ANNUAL REPORT 2008

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entra
EIENDOM AS

This is Entra Eiendom

Entra Eiendom AS was established on 1 July 2000. Today the company is one of Norway's largest property companies, with a total property portfolio of 1,140,572 m². Entra is engaged in the development, leasing, management, operation, sale and purchase of real property. Entra is owned by the Norwegian government through the Ministry of Trade and Industry, and competes freely in the property market.

Entra's Board consists of five external members and two employee representatives. The Chairman of the Board is Grace Reksten Skaugen. The company is headed by CEO Kyrre Olaf Johansen.

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

Entra shall add value for its shareholder by concentrating on its core area, commercial property – where it is one of the leading companies in Norway. By focusing on customers' needs, Entra aims to develop premises that are more efficient and cost-effective for its tenants and the wider community alike. With increasingly strict environmental standards being introduced for buildings and their surroundings, the company considers it essential – and an opportunity – to continue investing in the environment. By systematically investing in technology and skills, Entra seeks to offer the market's most eco-friendly buildings. Entra's main focus is on high-quality properties in central locations, and it primarily aims to be a significant player in Bergen, Trondheim, Stavanger, Kristiansand and the Oslo region.

82 percent of Entra's tenants are in the public sector. The company has strong cash flow, and all of its tenants are stable and financially sound, providing a platform for future growth and development.

WHOLLY OWNED SUBSIDIARIES IN THE GROUP:

- Oslo Z AS
- Universitetsgaten 2 AS
- Biskop Gunnerusgate 14 AS
- Kunnskapsvn. 55 AS (previously Instituttvn. 24 AS)
- Kr. Augustsgate 23 AS
- Nonnen Utbygging AS
- Langkaia 1 AS
- Entra Kultur 1 AS
- Kjørboparken AS
- Bispen AS
- Pilestredet 28 AS
- Hagegata 24 AS

PART OWNED SUBSIDIARIES IN THE GROUP:

- Papirbredden Eiendom AS (60 %)
- Kristiansand Kunnskapspark Eiendom AS (51 %)
- Optimo AS (51 %), incl. subsidiaries
- Brattørkaia AS (52 %), incl. subsidiaries

JOINT VENTURES AND ASSOCIATES:

- Krambugata 3 AS (45 %)
- Kunnskapsbyen Eiendom AS (33,75 %)
- Oslo S Utvikling AS (33,3 %)
- Kongsvinger Kompetanse- og Næringssenter AS (20 %)
- Youngstorget Parkeringshus AS (21,28 %).

OUR STRATEGIC PLATFORM

Entra shall add value for its shareholder, and develop efficient and eco-friendly premises for its customers. We shall achieve results through good strategic planning and sound commercial principles.
The company's operations shall be transparent and predictable, thereby giving employees confidence that things are being done in the right way. Our vision, business concept and values together form the company's strategic platform.

VISION
We shall enable our customers to operate more efficiently, and enhance their reputations.

BUSINESS CONCEPT
We shall develop, lease and operate attractive and eco-friendly premises.

VALUES

FOCUSED
We know our customers well, and understand and care about how their activities are organised and function. We implement the plans that have been made, and are flexible and goal-oriented. We concentrate on long-term value creation and profitability.

HONEST
We do what we say, and keep our promises. We are straightforward, honest and dare to view the world as it actually is – not as we would like it to be.

RESPONSIBLE
We take responsibility for our own work and for the work of the team that we are part of. Whether we win or lose, we do so together. We have high ethical standards, and take responsibility for the environment in which we live.

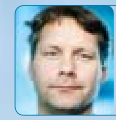
AMBITIOUS
We set ourselves high goals, enjoy challenges and make decisions when necessary; we try to come up with tomorrow's solutions.

ORGANISATION - ENTRA EIENDOM

CHIEF EXECUTIVE OFFICER
Kyrre Olaf Johansen

CFO
Svein Hov Skjelle

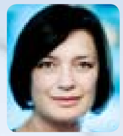
DEPUTY CHIEF EXECUTIVE OFFICER
Torodd Bøystad



DIRECTOR OF HUMAN RESOURCES
Sverre Vågan

DIRECTOR OF STRATEGY AND BUSINESS DEVELOPMENT
Rune Olsø

DIRECTOR OF COMMUNICATIONS
Kjetil Ekkeren



DIRECTOR OF MARKET
Anne Kathrine Slungård

TECHNICAL DIRECTOR
Nils Fredrik Skau

DIRECTOR OF PROJECTS AND DEVELOPMENT
Bjørn Holm

DIRECTOR OF SALES AND ACQUISITIONS
Dag Ketil Grønnesby


entra

Good hosts – for our customers and the community

2008 was a challenging year. It was a year that will be remembered by many for the economic downturn and financial crisis. Both families and companies have experienced difficulties. We too were affected, with the value of our properties falling significantly over the course of the year. We are constantly working to overcome the challenges that we face, and are pleased to report that in 2008 we again generated positive operating cash flow and achieved high customer satisfaction levels. However, our aim is for continuous improvement, and we will carry on working hard to be good hosts for our tenants. We want it to be desirable to be an Entra customer.

As a large property company, Entra must produce results for its shareholder. We do so by leasing out attractive premises that help to improve the efficiency of our customers. We have a strong focus on energy efficiency, and on choosing sustainable energy sources and materials. Our ambition is to be at the forefront of the property industry with respect to environmental issues. We shall achieve this by developing, building and leasing some of the most desirable and eco-friendly premises on the market. Society is becoming increasingly aware of environmental issues. Environmental standards will become stricter, and customers will become ever more demanding in this area. We want to help raise our customers' environmental consciousness even higher. We will set standards that will make them more competitive and help to enhance their reputation.

Entra shall be a values-driven company, with good business ethics being at the heart of everything it does. Through our values of being **focused, honest, responsible and ambitious** we will develop the company – always aware that our corporate social responsibility must go hand in hand with good financial results. If we make active use of our values, they can become useful tools and guiding principles for all of our employees in their dealings with customers and the wider community.

The company reached several milestones in 2008. We signed a big and important lease contract with the Norwegian Petroleum Directorate in Stavanger, representing an investment of almost a billion Norwegian kroner. The project involves a major refurbishment, as well as new-builds in which cooling and heating will be provided by geothermal power and waste heat. From an environmental point of view, the project will be important to both us and our tenants.

The Nonneseter quarter in Bergen was also completed in 2008, which means that the tenants, including Tax Region West, have moved into new, hyper-modern premises. In Trondheim we are well underway with developing the new district of Brattøra through our stake in Brattørkaia AS. Through the construction of Oslo Z we are helping to create a more attractive urban environment in Norway's capital city. The building is not just architecturally beautiful – it also plays an important role in the infrastructure around Oslo Central Station. We have a strong presence in the areas where we have chosen to focus our activities – in and around Norway's largest cities.

Our completed projects, as well as those under construction, demonstrate that we are competitive and capable of implementing projects successfully. Entra is the sum of all of the company's employees, who each day work hard to produce results. Highly skilled employees, satisfied customers and long lease terms provide a solid base from which to grow and develop the company. In 2009 we will continue to manage and add value to our assets, whilst developing solutions that are of benefit to both our customers and the wider community.

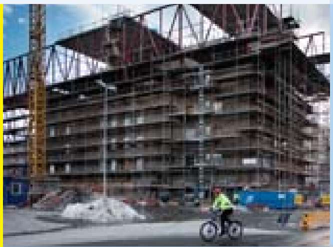
Kyrre Olaf Johansen
Chief Executive Officer

"Entra shall be a values-driven company, with good business ethics being at the heart of everything it does. Through our values of being *focused*, *honest*, *responsible og ambitious* we will develop the company – always aware that our corporate social responsibility must go hand in hand with good financial results."

2008 highlights

TOTAL REFURBISHMENT OF CORT ADELERS GATE 30
The refurbishment of this property, which housed Christiania technical college from 1889 onwards, started in January. During the autumn the building was ready to receive tenants needing modern office premises. Via Travel and the University of Oslo moved in gradually as the offices were completed.

REFURBISHMENT OF UNION SCENE
Union Scene is owned by Papirbredden Eiendom AS, a joint venture between Entra and Drammen City Council. This cultural centre has been given a facelift, with the changes including an expansion of the main theatre, which now has a capacity of over a thousand people.



CONSTRUCTION WORK STARTED AT BRATTØRKAIA
Brattørkaia AS's design won the competition to provide a venue for a national rock and pop experience centre. Entra owns 52 percent of Brattørkaia AS. The criteria on which the decision was based were price, functionality and quality. The rezoning application for the national rock and pop experience centre, which will be called Rockheim, was accepted by Trondheim City Council, and construction work started in April.

PILESTREDET 30, OSLO
In March Entra and Oslo City Council signed a contract that involves Entra taking responsibility for the refurbishment of the listed buildings at Pilestredet 30 A, B and C. In return, Entra will take over ownership of Pilestredet 30 A and B, as well as becoming entitled to develop an office block at Pilestredet 28.

NEW CEO
During the first quarter, the Board spent considerable effort on recruiting a new CEO for Entra. In April that work led to the appointment of Kyrre Olaf Johansen.

OSLO Z ALMOST FULLY LEASED
Construction work on the project started in April. Within a short space of time, lease contracts for a significant proportion of the completed building had been signed with the Norwegian Directorate for Education and Training, and with the Police. After the signing of these contracts, only 500 m² on the second floor is available.

AKERSGATA 51, OSLO
After two years of refurbishment, the newspaper Aftenposten's former headquarters in Akersgata is fully leased. With the facade untouched, the building appears unchanged. However, the interior of the building has undergone significant change, and is now a hyper-modern office building.

OPENING OF THE COMFORT HOTEL IN TRONDHEIM

Krambugata 3 in Trondheim was handed over by the contractor in September, and the official opening took place on 16 October. The new building is owned by Krambugata 3 AS, in which Entra holds a 45 percent interest. It has been leased to Choice Hotels, and is called the Comfort Hotel Trondheim.

THE NONNESETER QUARTER IN BERGEN

The official opening of Nonnesetergaten was held in October, when the tax authorities, the Bergen city treasurer and Manpower moved in. By then the property was fully leased. The 50 metre high, 17,200 m² building has become a landmark in Bergen, being described as the eighth mountain, in a reference to the seven mountains that surround the city.

COMPLETED EXTENSION FOR THE ROMERIKE POLICE FORCE

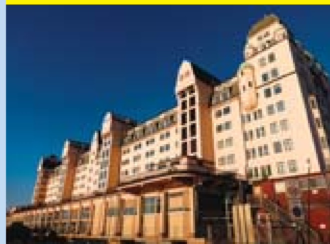
In December, Entra handed over a 4,000 m² new-build in Jonas Lies gate 20-28 in Lillestrøm to the Romerike police force. The building is linked to the over 6,000 m² facility that the police force already leases at the property.

MIDDELTHUNSGATE 29

In December, our lease contract with the Norwegian Water Resources and Energy Directorate was extended, which involved taking the decision to fully refurbish Middelthunsgate 29. The Directorate will be housed in temporary premises during the project. The Norwegian Water Resources and Energy Directorate currently leases the whole building, and after its refurbishment it will lease at least 80 percent of the floor space. The premises freed up will be leased to new tenants.

PROFESSOR OLAV HANSSENS GATE 10

In December we signed long-term leases with the Norwegian Petroleum Directorate, the Petroleum Safety Authority Norway and Petrad. As a result of these contracts, it was decided to totally refurbish 24,200 m² of existing buildings and to develop a 13,500 m² new-build. The project will involve an investment of almost one billion Norwegian kroner.



OFFICIAL REOPENING OF HAVNELAGERET

In order to provide the tenants with contemporary and modern premises, since 2005 Havnelageret has been undergoing an extensive internal refurbishment. The mayor of Oslo Fabian Stang officially reopened the building in November, bringing the project to an end for the moment.

Our business – strategic focus

Entra shall add value by developing, leasing and operating attractive and eco-friendly premises. That is the company's business concept, and provides the framework for all of Entra's activities.

Entra Eiendom AS is a company with purely commercial goals, which aims to provide its shareholder with a market return on the company's assets. It shall do so by competing in the open market.

VISION

Entra's vision is *to enhance the efficiency and reputation of its customers*. By providing modern premises with eco-friendly designs and systems, the competitiveness and reputation of our customers improve.

VALUES: Focused, honest, responsible, ambitious

Focused: We know our customers well, and understand and care about how their activities are organised and function. We also implement the plans that have been made, and are flexible and goal-oriented. We concentrate on long-term value creation and profitability.

Honest: We do what we say, and keep our promises. We are straightforward, honest and dare to view the world as it actually is – not as we would like it to be.

Responsible: We take responsibility for our own work and for the team that we are a part of. Whether we win or lose, we do it together. We have high ethical standards, and take responsibility for the environment in which we live.

Ambitious: We set ourselves high goals, enjoy challenges and make the necessary decisions; we aim to find tomorrow's solutions.

Ambitions

Entra Eiendom has high ambitions. By developing and improving, we shall not only become good hosts for our customers, but also help to enhance their reputations and profitability. We shall offer more than just premises – we shall be hosts who focus on the customers' own products and services.

Geographic strategy

Entra shall be a significant player in Oslo, Bergen, Trondheim, Kristiansand and Stavanger. Elsewhere in Norway, the company shall proactively seek to act as a host for its existing customers.

A presence throughout the value chain

Entra Eiendom shall perform functions throughout the value chain for the property business.

Our core competence is focused on the following main areas:

- The purchase and sale of property
- Project development
- Leasing and customer service
- Operations and maintenance
- Portfolio management
- The environment

Strategic alliances

Entra manages and develops most of its portfolio itself. Nevertheless, forming strategic alliances where appropriate is an important part of the company's strategy. Local players often know about projects at an early stage, have access to attractive sites and are familiar with local decision-making procedures. Entra has a long-term focus, construction expertise and financial strength, and is very familiar with public and private sector customers. When Entra enters into strategic alliances, it is to combine these resources, and to create added value.

Strategic planning at Entra

Entra is constantly looking at its strategic planning. The purpose of this work is to:

- Define Entra's business concept
- Continuously assess our current values, vision and overall objectives
- Ensure that the company fulfils its corporate social responsibility throughout its activities, and incorporates into its commercial strategy
- Lay the foundations that will allow the company's property portfolio, financial resources and human capital to be managed in an appropriate manner
- Develop main strategies that match the motivations and expertise of our 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
- Regularly evaluate and assess the company's organisational structure against its objectives

Figure 1 shows the connection between strategic choices and operational activities. The successful implementation of the company's strategies shall be 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 strategies.

Entra's main strategy is the Board's most important corporate governance document, and the Board has overall responsibility for the company's strategic direction and development. The main strategy is also Entra's most important tool for reporting to its shareholder how it aims to achieve the shareholder's objectives for its ownership. It 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 responsibilities.

Management and the Balanced Scorecard

Entra Eiendom uses the Balanced Scorecard to help it with its governance of the company. Over the past year, a lot of work has been put into creating a clearer link between the company's overall strategy and its scorecards for the various parts of its business. This will help all parts of the company to work towards common, overall objectives.

The Balanced Scorecard sets targets at the company, department and individual levels. We are working on purchasing and the implementation of a web-based Balanced Scorecard.

