	-	-	-
Akersgaten 51/Apotekergaten 6	Oslo	16 296	-	-	16 296	-
Biskop Gunnerus' gate 6	Oslo	9 150	9 150	-	-	-
Biskop Gunnerus' gate 14	Oslo	50 576	50 576	-	-	-
Brekkeveien8/19	Oslo	14 360	-	-	14 360	-
Brynsengfaret 4 og 6	Oslo	35 605	35 605	-	-	-
Cort Adelers gate 30	Oslo	15 601	6 783	-	8 818	-
Henrik Ibsens gate 110	Oslo	36 484	36 484	-	-	-
Dronningensgate 16	Oslo	13 013	13 013	-	-	-
Fredrik Selmers vei 4	Oslo	32 372	32 372	-	-	-
Fritznersgate 12	Oslo	820	820	-	-	-
Grenseveien 92	Oslo	14 700	14 700	-	-	-
Hagegata 22	Oslo	13 592	13 592	-	-	-
Hammersborggata 12	Oslo	12 414	12 414	-	-	-
Kristian Augusts Gate 15	Oslo	6 231	-	-	6 231	-
Kristian Augusts Gate 21	Oslo	3 296	-	-	3 296	-
Kristian Augusts Gate 23	Oslo	8 736	8 736	-	-	-
Langkaia 1a	Oslo	39 710	27 710	-	12 000	-
Middelthunsgate 29	Oslo	21 170	21 170	-	-	-
Pilestredet 19–21	Oslo	7 098	7 098	-	-	-
Schweigaardsgate 15	Oslo	22 831	22 831	-	-	-
Schweigaardsgate 15b	Oslo	15 058	-	-	15 058	-
St. Olavsgate 4	Oslo	4 110	-	4 110	-	-
Strømsveien 96	Oslo	18 163	12 313	-	5 850	-
Tollbugata 1a	Oslo	8 453	8 453	-	-	-
Tordenskioldsgate 12	Oslo	12 920	12 920	-	-	-
Tvetenveien 22	Oslo	4 126	4 126	-	-	-
Universitetsgaten 2	Oslo	41 540	41 540	-	-	-
Wergelandsveien 27/29	Oslo	6 187	6 187	-	-	-
Youngskvartalet	Oslo	2 000	-	-	2 000	-

PROPERTY	PLACE	GROSS AREA Total	Offices	Educational	Development	Other
Øvre Slottsgate 2b	Oslo	5 052	5 052	-	-	-
Aasta Hansteens vei 10	Oslo	5 454	5 454	-	-	-
Storgata 162	Porsgrunn	1 314	1 314	-	-	-
Sverresgate 20	Porsgrunn	2 519	2 519	-	-	-
Strandgata 10	Risør	555	555	-	-	-
Sandarveien 1	Sandefjord	797	797	-	-	-
Tollbugata 1	Sandefjord	1 099	1 099	-	-	-
Kjørboparken	Sandvika	66 800	26 500	-	40 300	-
Malmskriverveien 2–4	Sandvika	9 579	9 579	-	-	-
Malmskriverveien 18–20	Sandvika	9 686	9 686	-	-	-
Øvre Torvvei 1	Sandvika	10 814	10 814	-	-	-
Storgaten 14	Skedsmo	2 392	2 392	-	-	-
Torggata 3–5	Skedsmo	683	683	-	-	-
Holbergsgate 6	Skien	2 901	2 901	-	-	-
Langbrygga 1	Skien	1 250	1 250	-	-	-
Telemarksgaten 11/Lundegata 4	Skien	4 293	4 293	-	-	-
Lerviksveien 32 og 36	Stavanger	10 383	10 383	-	-	-
Nytorget 1	Stavanger	5 216	5 216	-	-	-
Proff. Hanssensvei 10	Stavanger	24 049	24 049	-	-	-
Skansegaten 2	Stavanger	2 891	2 891	-	-	-
Tollpakkhuset	Stavanger	1 488	-	-	-	1 488
Grønnegata122	Tromsø	6 664	6 664	-	-	-
Grønnegata 126	Tromsø	178	-	-	-	178
Strandgata 41	Tromsø	6 418	6 418	-	-	-
Strandveien 13	Tromsø	11 561	11 561	-	-	-
Vestregate 65	Tromsø	132	-	-	-	132
Brattørkaia 13b	Trondheim	6 334	6 334	-	-	-
Brattørkaia 14b	Trondheim	4 744	-	-	4 744	-
Brattørkaia 16	Trondheim	14 533	-	-	14 533	-
Brattørkaia 17a	Trondheim	7 992	-	-	7 992	-
Brattørkaia 17b	Trondheim	19 098	9 600	-	9 498	-
Brattørkaia15a Og B	Trondheim	14 533	-	-	14 533	-
Dronningensgate 2	Trondheim	5 158	5 158	-	-	-
Erling Skakkesgate 25	Trondheim	3 547	-	-	3 547	-
Kongensgate 87	Trondheim	10 505	10 505	-	-	-
Prinsensgate 1	Trondheim	26 000	26 000	-	-	-
Tungasletta 2	Trondheim	14 558	14 558	-	-	-
Storgaten 51	Tønsberg	4 599	4 599	-	-	-
		1 116 365	802 809	78 122	221 968	13 467

Contacts

GROUP MANAGEMENT
Acting Chief Executive Officer
Torodd Bøystad
tbo@entraeiendom.no

Chief Financial Officer
Kjell Otto Larssen
kol@entraeiendom.no

Director of Communications
Mona Jacobsen
mja@entraeiendom.no

Director Human Resources
Sverre Vågan
sva@entraeiendom.no

Director Investment and Finance
Cay Bakkehaug
cba@entraeiendom.no

Director of Strategy
Rune Olsø
rol@entraeiendom.no

Director Projects and Development
Bjørn Holm
bjorn.holm@entraeiendom.no

Director of Market
Anne Kathrine Slungård
aks@entraeiendom.no

Technical director
Nils Fredrik Skau
nfs@entraeiendom.no

Group Controller
Jørn Aune-Tangen
jta@entraeiendom.no

Finance Director
Astrid Tveten
atv@entraeiendom.no

Visiting address:
Biskop Gunnerus' Gate 14
0051 Oslo
Postal address:
P.O.Box 3
0051 Oslo
Telephone: +47 21 60 51 00
Fax: +47 21 60 51 01

EASTERN NORWAY REGION
Regional Director
Jon Tallberg
jtb@entraeiendom.no

Visiting address:
Biskop Gunnerus' Gate 14
0051 Oslo
Postal address:
P.O. Box 3
0051 Oslo
Telephone: +47 21 60 51 00
Fax: +47 21 60 51 01

SOUTHERN NORWAY REGION
Regional Director
Solveig Varnes Solbakken
svs@entraeiendom.no

Visiting address:
Tordenskioldsgate 67
4614 Kristiansand
Postal address:
Servicebox 524
4605 Kristiansand S
Telephone: +47 38 70 11 00
Fax: +47 38 70 11 01

WESTERN NORWAY REGION
Regional Director
Jorunn Nerheim
jne@entraeiendom.no

Visiting address:
Kaigaten 9,
5016 Bergen
Postal address:
P.O.Box 302 Sentrum
5804 Bergen
Telephone: +47 55 56 83 00
Fax: +47 55 56 83 01

CENTRAL AND NORTHERN NORWAY REGION
Regional Director
Karl Fredrik Torp
kft@entraeiendom.no

Visiting and postal address:
Erling Skakkesgate 60
7012 Trondheim
Telephone: +47 73 99 13 50
Fax: +47 73 99 13 51