The company has chosen to link performance-related pay to the Balanced Scorecard, based on individual targets achieved by employees, customer satisfaction achieved by the Group and return on capital achieved by the company. Performance-related pay is a way of increasing the focus on Entra's strategy in day-to-day work. The Balanced Scorecard and performance-related pay allow Entra to reward employees who act and make decisions in accordance with our strategy, objectives and values. Performance-related pay is a good way of both attracting and retaining good employees.

Management requirements

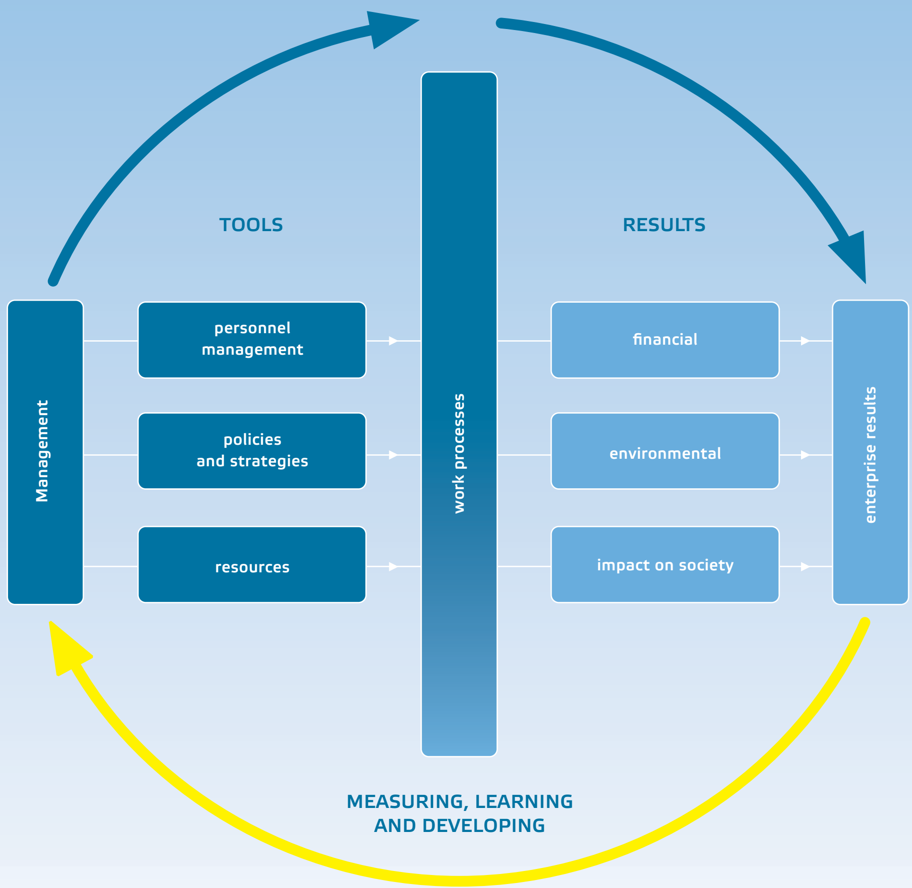
Entra sets high standards for all of its managers. Managers at Entra shall:

- Make all employees strongly aware of Entra's objectives and strategies on a day-to-day basis
- 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

Open and accessible

Entra Eiendom is concerned that it should appear honest and responsible in all contexts, focusing on attitudes, values and ethics. Entra sets equally high standards for its partners and business contacts. Entra is actively engaged in developing a management style characterised by openness, where it becomes second nature to provide feedback and develop a culture based on continuous improvement. The

Figure 1: Strategy implementation model



company wishes to further develop its 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 where both the corporate culture and infrastructure encourage the sharing of skills. Customer and employee surveys are key sources of information in our development and improvement work. Entra's organisational structure means that there are short paths between customers and the company's decision-makers, and employees are given responsibility and authority, which helps to optimise decision-making procedures, increase cooperation and promote open communication.

Our quality system

Entra's quality system was completed in 2006. Through the establishment of a quality system, the company aims to ensure that all of its processes are of a high quality. The quality system was created with the extensive involvement of the company's employees, in consultation with a proactive management group, and was linked to the audit committee, Board and employee organisations. Det Norske Veritas (DNV) audited the system, and verified that Entra's quality system provides a good basis for efficient and focused management of the company.

The quality system integrates our strategy, objectives and overall principles with routines, tools and documentation requirements for support functions and business areas in the value chain. By providing a clear framework for its activities, the company wishes to increase self-management by employees, which is in turn supposed to result in both employees and the company developing and growing.

The model (see figure 2 on page 19) is split into the main processes of management, support and the value chain. Governance ensures that the company's strategic objectives are known, thereby contributing towards their fulfilment. Governance shall also make the company a stable and reliable partner. The support functions shall help to ensure that the core activities can be performed efficiently and to a high standard, and the value chain includes the company's core activities and associated procedures. Monthly newsletters about the quality system are sent to employees, and routines, process specifications and tools are continuously updated. A user survey about the quality system confirmed that attitudes are positive towards the system and its use at the company.

Customer focus

Satisfied customers are the key to long-term portfolio management, and the best way of ensuring that the company achieves its objectives. The company's relationships with its customers shall be based on proactive and continuous dialogue in which customers are met with professionalism, responsiveness and a service-minded attitude. Entra has a broad customer base, with the public sector providing the bulk of tenants, both in terms of numbers and volumes.

It is a challenge to meet the needs of our various customers, but over recent years the company has built up its competence and understanding of its tenants' requirements. This gives us an important competitive edge.

At Entra we aim to continuously improve the way in which we deal with our customers. By understanding the needs and operations of our customers, we can help to provide them with spaces that allow them to optimise their own performance. By developing and improving, we shall not only become good hosts, but also help to enhance their reputations and efficiency.

Satisfied customers

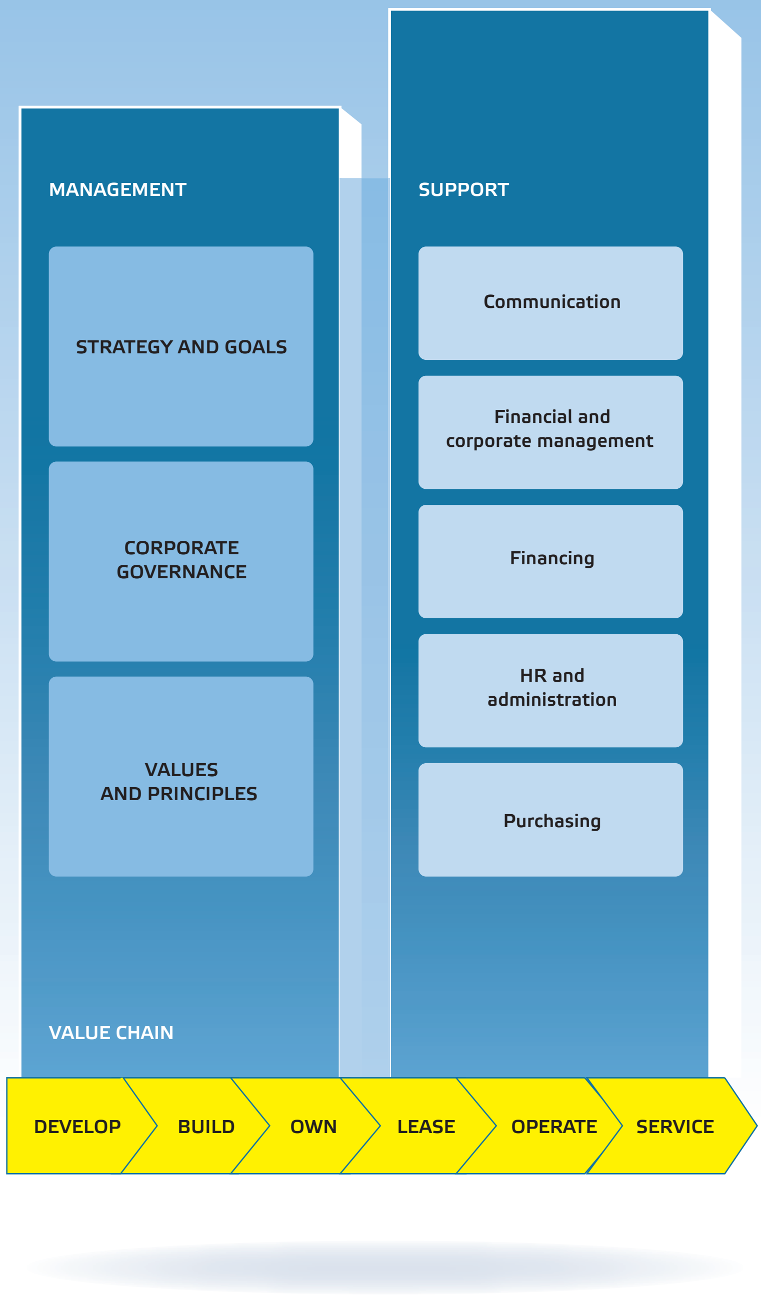
Each year we perform a wide-ranging customer survey. The combination of the survey and our day-to-day dealings with our customers provides us with a good platform for developing and improving our business.

Through a collaboration with Scandinavian Leadership, Entra Eiendom's customer satisfaction level is benchmarked against 16 competitors who operate in markets where Entra has a presence. This allows us to monitor customer satisfaction trends both at the company and in the industry.

Entra's goal is to be better than average. In 2008 we achieved a score of 66, whilst the average was 64. This is the highest customer satisfaction score that we have achieved in our history. Meanwhile, 97 percent of Entra's customers say that they would consider leasing premises from the company again, and 94 percent would be happy to recommend Entra to others.

Our high customer satisfaction score and the generally positive attitude of our customers towards the company creates obligations and expectations. We must continuously be learning and developing if we are to further increase the satisfaction levels of existing customers, and must aim to be one of the market leaders in this respect.

Figure 2: Quality management model



PROJECT DEVELOPMENT

The development of new and existing properties constitutes the first link in Entra's value chain, and is the responsibility of Entra's *Project Development* business area. This is where the foundations are laid for the company's creation of value. At the close of 2008 Entra Eiendom had a total property portfolio of around 1,140,572 m², of which 169,861 m² was being developed. The proportion under development was 15 percent towards the end of 2008.

CURRENT DEVELOPMENT PROJECTS

Oslo Z

In Oslo, work is underway on Oslo Z (pictured above), a new office block between the tracks at Oslo Central Station and the old customs house. The facade of the building will mainly consist of various colours of glass, and the unique architectural design of the building has led to it being called Oslo Z. Oslo Z will comprise seven floors and have approx. 15,000 m² of floor space in total. It will be situated between existing buildings and the railway line, but will become a major landmark, as the planned pedestrian link across Oslo Central Station's tracks to the opera will become an integrated part of the building's facade. Groundwork at the site started in the middle of May 2008. Lease contracts have been signed with the Oslo police force and the Norwegian Directorate for Education and Training.

The "Blitz" building

In Oslo work has started on the refurbishment of the historic buildings at Pilestredet 30 A, B and C. The buildings form part of a historic block built at the end of the 1860s, and are in a very poor state of repair. The buildings require wet and dry rot eradication, as well as significant structural repairs. The facades are of great historic value, and the work is being performed in close consultation with the Cultural Heritage Management Office in Oslo. You can read more about Pilestredet 30 in the "Report on corporate social responsibility" on page 35.

Valkendorfsgate in Bergen

At Valkendorfsgate 6 in Bergen a major refurbishment project was started in the autumn of 2008, which is due for completion in the spring of 2010. The 13,500 m² property will be moved into gradually as the various premises within it are completed.

The Norwegian Labour and Welfare Service (NAV), Porsgrunn

In competition with five other companies, Entra was awarded the contract to provide premises for the new offices of NAV's pension plan in Porsgrunn. The NAV pension service's offices in Porsgrunn will be located in Sverres gate 20, after the building has been completely refurbished. NAV will move in from October 2009, at which point the building will house 60 work stations, meeting rooms, a canteen and changing rooms. The total floor space of the property is 2,500 m², and NAV will be the only tenant.

COMPLETED DEVELOPMENT PROJECTS

Havnelageret in Oslo

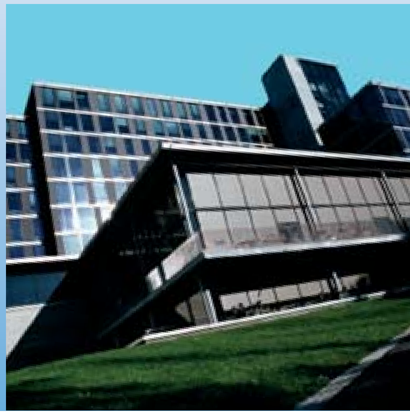
Havnelageret has been undergoing major refurbishment for a long time, and the second phase of the project was completed in the autumn of 2008. In total 7 storeys have been completely refurbished, the entrance hall has been redecorated and a lovely foyer and canteen have been installed. All of the floors have been leased, but three floors and the premises facing the opera on the ground and first floor remain to be refurbished. The most recent new tenant to move into the building is the newspaper Dagbladet. On 28 April they moved into their newly refurbished premises on the 6th and 7th floors. They have space for a total of 350 employees, and both the print and online editions of the newspaper are produced at the new offices.

Cort Adelers gate

As a result of Oslo University College's engineering department moving out of Cort Adelers gate 30, Entra decided to convert the property into office space. The project was given the go-ahead by the authorities at the end of January 2008, and work continued throughout 2008. The first tenant, VIA Travel, moved into its offices in September 2008. The University of Oslo will move into the 1st and 2nd floors at a later date. A separate area with a canteen and meeting room has also been created.

Romerike police station – Lillestrøm

In the fourth quarter of 2008, Entra completed an extension to Romerike police station in Lillestrøm. The 4,000 m^2 extension consists purely of offices for the police's administrative functions. The tenant, Romerike police district, moved into the premises on 5 January 2009.



Akersgaten 51 – Oslo

In Oslo, the refurbishment of Akersgaten 51 has been completed.
The tenants are Advokatfirmaet Hjort, Inmeta Licensing, Vinmonopolet and Schibsted. The property has been completely refurbished, undergoing internal demolition and conceptual changes such as new vertical communication, the creation of light wells and a partial, two-storey extension. The total floor space of the property is 17,800 m².

Brynsengfaret 6 C – Oslo

At Brynsengfaret Entra has completely refurbished Brynsengfaret 6 C, converting it into eleven rental apartments. The 700 m² building, which is on the Cultural Heritage Management Office's 'Gule Liste', is close to Alnafossen business park. The project was completed in the summer of 2008, and is fully leased.

The National Library of Norway in Oslo, extension

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 was 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 has now finished upgrading the space into storerooms. The project will provide storerooms for the National Library and the National Museum of Art, Architecture and Design. The upgrade was completed in August 2008, with the tenant installing furnishings and moving in over the autumn of 2008.

Strømsveien 96 – Oslo

At Strømsveien 96, Entra agreed to extend its lease contract with the Norwegian Pollution Control Authority, and work started on upgrading the building. The project involved improving the indoor climate in conference rooms, upgrading common functions and will result in more efficient use of space for the tenant. Building work started in summer 2007 and was completed in summer 2008.

Mellomveien 40 – Tromsø

In Tromsø, Entra has completed a minor conversion and extension project at Mellomveien 40. The project came about as a result of a desire to move the Tromsø Traffic Services Office's customer service centre into shared premises with the rest of the Norwegian Public Roads Administration. This resulted in the need to extend and convert the existing offices. The project has consisted of building a new, 153 m² extension and refurbishing 1 000 m². Some of the existing premises have also been condensed/converted. The tenant, the Norwegian Public Roads Administration, moved into its new premises straight after Easter.

Erling Skakkes gate 25 – Trondheim

In Trondheim, the refurbishment of Erling Skakkes gate 25 was completed in autumn 2008. The property is situated by Statens Hus, which was acquired by Entra in autumn 2007. The 3 800 m² building has been leased to Kantega, the Norwegian Directorate for Children, Youth and Family Affairs and the Government Agency for Financial Management.

Nonneseterkvartalet – Bergen
In Bergen, Tax Region West has moved into its new premises in the Nonneseter quarter. The new building consists of two main buildings joined by an atrium. The taller building is 13 storeys high, whilst the lower one is 11 storeys high. Total floor space is 17 200 m², approx. 11,000 m² of which is leased by the Tax Region West. The remaining office space has been leased to Manpower. On the ground floor, retail outlets such as shops and cafés are planned. A public space/square is also planned between Statens Hus, the Bergen Storsenter shopping centre, the coach station and the new Nonneseter quarter.

Storgata 14 – Lillestrøm
At Storgata 14 in Lillestrøm there has been a major restoration and refurbishment project after a fire in summer 2007. This work has now been completed, and Adidas moved into newly refurbished premises in March 2008. The property has approx. 2 100 m² of floor space. The ground floor has been leased to a restaurant, which opened in autumn 2008.

Kjørbo – Bærum
In the summer of 2007, Entra Eiendom formally took over the various properties at Kjørbo in Bærum. The project was completed during 2008, and REC, Dyno Nobel, Bristol-Myers Squibb Norway, Asplan Viak and Technip Norge have all moved into newly refurbished premises. In 2009 the building services will be upgraded and replaced. One of the tenants will be the Asker and Bærum police force. The new police station occupies approx. 12 000 m², approx. 7,000 m² of which consists of conversions of existing buildings. The police will move into its new premises in the winter of 2009.

OPERATIONS AND MAINTENANCE

The market for operations and maintenance/ facility management (FM) services is rapidly growing. In 2008 a Norwegian standard for FM services was produced, but it is still difficult to compare ourselves with other companies in the industry based on key figures. Through its participation at seminars and other industry forums in 2008, Entra has found that it has high levels of technical expertise, reasonable cost levels and good tools to help it with the operation and maintenance of its properties.

Online monitoring tools

The company's online monitoring tools for operations and maintenance provide useful information for managing and documenting the properties. This ensures that monitoring and inspection procedures meet government requirements, and provides a good foundation for eco-friendly operations. This is reflected in the company's good results for energy efficiency measures last year. The safety of Entra's tenants is also a high priority. This requires us to monitor legionella levels in pipes, provide a good indoor climate, ensure fire safety and maintain safe pavements.

The same web-based tool provides us with a basis for systematic, value-preserving maintenance of the company's buildings. Using the tool effectively – in combination with the competence of Entra's employees – reduced our management and operating costs in 2008. However, major maintenance work on individual properties meant that the company's overall management, operations and maintenance costs in 2008 were higher than the previous year.

SLA

In 2008 the company continued expanding its use of SLAs (Service Level Agreements), which are becoming an increasingly common form of contract in the Facility Management market. At Entra, SLAs help to clarify the allocation of work and areas of responsibility, which in turn makes it simpler to meet customers' expectations of Entra. The company put considerable resources into signing framework contracts with suppliers in 2008. These framework contracts simplify purchasing procedures, making them more efficient, and ensure good, socially responsible and cost-efficient terms and conditions. During 2008, Entra developed a highly efficient electronic purchasing system, which increases the traceability of purchases.


entra
EIENDOM AS

Corporate governance

Corporate governance covers the principles and the practice that regulate the interaction between shareholders, the Board and the management, viewed in a long-term and value adding perspective.

Good corporate governance shall help to provide:
- A focus on the management and development of the owner's assets
- Increased predictability
- Confidence in the company
- A basis for the effective handling of specific challenges and critical decisions

THE NORWEGIAN RECOMMENDATION

The Norwegian Corporate Governance Committee (NUES) has drawn up the Norwegian recommendation for corporate governance. Listed companies shall prepare a statement in accordance with the recommendation for good corporate governance of 4 December 2007. For further information about the recommendation, see www.nues.no.

Entra Eiendom AS is wholly owned by the Norwegian state, and its ownership of the company is exercised and managed through the Ministry of Trade and Industry. The company aims to act like a listed company, and our report on corporate governance is therefore structured in line with the Norwegian recommendation. In keeping with the comply or explain approach, all of the paragraphs of the recommendation are addressed.

1. Corporate Governance Statement

Entra's strategy and overall objectives highlight our ambitions, strategic choices and long-term goals. Together with our values and ethical guidelines, they constitute the company's strategic platform. In order to support and implement this platform, guidelines, procedures and authorisation models have been established that are available in the company's quality system.

State-owned companies face strict requirements regarding the fulfilment of their corporate social responsibilities. They must, amongst other things, run their operations in such a way that they benefit society. There are also requirements relating to the transparency, environmental policies and ethics of the company.

2. Business

The company owns, buys, sells, operates and manages real property, and carries out other activities that are connected with this. The company also owns shares and interests in companies performing the activities described above. The company is run on commercial principles.

3. Company assets and dividends

Company assets and equity

On account of Entra's stock exchange listed bonds, it presents its financial results under IFRS (International Financial Reporting Standards). The Group's book assets totalled NOK 20,091.3 million at 31 December 2008. 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

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.

According to the Revised National Budget for 2009, Entra Eiendom AS will not be paying a dividend for the 2008 financial year. In St.prp. no. 1 (2007-2008) the consequences of the transition to IFRS were discussed. The conclusion was that the dividend would be calculated on the basis of "the consolidated profit after taxation and minority interests, adjusted for unrealised gains and losses".

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.

Transactions with closely related parties

The company has a number of public sector tenants. Lease contracts with them have been signed on commercial terms.

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.

6. Annual General Meeting

Section 20-5 of the Norwegian Companies Act regulates the AGM of state-owned companies. At wholly state-owned companies, the ministry that owns the company is responsible for sending out notice of AGMs and EGMs.

Notice, agenda and relevant documents

The recommendation's clause on making the notice and relevant documents available on the company's website at least 21 days before the AGM was not adhered to in 2008.

The Ministry that owns the company determines when the Annual General Meeting shall be held. Entra's management prepares the agenda and other documents, and sends out notice of the meeting. Notice is sent to the shareholder, members of the Board, the company's auditor and the Office of the Auditor General of Norway.

Attendance

The Ministry of Trade and Industry represents the shareholder at the AGM. Of the Board of Directors, at least the Chairman shall attend. The company's auditor shall be present. The Office of the Auditor General of Norway is entitled to attend. Of the executive management, at least the CEO, CFO and Director of Strategy and Business Development shall attend.

7. Election committee

Entra Eiendom does not have an election committee.

8. Corporate assembly and Board, composition and independence

Entra Eiendom does not have a corporate assembly.

Composition and independence of the Board of Directors

The shareholder elects the shareholder representatives at the AGM. The Chairman of the Board is also elected by the AGM. 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 shareholder representatives are independent of the company's executive management, important business contacts and our shareholder. Two of the shareholder representatives are women. One of the two employee representatives on the company's Board is a woman. The Board's combined expertise, capacity and diversity makes a positive contribution to the ability of the company to add value, and we believe that it helps safeguard the interests of the shareholder. This is confirmed by thee Board's annual self-evaluation. No representatives of the Group's executive management are Board members.

9. The work of the Board:

The tasks of the Board:

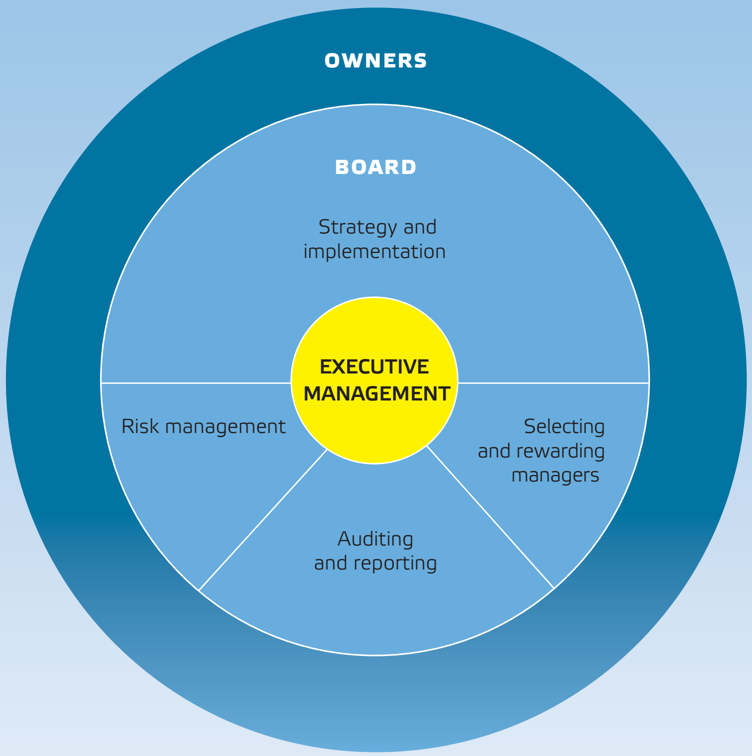
The Board shall meet at least six times a year. In 2008 there were eight Board meetings. The Board's work is governed by separate guidelines. The guidelines also regulate the CEO's tasks and relationship with the Board. There is an emphasis on Board meetings being carefully prepared, and on everyone being able to participate in decision-making processes. A thematic plan for the Board's work for the year has been established. Based on the annual plan, the Chairman of the Board – in consultation with the company's CEO – adopts the final agenda for the Board meeting.

In addition to the Board members, the CEO, CFO and Director of Strategy and Business Development shall always attend Board meetings. 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

The Board has created an audit committee and compen-

Figure 3: Corporate management model



sation committee, which have two and three shareholder representatives respectively. Representatives are elected for periods of two years at a time. The committees assist the Board with preparing its work, but decisions are taken by the whole Board. The Board has established mandates for the work of the committees.

The CEO, CFO and committee secretary shall always attend audit committee meetings. The company auditor and other members of the company's management attend as required. The audit committee has a fixed schedule of meetings, with at least four meetings each year. The audit committee performs an annual self-evaluation of its work. The company's auditor attends all meetings.

The audit committee helps the Board to assess questions relating to financial reporting, internal controls and risk management. The Board's audit committee shall ensure that the Group has an independent and effective external auditor, satisfactory internal controls, good compliance procedures and that the Group's ethical guidelines are adhered to.

In addition to the two representatives elected by the Board, the Director of Human Resources shall always attend the compensation committee. The committee normally meets two to four times a year. The compensation committee held three meetings in 2008. The compensation committee assists the Board with all matters relating to employment conditions, salaries and any severance payments to the CEO and senior management team.

The Board's evaluation of its own work

The Board performs an annual self-evaluation of its work. In addition, the CEO gives an evaluation of the Board's work on behalf of senior management. This includes looking at its way of working and its composition in terms of expertise and teamwork. The evaluation is presented to the shareholder.

10. Risk management and internal controls

Under Entra's overall strategy for risk management, the Group shall take a proactive stance towards risk.
For all decisions and actions potential risks shall be:

- identified
- assessed
- quantified
- and dealt with

Each month, risk matrices are produced for each business area and field of business support, and when aggregated they give a picture of the overall risk faced by the company. This is presented to the Board on a regular basis, allowing it to monitor that adequate risk management procedures are in place. The executive management has established routines and procedures for managing the risk exposure entailed by Entra's activities. Each year the company's risk management and internal controls are reviewed by the Board's audit committee.

For each Board meeting, the management prepares a written report on the business. The quality department performs internal controls in accordance with the plan presented to the audit committee. The results of the internal controls performed are reviewed by the audit committee.

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.

Special authorities have been given to govern the management's day-to-day implementation and follow-up of Board resolutions.

Tasks relating to the day-to-day management of the Group's financial risk, and ensuring that it is in line with the adopted finance strategy, are the responsibility of the investment and finance department. Financial instruments are used to manage risk exposure. Other commercial and financial exposure to risk through agreements are handled by the relevant business area, if necessary in cooperation with the administrative staff.

The ethical guidelines describe how employees can report breaches of the company's ethical guidelines or current legislation. Employees are encouraged to report unsatisfactory situations. An internal ombudsman can be contacted in the event of issues that employees do not wish to report through their line management. The company has also established an external reporting channel to a firm of lawyers, who can receive notifications on behalf of the company.

There is information about the company's notification procedures, including links for internal and external notification, on the company's intranet pages.

11. Remuneration of the Board

Each year, the AGM determines the remuneration of the Board. For information about remuneration of the Board in 2008, see Note 23 to the financial statements.

12. Remuneration of key employees

Determining salaries and remuneration

Regarding the determination of the CEO's salary and other benefits, see the description under Section 9 on the compensation 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 in line with "The Norwegian government's approach towards management pay – new guidelines" of 25 January 2007 and Section 7.4 "Management pay and incentive schemes" in St.meld. (White paper) no. 13 (2006-2007).

Performance-related pay

The CEO has a personal bonus scheme with a maximum limit of 50 percent of his annual salary. The other members of the senior management group are part of the same performance-related pay scheme as other employees at the Group.

After consultation with the compensation committee, the CEO has been authorised to give employees bonuses over and above the company-wide scheme described below. However, the total bonus can never exceed 25 percent of the annual salary of the employee.

The company-wide performance-related pay scheme is based on an external benchmark obtained from the Investment Property Databank, IPD. Customer satisfaction levels and individual goals also help to determine performance-related pay. Total performance-related pay from the scheme cannot exceed 12.3 percent of the employee's annual salary in any given year. The principles governing the performance-related pay scheme are described in greater detail in a separate document. There are no share option schemes for key employees.

"Each month, risk matrices are produced for each business area and field of business support, and when aggregated they give a picture of the overall risk faced by the company."

Remuneration in 2008
Please see Note 23 to the consolidated financial statements for further details about the remuneration of key employees.

13. Information and communication
Financial reporting and communication
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 up-to-dateness of the company's external reporting.

Reporting must fulfil statutory requirements and provide sufficient additional information to allow the company's stakeholders to form as accurate a picture of the business as possible.

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, CFO and Director of Strategy and Business Development shall always represent the company. Other employees 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 owner cannot sell shares in the company without special authorisation from the Storting.

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, as well as Board meetings to review and adopt the annual report and financial statements. 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. Each year there are two meetings between the audit committee and the auditor.

Auditor's relationship with the executive management
The Board has drawn up 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 executive management shall inform the committee on any additional services provided by the external auditor. The auditor shall each year report to the audit committee on the work he has performed.

In 2008, 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 and gave advice on IFRS reporting.

Annual General Meeting
The auditor attends the AGM in connection with the discussion of the annual accounts. The auditor's fee for statutory auditing and other services is approved by the AGM.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

“Entra must be a value-driven company, and everything we do must be based on our core values: *focused*, *honest*, *responsible og ambitious*.”

In the future, the strongest and most robust companies will be the ones that manage to unite social responsibility with their own commercial challenges.

As a large state-owned property company, we want to help shape the future. Social responsibility should not be something that is independent of our day-to-day activities. It should be an integrated part of our business. I believe that our customers also want to make a contribution, and that as a construction client we are in a position to influence how our partners develop – particularly in terms of environmental challenges. Social responsibility constitutes an opportunity – not a limitation.

Our social responsibility is the sum of everything that we as a company do – from who we contract our partners to how we discuss the company and its competitors in our dealings with friends and acquaintances. One of the important guidelines for Entra’s strategic planning is that our corporate social responsibility strategy shall be linked to our commercial strategy.

Entra must be a values-driven company, and everything we do must be based on our core values: **focused, honest, responsible and ambitious**. Those values act as tools and guidelines for how we relate to customers, employees, the environment and the wider community.

Kyrre Olaf Johansen
Chief Executive Officer

Important events in 2008

OPERATIONS DEPARTMENTS SHALL HAVE THEIR OWN HSE PLANS
The operations and maintenance department reinforces the follow-up of Entra's own HSE requirements during the implementation of small projects. Operations departments shall have their own HSE systems in place that construction companies are required to follow. The operations and maintenance department provides its own site board, which is put up by the operations manager for the building in question.

ASSESSING UNIVERSAL DESIGN
Work on assessing the universal design of the company's property portfolio in Oslo has been completed. This is the first phase of an extensive plan to make the buildings accessible to everyone.

PHASING OUT OF OIL-FIRED BOILERS
In collaboration with ENOVA, Entra is continuing to phase out all oil-fired boilers in its property portfolio. At Jonas Liesgate 20 in Lillestrøm, the oil-fired boiler was replaced by district heating. Prior to its replacement, the oil-fired boiler heated a 7,700 m^2 building, consuming 62,000 litres of heating oil each year.

INCREASING RECYCLING
A project has been initiated to increase the proportion of waste that is recycled. Biskop Gunnerus gate 14 is being used as a pilot building to see how this can be done as efficiently as possible at all of Entra's properties.

ENERGY EFFICIENCY
Entra aims to reduce its energy consumption significantly. Stovner police station is one shining example of how energy consumption can be greatly reduced. At the initiative of the property's operations manager, a number of free measures have been taken, resulting in a 24 percent energy saving.

COMPETENCE DEVELOPMENT
All operations coordinators and technical managers, a total of 19 people, have taken management courses at the Norwegian School of Management BI. Entra has arranged and financed the training programme.

CHAIRMAN OF THE BOARD OF THE "GREEN BUILDING ALLIANCE"
Entra has been a member of the Green Building Alliance since 2003. Now the company wishes to increase its involvement by taking a more proactive role. In April, the company's Technical Director Nils Fredrik Skau became the Chairman of the organisation's Board.

ENERGY AND ENVIRONMENTAL ANALYSIS

In collaboration with ENOVA, an energy and environmental analysis was performed at 55 of the company's properties. The report resulting from the analysis proposes various measures that are expected to reduce energy consumption at the properties. It estimates that energy consumption at Kongensgate 87 in Trondheim can be cut by approximately 19 percent.

KOSMORAMA

Entra is the main sponsor of the Kosmorama film festival in Trondheim. The collaboration between Entra and Kosmorama has led to the festival making a significant contribution towards the establishment of an active film making and film production community in central Norway.

THE BATTLE AGAINST THE LEGIONELLA BACTERIUM

Norway's first anodic oxidation plant is to be built at Kongsgaard Allé 20 in Kristiansand. The plant uses ions to kill legionella bacteria. If everything goes to plan, it will be possible to reduce the temperature of the water in the hot water boilers without producing any risk of a bacteria outbreak. The reduction in energy consumption and use of chemicals will result in major environmental benefits.

MAJOR INSPECTION AT SITES

Two major inspections were performed on selected suppliers and tradespeople at selected sites in the Oslo region. No unsatisfactory circumstances were revealed by these inspections. The inspections involved, amongst other things, checking ID cards, employment contracts and wage terms.

ECO-LIGHTHOUSE

The premises occupied by the County Governor of Troms, the Norwegian Public Roads Administration and Troms county council at Strandveien 13 in Tromsø were certified as an "eco-lighthouse". This is a certification scheme for use at company level.

Our corporate social responsibility

Entra has established a plan of action for corporate social responsibility, and there are inter-disciplinary working groups on the environment, HSE, socially responsible procurement and ethics. The groups report to a steering group for corporate social responsibility, which is responsible for ensuring that plans of action get implemented. The guidelines and procedures for corporate social responsibility form part of the company's quality system, which integrates strategy, social responsibility and corporate governance.

ENVIRONMENT

As a major player in the property market and significant construction client, Entra aims for its properties to have as little impact on the environment as possible. The company shall also promote the efficient use of energy and other resources. Reusing construction materials and using eco-friendly materials are therefore priorities. Water-based heating systems shall be used where possible, as this allows the use of various energy carriers such as heat pumps and renewable energy sources.

Entra wants to reduce the energy consumption of the buildings that it leases out by 10 percent, whilst the energy consumption of new-builds shall at least comply with current EU directives.

Entra's environmental policy is followed up by a working group, which has prepared a plan of action for the period 2007-2009.

Enova

ENOVA shall promote the transition to eco-friendly energy consumption and production in Norway, and cooperating with businesses is essential to achieving that. The four ENOVA projects that were started in 2006 and 2007 for the four regions were continued in 2008.

Entra's goal for the ENOVA projects is to cut energy consumption at the buildings covered by the projects, with a specific reduction of 19 GWh being targeted. Energy and environmental analyses, which have been carried out at half of the buildings, have revealed potential savings of approx. 18 GWh. So far during the projects specific energy consumption has been reduced by approx. 9 percent.

Entra's energy consumption is under the average for ENOVA's building statistics. In total, 770,000 m2 of the company's property portfolio is covered by ongoing ENOVA-backed energy saving projects. Individual new-build projects with ENOVA backing are also under construction.

Eastern Norway Region

In the Eastern Norway Region, ENOVA projects include approx. 480,000 m² of buildings, with annual energy consumption having been reduced by approx. 4 GWh. Energy and environmental analyses have been carried out for approx. 75 percent of the portfolio, and they have revealed potential annual energy savings of approx. 15 GWh. The original target was approx. 11 GWh.

The measures that are uncovered and financially tested in the energy and environmental analyses will be implemented in the annual maintenance plans and be considered in conjunction with refurbishment projects.

Western Norway Region

In the Western Norway Region, approx. 115,000 m² are covered by the project. The properties have not yet achieved significant energy savings. This is due to lack of investment in energy efficiency measures at the buildings, and the fact that the activities and tenants in the buildings have varied over the past year. Energy and environmental analyses have revealed potential annual energy savings of approx. 1.2 GWh. The original target was approx. 3 GWh. In addition there are the energy savings (relative to current technical regulations) for the new-build “Nonnen”.

Central and Northern Norway Region

In our Central and Northern Norway Region, the project covers around 100,000 m², with annual savings so far totalling 0.5 GWh. Energy and environmental analyses have revealed potential annual energy savings of approx. 1 GWh. The original target was approx. 2.6 GWh. The energy savings for some new-builds come in addition to this.

Southern Norway Region

In our Southern Norway Region, the project covers approx. 73,000 m², and an annual reduction of around 0.9 GWh has been achieved. Energy and environmental analyses have revealed potential annual energy savings of approx. 0.8 GWh. The original target was 2.1 GWh for the existing buildings.

Recycling

In 2008 the company continued using its system for energy and waste reporting for all of its properties. The quantity of different types of waste is reported on a monthly basis. Waste and energy consumption levels can be compared with buildings in an equivalent category, and the results are reported and presented at regular user meetings in order to motivate tenants to reduce energy consumption and waste levels.

We are working on reducing the quantity of unrecycled waste that is generated by our tenants. The aim is to reduce the amount of unrecycled waste to 30 percent of total waste produced. The company has started installing automatic water meters with alarm functions at its properties.

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 at all of its properties. As a result, Entra has hired an external consultant for several of its development projects to improve the workplace design process.

Online monitoring and management

FDVweb and The EOS Log are two online management systems that Entra uses actively. FDVweb handles auditing and inspection procedures for the company’s properties, and provides operations staff with an overview of the procedures that need implementing at any give time. This covers everything from procedures related to fire safety to procedures to discover legionella bacteria in buildings.

The EOS Log is used to log and manage water, energy and waste consumption. The system is used by the company’s operations staff to document and monitor trends in these areas.

Entra is a member of the Green Building Alliance, which promotes environmental efficiency in the construction industry.

Key figures	units	2007	2008	TARGET
Percentage of buildings with electricity meters	%	90	99	100
Change in electricity consumption	%	-6	-9	-10
Percentage of buildings with water meters	%	75	94	100
Percentage of buildings that measure waste levels	%	43	68	100
CO2 emissions	TONNES	52	49	-
Percentage of energy sources using fossil fuels	%	1	2	-
Percentage of using renewable energy/ district heating	%	25	22	HIGHER %

RESEARCH AND DEVELOPMENT PROJECTS

Entra is involved in the following R&D projects:

GLITNE (increasing the responsibility of manufacturers of construction products)

This is an R&D project run by The Research Council of Norway. The main goal of the project is to make the construction industry more eco-friendly by putting a price on environmental impacts.

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.

The project has developed a tool, which will now be tested. Entra is providing its properties at Alnafossen and Sverres gate as test cases.

Health and Light

This is a national R&D programme based around the Drammen region and the scientific community at Papirbredden Eiendom. The programme is funded by Innovation Norway and the Research Council of Norway.

Within this programme, Entra is establishing quality targets for lighting systems in commercial buildings in collaboration with companies throughout the industry supply chain. This forms part of the Health and Light project's effort to educate decision-makers in the property industry.

LECO (Low Energy Commercial Buildings)

This is an R&D run by SINTEF Building Research to develop the energy efficient commercial buildings of the future. The main goal of the project is to work with the industry to come up with solutions that will:

- Allow existing buildings to reduce their energy consumption by 50 percent (150 kWh/m² year)
- Mean that new-builds will only need 25 percent (75 kWh/m² year) of current energy requirements
- Lay the foundations for producing buildings that use only 10 percent (30 kWh/m² year) of current energy requirements
- Reduce peak power consumption drastically (50-75 percent reduction)
- Be possible to implement with an acceptable return on investment (LCC analysis)

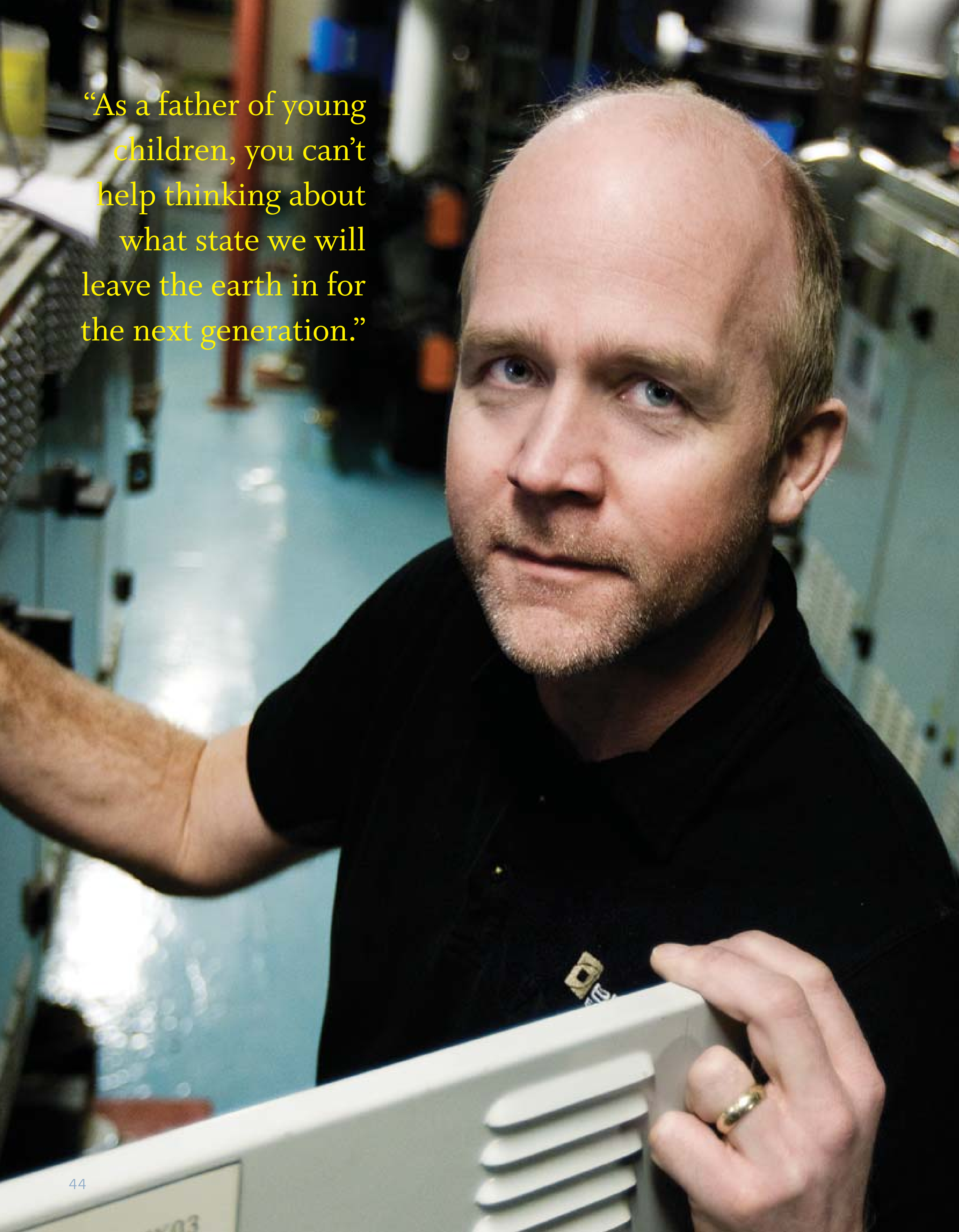
> "Entra's goal is that our properties should be as environmentally friendly as possible."

INTEND (Integrated Energy Design in Public Buildings)

This is an EU project, which has established a method/process for developing energy efficient buildings. The principle is that if several disciplines are involved at an early stage of the planning process and focus on the passive properties of the building (daylight, passive solar heating, integrated ventilation, insulation, solar shading, etc.), it is relatively easy to achieve energy savings and a good indoor climate. This is combined with a focus on Life Cycle Cost (LCC) to increase understanding of costs over the lifetime of a building. The aim is energy-efficient solutions that require less plant, have significantly lower operating costs and produce a better indoor climate.

Entra is testing the methodology on behalf of the project at its properties at Prof. Olav Hanssensvei 10 in Stavanger and Middelthunsgate 29 in Oslo.

"As a father of young children, you can't help thinking about what state we will leave the earth in for the next generation."



Taking ownership of environmental results

Operations Manager Tom Ivar Riseth won Entra's 2008 company environmental prize for the results that he achieved through various energy-saving measures at Biskop Gunnerus gate 14 – Entra's head office. Riseth has initiated several measures that in combination have resulted in significant energy savings at the building.

"In addition to doing his job, Riseth has taken a positive and proactive approach to energy consumption and the environment. He has worked systematically over a long period, and has achieved good results in a building that was recently totally refurbished, which made it all the harder to reduce energy consumption," was the verdict of the chairman of the jury Carl Henrik Borchsenius.

Operating "Postgirobygget"

Tom Ivar Riseth came to Entra in January 2003 after working for several years as a service technician in the field of building automation. In other words, he had expertise in the automation of central control systems, ventilation, cooling, heating and lighting. He was hired to run Biskop Gunnerus gate 14, formerly known as Postgirobygget, which at the time was in the final stages of a complete refurbishment. For the first six months he helped with the completion of the refurbishment project, whilst making himself familiar with the building services. With the exception of two soil pipes and three cooling units, there were no new technical installations in the building.

The first tenants moved in spring 2003, and the operations staff responsible for the huge building spent the first 18 months getting to know the installations. During the winter of 2004, the first energy meters were installed, and the first consumption data for the building date from January 2005.

The measures taken

The first measure taken to limit energy consumption was recovering the heat from the condenser in one of the cooling units. In March, the first of five units to purify the water in the heating/ cooling units was installed in order to avoid furring and thereby to improve the operation of pumps and valves. These units also help to prevent corrosion. The optimisation of the ventilation, cooling and heating systems was done gradually in parallel with the retro insulation of pumps and valves in the heating and cooling plant. The heat recovery units on the ventilation system were reprogrammed to recover the energy of the air indoors when the outside temperature is higher than the indoor temperature.

The results

In 2005, the building's energy consumption was 268 kWh per square metre. In 2008 this had been reduced to 227 kWh. Total consumption fell from 13 million kWh in 2005 to 10.9 million kWh in 2008, which represents a total annual saving of 2.1 million kWh. Based on an average two-bedroom flat using 10,000 kWh of energy each year, this saving is equivalent to the consumption of well over 200 flats.

Motivation

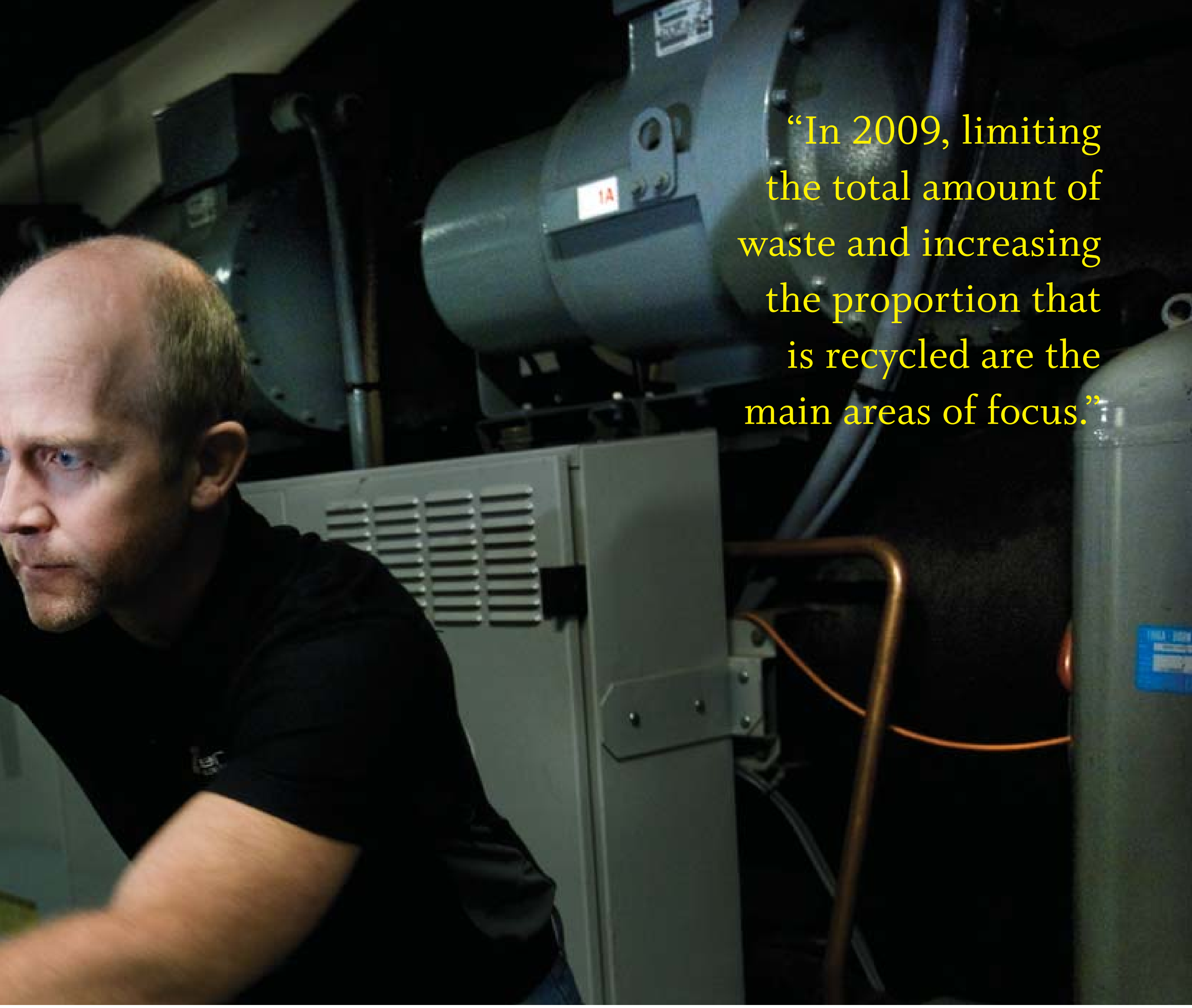
Tom Ivar Riseth has himself initiated most of the energy-efficiency measures. He is very pleased that he has been allowed to test various measures.

"Entra's technical manager for the building has always trusted me, and provided the necessary funds to implement my ideas. Although some measures have had limited impact, most of them have resulted in significant savings. It is very inspiring to see the results of the various measures," says Riseth.

From saving money to saving the planet

To start with, the motivation for limiting energy consumption was to save money. Without the potential financial returns, he doesn't think that he would have been given the opportunity to make the necessary investments during the first years. As society in general, and Entra in particular, has become more conscious of environmental issues, Riseth's motivations have changed.

"Al Gore's film "An Inconvenient Truth" gave me a real wake-up call. What we know about global warming



is in its own right a massive motivation to limit energy consumption. As a father of young children, you can't help thinking about what state we will leave the earth in for the next generation," says Tom Ivar Riseth.

New main focus

Riseth has new ideas for future energy-saving measures. At the moment, however, waste management and recycling are taking much of his attention. In 2009, limiting the total amount of waste and increasing the proportion that is recycled are the main areas of focus. Riseth has been gratified to see that there is a great deal of enthusiasm and interest from tenants in relation to this area, which is very motivating for him. In 2008, 62 percent of the 380 tonnes of waste produced in total was recycled. The target is 80 percent.

Proud of his contribution

If suggestions by employees result in savings or make buildings more efficient, Entra will attempt to roll out the measure throughout its property portfolio. This is a question of exchanging experience and continuous improvement.

"For us it is important to motivate employees to be innovative, and to inspire them to suggest proposals and ideas that further improve the company and its operations. Proposals made by our employees have led to large savings, and have helped the company to achieve better and better environmental results. I am proud of that," says Nils Fredrik Skau, Entra's Technical Director.

Use and conservation

One important environmental issue, and part of Entra's corporate social responsibility, is how it protects our cultural heritage, primarily in the shape of buildings and groups of buildings.

Features of historic and cultural value must be treated with care, and the best of doing so is through continuous use. Entra owns a number of historic buildings. The old customs houses are particularly important in that respect. Buildings that represent the emergence of the post-war welfare state and large office blocks from the 1970s also fall within this category, along with typical blocks of flats from the period 1850 to 1900.

Dialogue with the conservation authorities

Close cooperation with the conservation authorities plays an important role in the management and development of historic buildings. It is a challenge to come up with solutions that satisfy statutory quality requirements and modern needs whilst nevertheless preserving features of cultural historic value.

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. The conservation plan was recommended by the Directorate for Cultural Heritage as a basis for managing our properties, and will become an integrated part of our management, operations and maintenance system.

In addition to the conservation plan, documentation and associated management plans, procedures are being drawn up for managing cultural heritage issues when purchasing and selling properties. This involves upgrading and quality assuring existing procedures in Entra's quality system, to ensure that they are adequate for internal purposes and comply with government stipulations.

KALFARVEIEN 31

The circle has been closed. The University of Bergen's medical birth registry moved into Kalfarveien 31 in 2002. When it became a tenant, this historic building once again became a centre for medical research. The birth registry has a unique piece of cultural heritage as the setting for its epidemiological registry research, which has its roots in 19th century efforts to combat leprosy.

"Hospice for lepers no. 1" was the name given to the building when it was completed on 12 June 1857. The building has a history that encompasses great achievement and suffering. The suffering is that of the people for whom the building was built, the living dead – the lepers. The great achievement is linked to the size of the building – 8,069 m² – which probably makes it Scandinavia's largest wooden building, but also to the fact that the hospice was at the forefront of the world's battle against leprosy in the 19th century.

One of Bergen's most famous sons, Gerhard Armauer Hansen, did medical research at Kalfarveien 31, and it was here that the bacterium that causes leprosy was first discovered, which later resulted in a treatment for the disease. Entra wants as much as possible of the old atmosphere to be retained, to help tell the story of this outstanding building. At the same time, the premises have to meet our tenants' need for a functional building.

KONGENS GATE 85

This building was first altered in the 1770s, and its age alone makes it an important piece of cultural history. The history of the building is equally fascinating. When it was built in 1732 it was initially a workhouse, but during the 18th century it gradually turned into something that was more of a prison. From 1737 to 1830 it was also an isolation ward for syphilis patients.

In 1885 the official name of the institution became Trondheim prison, and from 1909 to 1971 it acted as a national prison. This 1,000 m2 building is Norway's oldest institutional building of its kind, and is an important socio-historic monument. The prison is now a listed building.

MIDDELTHUNS GATE 29

Norway's post-war investment programme in hydro-electric power stations led to the rapid growth of the Norwegian Water Resources and Electricity Board (NVE), with offices in various parts of Oslo. There was a need to gather NVE's growing administrative department under a single roof. When Middelthunsgate 29 was completed in 1964, the 21,105 m2 building was specially designed for the needs of NVE.

With the open spaces of Frogner Park as its nearest neighbour to the west and south, and right next to the transport hub Majorstuen, it occupied the perfect location. This long and curved building has a modernist rear wing perpendicular to the main body of the building. The curved facade gives the building a monumental appearance, and distinguishes from otherwise similar contemporary buildings. The building is a public landmark of great cultural-historic value.

Doing our bit for the city

After many years of discussion, on 5 March 2008 Oslo City Council and Entra signed an agreement for the total refurbishment of the historic buildings at Pilestredet 30 A, B and C.

Pilestredet 30 forms part of a historic block that was built at the end of the 1860s. The property was in a very poor state of repair, needing wet and dry rot eradication, as well as major structural repairs. The facades are of great historic value, and it was essential for the refurbishment to be done in close consultation with the Cultural Heritage Management Office in Oslo.

Flats and a museum

The parties agreed that Entra should totally refurbish the whole building, with three elements being central to the project:

- A youth centre designed for the needs of "Blitz" was to be created at Pilestredet 30 C
- Flats to be run by the Church City Mission for ten years on behalf of the city's most vulnerable residents were to be built in section A and most of section B of the property.
- A museum flat was to be established at Pilestredet 30 B. The flat would be the one which the Munch family moved into when the block was completed in 1868. They stayed until 1875, until Edvard Munch was 12 years old. Entra has undertaken to do up the museum flat and give access to the general public.

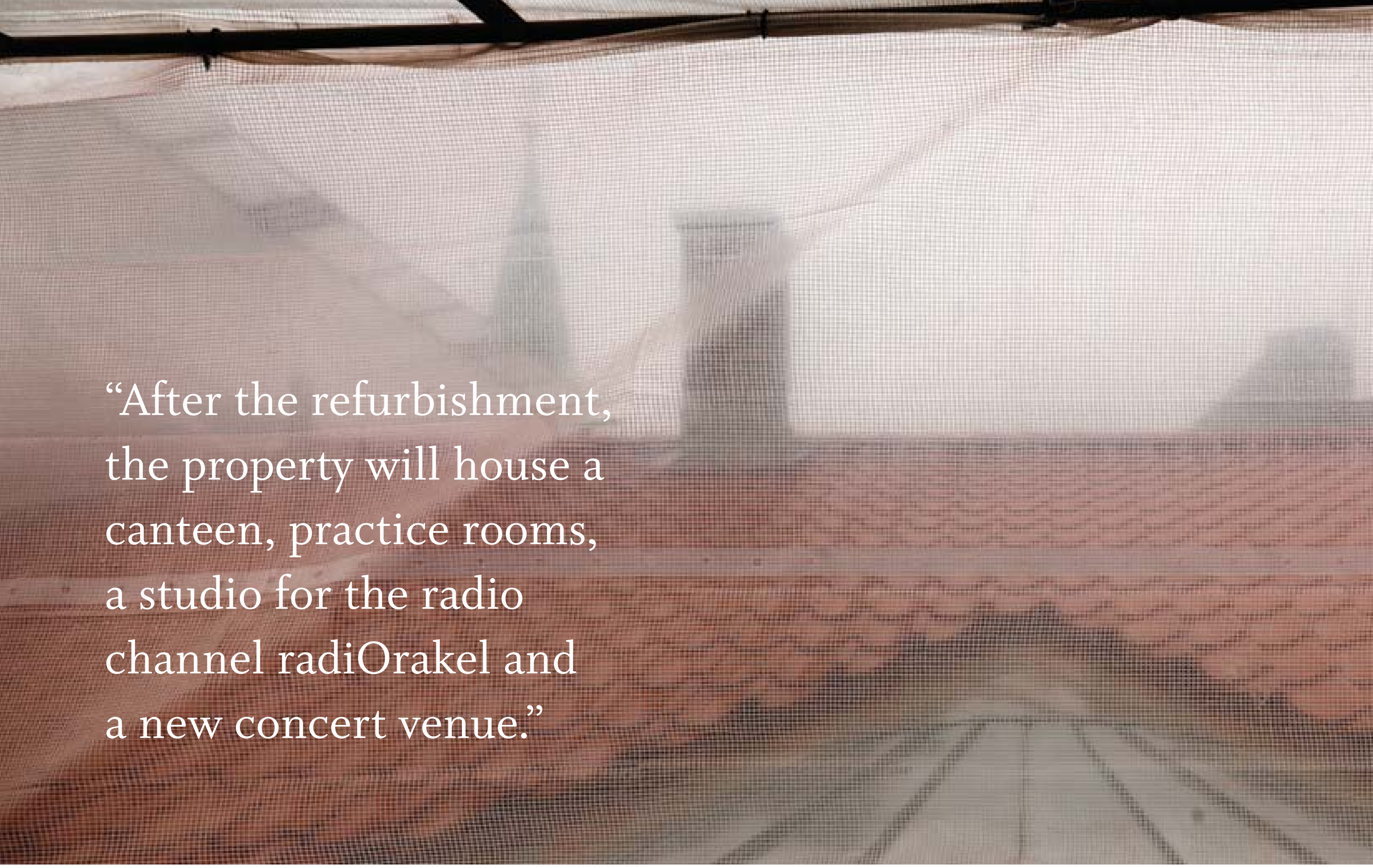
Blitz

Pilestredet 30 C shall remain in the ownership of Oslo City Council when the work is completed, but will be used by Blitz. After the refurbishment, the property will house a canteen, practice rooms, a studio for the radio channel radiOrakel and a new concert venue. In addition to the facades being returned to their original state, the biggest change will be the new concert venue. It will be located in a new-build in what used to be the backyard of the building, facing onto Nordahl Bruns gate.

The museum flat

Innovation is at the heart of the creation of the Munch flat. The final result must not show any signs of the passing of history, but must instead "freeze" time at a particular moment. Unfortunately the flat is in a poor state of repair, which has been exacerbated by the deep traces left by the investigation into rot damage.

It will be necessary to replace a large number of internal features with equivalents from the rest of the building, and particularly from the neighbouring 30 A. The two buildings were constructed at the same time, are closely related and contain a number of interior features with the same appearance and function. This is supposed to give an impression of the period when the flat was new. The surfaces shall also reflect this, which means that they need to be cleaned, sanded and treated. For example, a number of thick layers of paint need to be removed from the ceiling roses and cornice, as they are later additions.



The City Church Mission

The City Church Mission became a partner in the project at an early stage. Entra and the Oslo City Council saw the need for additional housing for the city’s most vulnerable residents. The City Church Mission was chosen as our partner, and will manage the housing for ten years. 16 units will be built and furnished using a layout designed by the City Church Mission, which will result in a combination of shared flats and apartments.

External work completed

The project was started in the second quarter of 2008, with refurbishment work expected to take 15 months.

“After first completing a very comprehensive eradication of wet and dry rot from load-bearing structures, all of the load-bearing members were reconstructed. Both the roof and the facades have been completed, and we are well underway with the internal work,” says Bjørn Holm, Entra’s Director of Projects and Development. Completion is due for the autumn of 2009.

Art

Art in public spaces (KORO) is a government body that reports to the Ministry of Culture and Church Affairs. The government allocates funding, which KORO then uses to buy art for public buildings and properties on behalf of the government. Entra has received a number of works of art from KORO, and is responsible for the day-to-day management, operation and maintenance of those works. In the summer of 2008 a survey was done of all of the art in Entra’s buildings, with all of the works of art in Oslo being documented with photographs. A survey was also done, and a record made, of the art owned by Entra independently of KORO. Under the Intellectual Property Rights Act, it is in principle illegal to make changes to works of art, and it is important to preserve them as well as possible. By performing this survey, Entra aims to increase awareness about the conservation, maintenance and documentation of the art that the company manages and owns.

Corporate social responsibility

Ethical guidelines

In order to be commercially successful, Entra needs the trust of its community, customers and partners. Along with our corporate values, the company's ethical guidelines shall help the company and its employees when performing tasks and making decisions. The company's ethical guidelines apply to all employees, regardless of their positions. The ethical guidelines form part of the company's quality system, and are available to employees on the intranet.

Entra's ethical vision is:

"Entra Eiendom shall act honestly and responsibly in all situations. We do not accept breaches of ethical and moral rules, and do not abuse power".

Entra's overall ethical objectives are:

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

"Entra Eiendom shall act honestly and responsibly in all situations. We do not accept breaches of ethical and moral rules, and do not abuse power."

Guidelines on gifts and representation, as well as ethical guidelines for suppliers, were established in 2007. In line with the company's 2007-2009 plan of action for corporate social responsibility, in 2008 we worked on implementation and on developing an ethical culture. The goal is to raise awareness of the ethical guidelines, as well as to create a culture in which employees feel comfortable raising ethical dilemmas.

The ethical guidelines were distributed to all employees ahead of the appraisals at the start of the year, which meant that they were also discussed. All employees have signed the guidelines, and we feel that appraisals are a suitable arena for discussing ethical questions.

The system of having an ombudsman to deal with notifications of breaches of ethical guidelines or current legislation has been taken further. In addition to the internal method of reporting, a procedure for notifying a firm of lawyers has been established and announced.

In conjunction with an event for all employees in the autumn of 2008, dilemma training was given, and various ethical problems were discussed and weighed up. Our experiences from this exercise were overwhelmingly good, and the concept will be followed up and developed.

"Entra shall be a professional, straight-forward and demanding customer in its dealings with suppliers."

Suppliers and procurement

In 2008, Entra purchased goods and services to a value of just over NOK 1.5 billion. The company received approx. 23,000 invoices, and the purchases were made from around 1,700 active suppliers. This level of purchasing and transactions confers a great deal of responsibility. It is therefore essential that the company is transparent in its purchasing process, and that it complies with important procedures. Bidders must be given equal treatment, the environment and employee rights must be taken into account and laws, regulations and guidelines must be followed.

Goals

Entra shall be a professional, straightforward and demanding customer in its dealings with suppliers. Purchases shall be made in such a way that the company fulfils its corporate social responsibility throughout the procurement process and in the final product. At the same time, the purchasing process shall secure the goods and services supplied to Entra on competitive terms.

Entra shall fulfil its corporate social responsibility regardless of whether procurement activities are performed directly by Entra employees or by consultants/ partners acting on behalf of Entra.

Quality assurance of suppliers

Performing quality assurance on its suppliers is a key tool for fulfilling Entra's corporate social responsibility. A separate document clearly stating Entra's values shall accompany all orders and contracts. The document sets out ethical and HSE requirements for suppliers. The document also demands that the supplier and subcontractors have a healthy working environment. The right of access described in the guidelines allows Entra to check that the company's requirements are being met by suppliers.

Framework contracts for suppliers are also quality assured through signed HSE declarations, credit checks and documentation of the payment of national and local taxes before being signed. During the delivery period, suppliers working under framework contracts are also followed up at regular meetings.

Supplier audits

Supplier audits were carried out for two major construction projects in 2008, which involved checking suppliers' compliance with corporate social responsibility requirements. The audits did not uncover any serious non-conformances. Further audits will be performed in 2009.

Framework contracts

38 new regional and national framework contracts were signed in 2008. A review of the extent to which framework contracts are being used for operations and maintenance shows promising signs. Established framework contracts have been used almost 90 percent of the time, whilst the figure is somewhat lower for contract portfolios that were not operational throughout the year.

New purchasing module

During 2008, a new purchasing module was developed, which will be implemented at the operations and maintenance department at the start of 2009. This will ensure that all enquiries and orders relating to operations will be traceable and verifiable. The measure will help to further increase the use of framework contracts in 2009.

Joint project room

In collaboration with the operations and maintenance department, in 2008 an online project room was

introduced to manage the department's ongoing project portfolio. The project room is used to store templates, instructions and other documentation for individual projects, which employees, consultants and our partners are to use when working for Entra. This helps to quality assure the procurement process for purchases performed by technical consultants on behalf of Entra.

HSE (Health, Safety and the Environment)

Entra shall avoid dangerous situations and unwanted incidents through systematic, preventive HSE work. The company's overall objective is to be the industry-leader in the field of HSE. In addition, knowledge, loyalty and active participation shall help to continuously improve the working environment, customer care and the safeguarding of the company's tangible assets and reputation.

Sub-goals for HSE during the period 2007-2009:

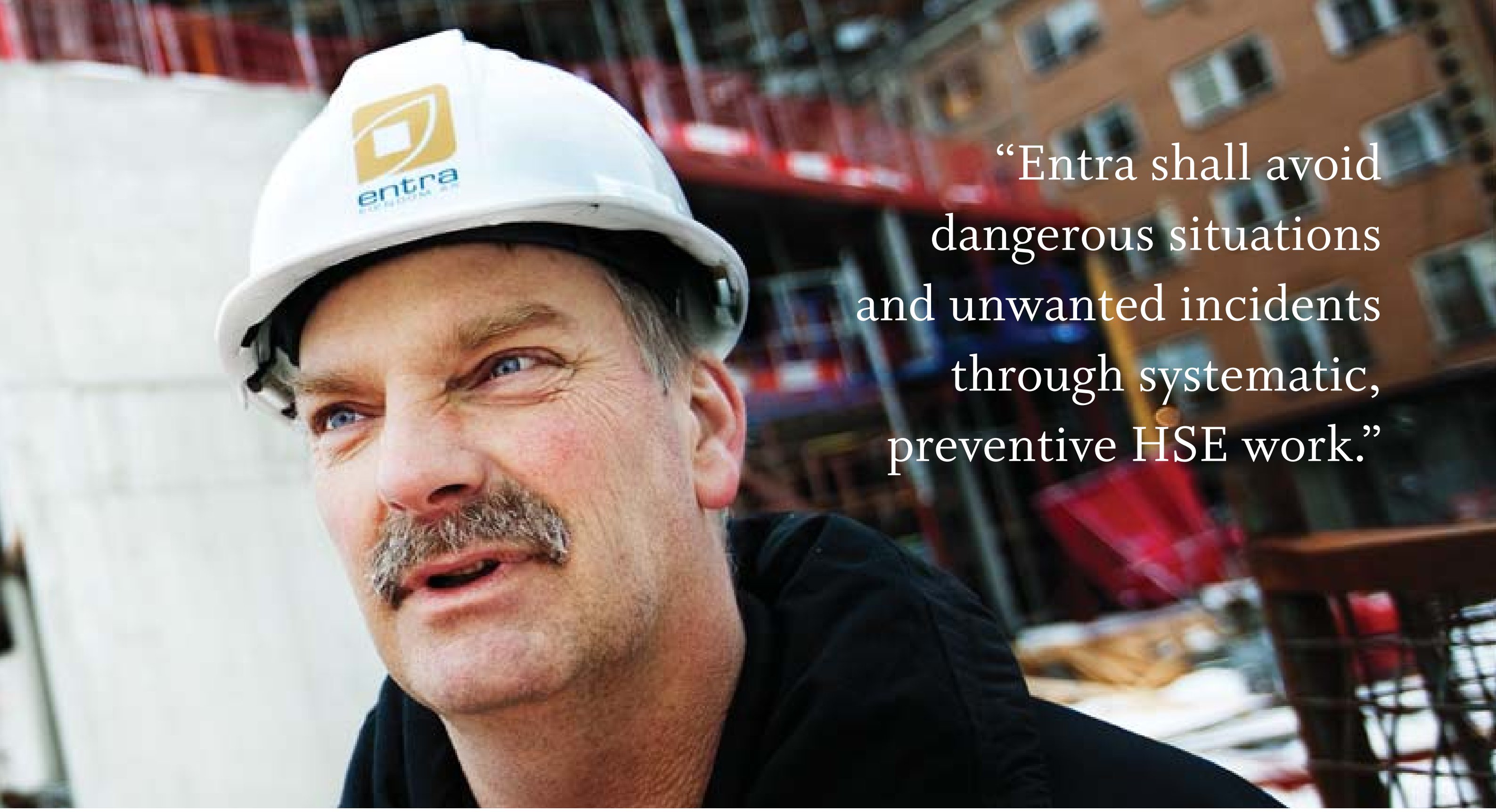
- Sickness absence of no more than 5 percent
- Average retirement age of at least 65 for employees
- LTIF for construction projects < 5 (The LTIF is the number of lost time injuries per million hours worked)

In 2002 Entra signed an agreement on inclusive working life with the Norwegian Labour and Welfare Administration (NAV), with a special focus on preventing sickness absence. In 2008 the company has particularly focused on improving procedures for active sickness absence management and preventing sickness absence. These have now been implemented. In 2009 all middle managers will receive training. All employees will attend events where the improvement of procedures for active sickness absence management and prevention of sickness absence will be discussed. There will also be a focus on the duty of individuals to participate in adapting tasks.

In 2008, sickness absence was 4.1 percent, which is below the target for the period. Sickness absence was lower than in 2007.

The average age at Entra in 2008 was 46.5 – 44 for women and 47 for men. The average age of retirement in 2008 was 62.6, which is a slight increase from 2007, when the equivalent figure was 62.25. Since 2004 the average retirement age has varied between 60.5 and 64. Entra's phase of life policy consists of a variety of measures, which aim to lay the foundations for a higher average age of retirement at the company.

In 2008 a seminar was held to increase our understanding and expertise on preventing stress. In partnership with the Directorate for Civil Protection and Emergency Planning, in 2008 we performed a disaster and emergency planning exercise. Over 30 employees were given training, focusing on the following main areas: areas of responsibility, roles, synchronisation, coordination and communicating with, and providing care to, the injured and their relatives.



> "Entra shall avoid dangerous situations and unwanted incidents through systematic, preventive HSE work."

LTIF

Entra has the following targets for its HSE work:

Vision: LTIF = 0
Target: LTIF < 5

The actual LTIF as of December 2008 was 14.9 (14 lost time injuries in 942,000 hours, 29 accidents without lost time injuries and 405 reported unwanted incidents).

HSE during construction projects

In 2008 there was one occupational accident resulting in death. We are yet to receive reports on the investigations by the police and the Norwegian Labour Inspection Authority. In 2008 there was a strong focus on HSE during construction projects. HSE audits were performed at two of Entra's construction projects. The audits were organised by Norconsult AS at the Romerike and Kjørbo police station projects. The audits involved a review of the HSE system of the main contractor, checking compliance with Entra's requirements and an inspection of the site area to see whether HSE measures were implemented in practice. Observed non-conformances are dealt with and closed at subsequent project meetings.

At all of Entra's properties, annual safety inspections and safety analyses are performed. The HSE manager and senior safety representative perform safety inspections and safety analyses in collaboration with operations managers/coordinators and local safety representatives. The safety inspections and safety analyses are described in a single final report, forming the basis for an improvement plan which allocates responsibility for follow-up. The number of recorded non-conformances was reduced in 2008.

Key figures	units	2007	2008	target
Number of employees (Group)	NUMBER	151	160	-
Number of full-time equivalents (Group)	MAN-YEARS	144	158,5	-
Staff turnover (Group)	%	10	10,3	4-12
Staff turnover, excluding retirement (Group)	%	8	9	2-8
Sickness absence at Entra	%	4,8	4,1	<5
Long-term absence (more than 16 days) at Entra	%	3,4	2,5	-
Percentage of employees who are very satisfied at Entra	%	90	89,6	HIGHER %
LTIF	LTIF	11	14,9	5
Construction site audits	NUMBER	4	2	-

“Entra’s employees shall reflect the community in which the company operates.”

Diversity

Entra believes that it must strive to achieve diversity in order to be competitive – in terms of running its business, being innovative and attracting staff and partners. Entra’s employees shall reflect the community in which the company operates.

Entra has the following overall objectives for diversity:

- to recruit more women to the company
- to employ more people of foreign origin
- to have a proactive senior employees policy that helps to ensure that older employees continue working for longer

These objectives have been incorporated into the company’s quality system through strategic policies, guidelines and procedures. They have also been incorporated into our recruitment procedures, with emphasis being placed on the fact that pay and working conditions shall not be discriminatory. The recruitment process is also designed to achieve the company’s aim of hiring more people of foreign origin.

Entra has collaborated with the organisation “Vålerenga against racism” on the project “A working chance”. This gives young people between the ages of 17 and 23 from a range of ethnic backgrounds a chance to gain work experience, if they are not currently studying or in work. In 2008, Entra had two young people doing work experience as part of the project, both of whom were employed by the company when the project came to an end.

Entra’s employees are the key to our success, and one of our overall objectives is therefore to offer challenging and attractive jobs. We believe that diversity benefits the company as a whole.

More women

In 2008, 26.4 percent of Entra's employees were women. This is 2.9 percent more than in 2007. Around 59 percent of the company's staff are involved in the operation of our properties.

Many of these positions require technical training, and it has proved to be very challenging to recruit women to them. Currently three women work in operations. Of the 19 new employees we hired in 2008, nine were women. This is equivalent to 47.3 percent of all new employees in 2008.

We recruited four managers in 2008, two of whom were women. 5.6 percent of the workforce at Entra works part-time, of whom 60 percent are women.

Universal design

Entra wants its properties to be accessible to everyone, and has done a survey of the universal design of all of its buildings in Oslo and parts of Bærum, comprising 32 properties in total. This does not include properties undergoing refurbishment. A survey has been done of how well the buildings satisfy the accessibility requirements set out in the Technical Regulations under the Planning and Building Act and the Buildings for Everyone guidelines. Non-conformances were recorded and marked on the plans of the buildings. Only outdoor and common areas were assessed, not the areas occupied by individual tenants. Many of the non-conformances relate to inadequate signposting, and issues with doors and stairs. There were fewest non-conformances relating to outdoor areas, ramps and windows. The plan is to perform a similar survey for our remaining properties.

SPONSORSHIPS

Entra's sponsorship activities shall enhance the company's reputation, and clearly reflect the company's values and its fulfilment of its corporate social responsibility. In addition, sponsorship activities shall build the company's brand name and improve its ability to recruit staff. It shall also generate commitment, motivation and pride within the company.

"Ridderrennet"

Entra is the main sponsor of the "Ridderrennet" ski festival for people with functional disabilities. Each year company employees take part as marshals or spectators during the week-long event, which allows them to see and experience joy, courage, bravery and compassion.

Kosmorama

For several years, Entra has been the main sponsor of the Trondheim international film festival, Kosmorama. This has led to more investment in film making and film production in central Norway.

Norsk Folkemuseum

Entra has completed a comprehensive restoration of Norsk Folkemuseum's 800 m² restaurant. This was done as part of the company's collaboration with the museum.

The National Museum of Art, Architecture and Design

As a major property developer, Entra has a responsibility for architecture and aesthetics. Through its collaboration with the museum, the company has made contacts with the leading experts in these fields.

Bellona

Never before has there been such interest in questions relating to the environment and climate change. Bellona is an organisation that has been working to protect the environment for over 20 years. Entra is keen to promote eco-friendly designs and increase environmental awareness, and therefore supports Bellona.

Sport

For a number of years, the company has supported top Norwegian sports teams. In 2008 we decided not to extend those sponsorships. Our sponsorship agreements with Vålerenga and Brann football clubs will run out on 31 December 2010.

STAKEHOLDERS

Entra has an impact on, and is affected by, various parts of society and the business community. The company communicates with these stakeholders in various ways and through various channels – ranging from informal conversations to contractual collaborations. Entra's most important stakeholders are its employees, owner, customers and suppliers, the authorities, banks/ financial institutions and the wider community.

Employees

The company is constantly communicating with its employees through department meetings, informal talks, appraisals, employee surveys and the company's intranet. Well-informed employees perform better and enjoy their work more, and it is the responsibility of managers to ensure that all employees receive the information they need to do a good job.

Owner

Dialogue with Entra's owner (The Ministry of Trade and Industry) takes place through meetings between shareholder and company representatives in conjunction with the presentation of annual and interim reports. Shareholder representatives, the Chairman and the CEO also meet as required. A minimum number of Board meetings must be held each year.

Customers and suppliers

Communication with customers and suppliers takes place during day-to-day cooperation, as well as during procurement processes. Entra keeps in close contact with its customers (tenants) through newsletters, meetings and when renegotiating lease contracts. There are annual customer satisfaction surveys, to get feedback on how good a job the company is doing. The company's website provides information aimed specifically at both customers and suppliers.

The authorities

As a major property developer and construction client, Entra is in regular contact with the authorities at various levels, including the cultural heritage and planning authorities. In areas where Entra has a strong presence, the company attempts to maintain good relationships with the local community and with the relevant authorities.

Banks/financial institutions

Entra is dependent on having an open, constructive relationship with the banking and financial industry, and communicates with banks and financial institutions either through formal collaboration agreements or meetings. The company reports its interim and annual results to Oslo Børs in the same way as listed companies.

The wider community

Entra wishes to have an open dialogue with the wider community. We wish to act and report to external stakeholders in the same way as a listed company. This applies to the content, frequency and up-to-dateness of the company's external reporting. Entra wants the company's stakeholders to have enough information to form a proper opinion of its activities. The company also communicates with its target groups through the regional and national media, as well as trade publications.

Figure 4: Stakeholder model

Key figures	units	2007	2008	target
Percentage of female employees at Entra	%	24	26.4	HIGHER %
Percentage of female Board members	%	43	43	40
Percentage of employees who are of foreign origin	%	3	6.3	HIGHER %

Key figures and financial information

TABLE 1 FINANCE

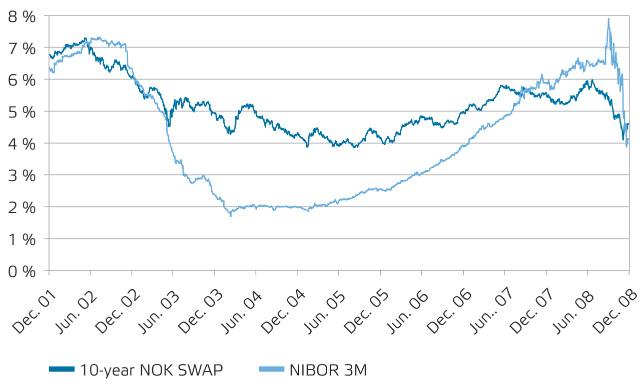
Figures for the Entra Eiendom AS Group in NOK million unless otherwise stated	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**
INCOME STATEMENT (IFRS)								
Operating revenue	1 350,9	1 230,1	1 124,3					
Op. revenue excl. depr. and writedowns	398,1	349,6	320,0					
Writedowns (projects under development)	369,8	-	-					
Adjustment to value of investment property	-3 491,8	1 204,6	2 042,8					
Adjustment to value of financial instruments	-376,3	231,0	285,7					
Profit before tax	-3 822,1	1 883,4	2 766,3					
Profit for the year (after minority interests)	-2 573,7	1 388,2	1 952,8					
INCOME STATEMENT (NGAAP)								
Operating revenue				1 071,6	1 072,2	855,9	673,8	637,3
Op. revenue excl. depr.				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/ DISPOSALS DURING THE YEAR								
New investments in fixed assets and shares/interests in other enterprises	1 498,2	1 845,0	1 080,5	1 078,9	1 078,7	1 841,9	1 601,6	1 450,8
Sales of fixed assets and shares/interests in other enterprises	102,7	94,5	193,5	205,1	394,9	144,6	22,2	6,5
FINANCIAL STRENGTH (IFRS)								
Book assets	20 091,3	22 566,9	18 990,1					
Book equity excl. minority interests	5 724,8	8 443,9	7 189,7					
Book equity excl. minority interests, %	28	37	38					
FINANCIAL STRENGTH (NGAAP)								
Book assets				9 727,2	8 768,4	8 127,2	6 518,0	5 070,4
Book equity excl. minority interests				1 330,5	1 288,2	1 274,1	1 505,7	1 519,0
Book equity excl. minority interests, %				14	15	16	23	30
Value-adjusted 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
LIQUID ASSETS								
Liquidity reserve (incl. unused, committed credit facilities)	3 417,0	2 778,0	5 773,8	1 210,9	1 930,4	2 403,8	805,1	232,2
DEBT PORTFOLIO OF THE ENTRA EIENDOM GROUP								
Non-current interest-bearing liabilities	11 487,0	10 433,2	8 474,5	7 722,2	6 835,4	6 222,3	4 667,7	2 989,7
Weighted average remaining term (capital lock-up), years	6,2	6,2	6,8	5,6	2,3	2,1	1,3	2,4
Weighted average interest fixing period	4,5	3,5	4,1	4,2	3,8	4,6	4,7	4,3
Normalised interest cover ratio *)	1,8	1,9	2,1	2,0	2,2	2,0	2,2	2,3
Weighted average interest rate on the portfolio at 31 Dec., %	5,8	5,6	5,1	4,9	5,2	5,9	6,7	-
PROPERTY PORTFOLIO/LEASE CONTRACTS								
Total property portfolio (m^2)	1 140 572	1 116 365	987 854	956 658	899 655	881 853	838 626	746 057
- of which development projects	169 861	221 968	189 930	186 799	122 600	126 333	217 991	186 223
Occupancy rate excl. development projects, %	98	97	96	96	95	95	98	97
Occupancy rate for development projects, %	69	81	60	56	60	60	93	70
Weighted average remaining lease term, years	10,1	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 started 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 2006–2008 under IFRS. It should be noted that the value-adjusted equity for the period 2006–2008 (IFRS) represents the Group's equity less tax liabilities on unrealised increases in the value of investment properties and financial instruments.

*) The interest cover ratio is calculated with an adjustment for investment-related items:

$$\frac{\text{Operating profit adjusted for provisions for future liabilities} + \text{depreciation} + \text{refurbishment costs} + \text{financial income}}{\text{Interest expenses}}$$

Figure 5: Historical Norwegian interest rates 2002–2008



DEVELOPMENTS IN THE FINANCIAL MARKETS

After many years of strong economic growth, the situation suddenly changed in 2008. Interest rate and credit markets almost ceased to function, showing signs of risk aversion and a lack of liquidity. The world economy was hit hard by the financial crisis.

Meanwhile, governments all over the world have introduced measures to tackle the problems faced by the economy. Various emergency packages, as well as fiscal and monetary measures, will stimulate the economy as we move forward. This means that an improvement is in sight, but it will take time for the impacts to be felt. 2009 is expected to be a year of weak economic growth and rising unemployment, before the situation improves.

With prospects of weak growth and stable inflation, expansive monetary policy is expected to result in low short-term and long-term interest rates in 2009. As liquidity improves, money and credit markets will return to normal, and the turbulence in financial markets is expected to decline.

The Group has reduced its exposure to interest rate risk by having a significant proportion of fixed-interest debt (71 percent at 31 December 2008), but also aims to retain sufficient flexibility to allow it to adapt its exposure to changes in risk levels and markets. The company is exposed to risk associated with fluctuations in short-term interest rates, although this only affects the variable rate portion of its portfolio.

FINANCIAL ACTIVITIES OVER THE COURSE OF THE YEAR

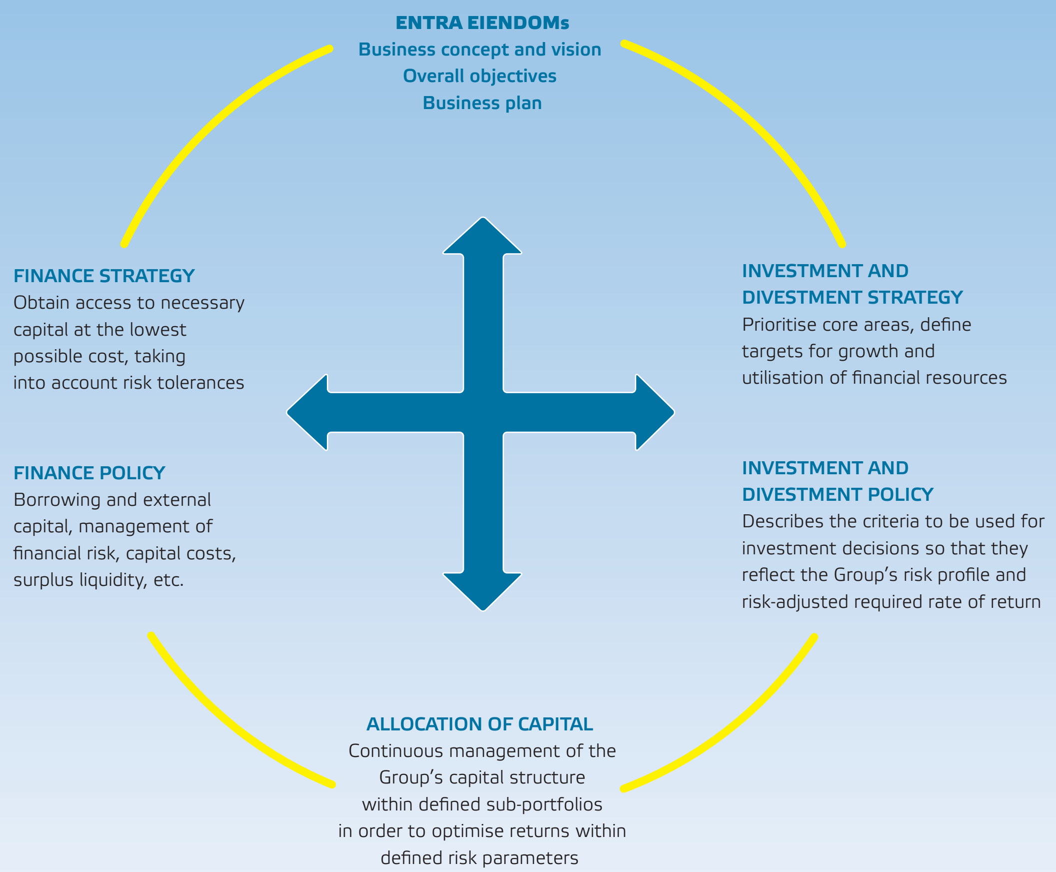
The company's financing strategy is assessed in relation to the other areas of the company's business model, and is supposed to support the company's business strategies.

The most important focus of the company's finance strategy is to ensure access to enough capital to implement the company's current business strategies. We are 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.

This includes making use of various instruments in the financial and capital markets. The aim is to minimise the Group's financing costs, whilst ensuring the most appropriate capital structure for the future development of the company. In a declining market, the financing of the company has posed a great challenge over the course of 2008. However, the company has negotiated and signed new, long-term financing agreements with its banks, giving it the financial security to implement planned investments.

The company has established a financial framework that sets out guidelines for the financial management of the Group, defining goals and areas of responsibility and authority for financial activities. The finance policy supports the company's other commercial activities, and is revised annually.

Figure 6: Corporate governance model



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

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 debt shall fall due within one year.
- Its debt shall be distributed among various loan instruments.
- Its debt shall be distributed among several lenders. The company has established good relationships in the banking and capital markets.
- Short-term financing through the commercial paper portfolio shall be hedged with back stop facilities covering the volume which falls due within the next six months.

In a financial market that will continue to be affected by the financial crisis, we anticipate that new financing will be more expensive for the Group than current financing arrangements. The abovementioned measures to reduce the Group's refinancing risk are expected to help Entra achieve financing on satisfactory terms, given the financial strength of the company.

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 financial risk tolerance 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 3-6 years, with an average value of 4 years, and that there should 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. Any 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.

As the company are entering a period of weaker economic growth, in general there will be a higher risk of bankruptcy. Entra has a very high-quality customer portfolio, with a large proportion of public sector tenants, but is increasing our focus on the credit risk attached to the remaining tenants.

OVERALL KEY FIGURES

Financial strength

By developing its property and lease contract portfolio, the company has built up considerable assets since its establishment. Over the course of 2008, the value of the property portfolio has fallen significantly as a result of a shortage of financing and higher rates of return required by the market. The market outlook continues to be weak. However, bearing in mind Entra's reliable, long-term revenue base, the company believe that Entra's property portfolio will hold its value better than the overall market for office properties.

Figure 7 shows how Entra managed to build the balance sheet from when the company was established through to 31 December 2008.

Since the 2007 financial year (with comparative figures for 2006), the Group has presented its financial statements under IFRS. Figure 8 illustrates changes in book and value-adjusted equity over the period 2001-2005 under NGAAP and over the period 2006-2008 under IFRS. It should be noted that the value-adjusted equity for the period 2006-2008 (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 achieves stable cash flow from ordinary operations. The Group's net cash flow from operating activities totalled NOK 405 million in 2008.

Revenues are to a large extent based on long-term contracts. 82 percent of the tenants in the Group's property portfolio were from the public sector at 31 December 2008.

Interest cover ratio

The Group had a normalised interest cover ratio of 1.8 at the close of 2008 (1.9 in 2007). 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.

The interest cover ratio was slightly lower in the autumn of 2008 due to higher interest rates, but lower market interest rates towards the end of the end helped to stabilise the overall figure.

FINANCING/BALANCE SHEET

Equity

Our owner (the Ministry of Trade and Industry) measures its 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.

Loan capital

The Group's total debt at the close of 2008 was NOK 14,237 million, of which NOK 11,487 million was interest-bearing debt.

These figures include project financing at subsidiaries in which Entra Eiendom AS has a shareholding of over 50 percent. The management of properties and financing of companies in which Entra has a shareholding of under 50 percent are handled separately, being 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 9, page 72.

The average remaining term to maturity of available credit facilities was 6.2 years at 31 December 2008. The company continues to have a strong position in the banking and capital markets. The company's credit facilities are

Figure 7: Historical balance sheet

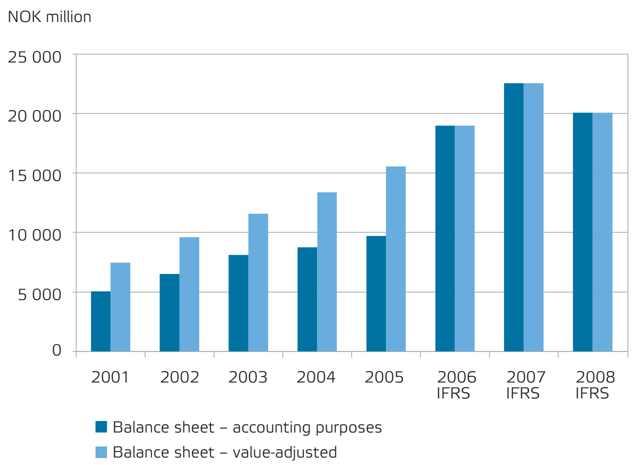
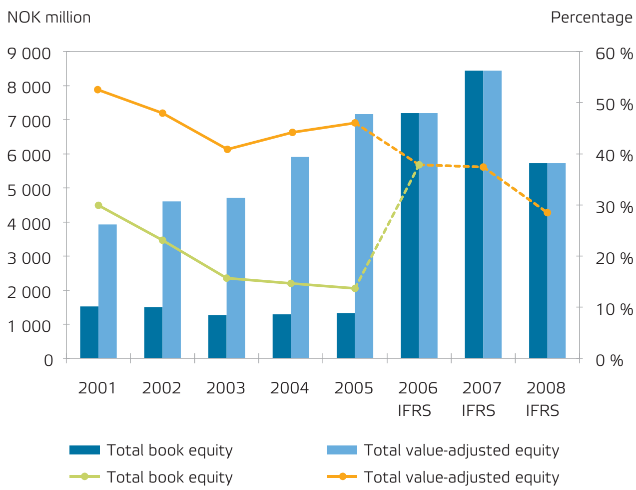


Figure 8: Historical equity



linked to a selected group of large, professional banks with complementary qualities, who will be able to contribute towards the company's future development.

Access to optimal financing is a key area for the company, and there is a continuous focus to improve the company's financing structure. A main task is to maintain adequate diversification, whilst adjusting the mix of instruments to the various characteristics of the company's property portfolio.

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. At 31 December 2008, 42 percent of the company's financing came from the money and capital markets, i.e. a reduction from the previous year. This was mainly due to a reduction in the issuance of commercial paper. This was a result of liquidity problems in the wake of the financial crisis, which also resulted in higher prices. Towards the end of the year there was a slight increase in activity.

Figure 10 shows the distribution between different types of borrowing at 31 December 2008.

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. The wholly owned subsidiary Entra Kultur 1 AS has one loan secured by a mortgage, which is a 25 year bond secured by a mortgage on the National Library in Oslo. Joint ventures are independently financed, with loans generally being secured by mortgages.

At 31 December 2008, the Group had, through its available credit facilities, committed undrawn facilities of NOK 3,183 million, with which to cover future refinancing and investment requirements, as well as to provide a back stop for the company's commercial paper portfolio.

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

INTEREST RATE HEDGING

71 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 2008 the weighted average duration

Figure 9: Maturity structure

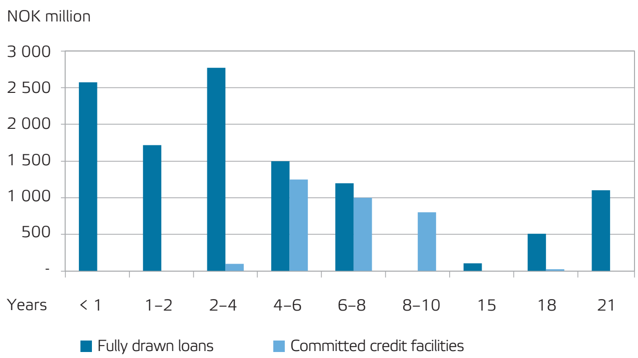
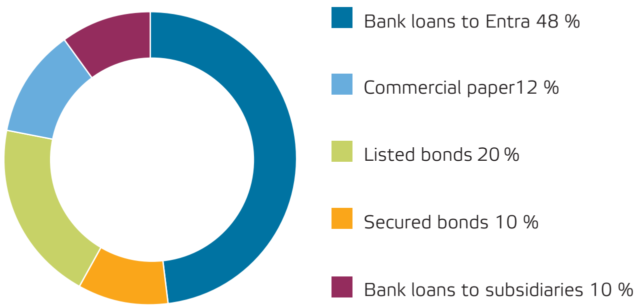


Figure 10: Composition of loan portfolio

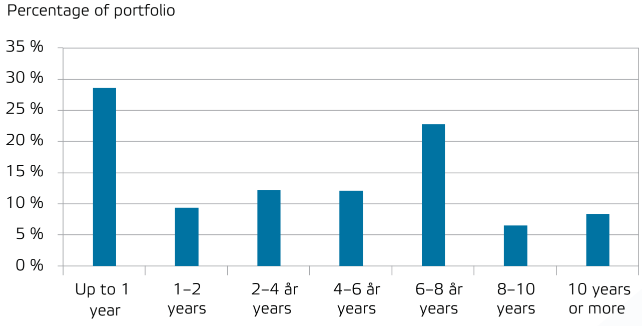


was 4.5 years (3.5 at the close of 2007). The average interest rate on loans in the portfolio was at the same point in time 5.8 percent (5.6 percent at the close of 2007).

Figure 11 shows the company's diversified maturity structure in terms of exposure to interest rate risk at 31 December 2008.

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. As a result of the company's interest rate portfolio, the company's average borrowing cost appears robust in the face of changes in general market rates.

Figure 11: Fixed interest rate maturities



MARKET VALUE OF THE COMPANY'S DEBT

As a result of the company reporting under IFRS, the market values of the company's debt and financial instruments are entered on the balance sheet, and changes in value as a result of changes in market interest rates are recognised through profit or loss.

The change in value in 2008 totalled NOK -376 million. This was a result of falling market interest rates, which reduces the value of derivatives and bond debt, offset by a gain resulting from the difference between actual and market interest rates on bank loans.

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 2009

Q4 interim report/ provisional full-year report 2008	27 February 2009
Annual report 2008	May 2009
Q1 2009	15 May 2009
Q2 2009	28 August 2009
Q3 2009	6 November 2009

Market conditions

RENTAL MARKET

A strong economy and limited supply of new-builds boosted the office market over the period 2005-2008. Growth was strongest in 2007, and rents for prestigious offices, particularly in the Vika district, rose by up to 50 percent from January to December. The highest price for a new contract was approx. NOK 4,550/m², at Haakon VII's gate 6 in August 2007.

In the first half of 2008 there was still a certain amount of optimism in several segments. In the western corridor – Skøyen, Fornebu and Lysaker – contracts were signed at prices that indicated continued rent increases. The same was true of Helsfyr and Nydalen.

After summer 2008, rents began to level off in most segments of the office market, and even started falling in some. The downturn was most noticeable in the top segment of the market. Overall, rents peaked during 2008.

According to the most recent official figures from Akershus Eiendom, the overall vacancy rate for the Oslo region was approx. 4 percent in October 2008, after falling from approx. 6 percent over the previous year. Macroeconomic indicators suggest that economic growth will be slow, and that unemployment will increase significantly over the coming years.

The predicted slowdown in hiring, along with less market activity (fewer new contracts and more renegotiations) and a greater availability of sublease space, will lead to higher office vacancy rates than previously anticipated. The limited number of office projects under construction will help to prevent vacancy rates reaching those seen in 2001. In spite of limited supply, vacancy rates are expected to rise to between 4 and 5 percent at the start of 2009, and between 6 and 7 percent at the start of 2010.

Figure 12 illustrates how the different office segments in Oslo have experienced rising and falling cycles since 1985.

Figure 13 shows the same rents in real terms, using 2008 NOK. It is worth noting that, in real terms, rents for most segments are around the levels they were at during the period 1997-2001.

Figure 12: Nominal office rents 1986–2008

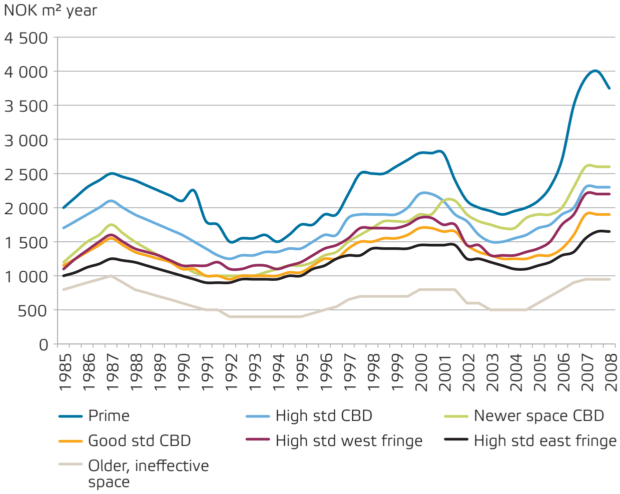
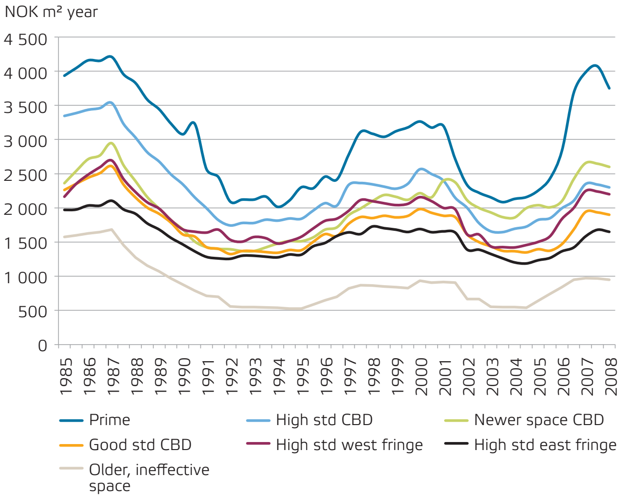


Figure 13: Real office rents 1986–2008



REGIONAL RENTAL TRENDS

Several other Norwegian cities experienced record rents during the boom years of 2006 and 2007. This was particularly true of Stavanger/Forus, where the office market is driven heavily by companies in the oil and gas sector. Lease contracts with rents of over NOK 2,000/m² were achieved in Stavanger, with the highest price being around NOK 2,500/m², whilst maximum rents in Forus approached NOK 1,900/m². Both sub-markets saw rising rents during the first half of 2008, but have levelled off since then. Rents for most types of property are expected to decline moderately in 2009.

Rents in Trondheim rose by over 20 percent in 2007, but they began to level off at the start of 2008, and by the end of the year there were signs of decline. That trend will continue into 2009.

Rents in Bergen were a bit lower than elsewhere until 2007, but experienced relatively strong growth in 2008. Here too, lease contracts for brand new, centrally located buildings are being signed at about NOK 2,000/m². The average increase for office blocks in good locations was around 10-22 percent in 2007. Nevertheless, rents in Bergen remain somewhat below the other major cities, and rents for the best premises are expected to remain relatively stable in 2009, whilst average buildings will see a slight decrease in rents.

Figure 14 shows historical rents for office blocks in good locations in Stavanger, Bergen and Trondheim.

HISTORICAL MARKET INTEREST RATES

Autumn 2007 saw the start of the international financial crisis, with interest rates falling somewhat and stabilising below the peak level reached in the summer. The start of 2008 saw crashing stock markets, a crisis of confidence and financial turbulence. At times inter-bank rates ceased to function, and high margins meant that real interest rates shot up. However, over the past half year long-term interest rates have fallen, although this has so far had hardly any impact on the transaction market, as banks are generally charging very high risk premiums on their loans.

Figure 14: Regional office rents 1987–2008

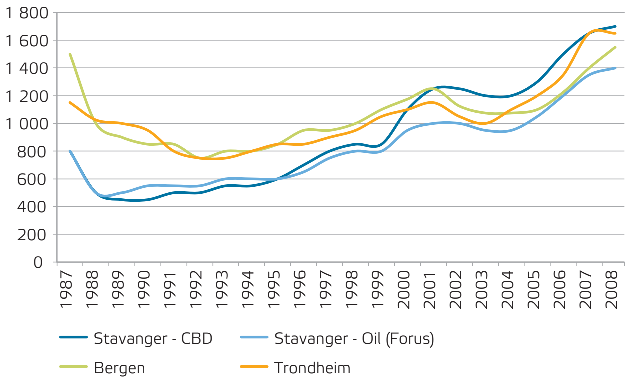
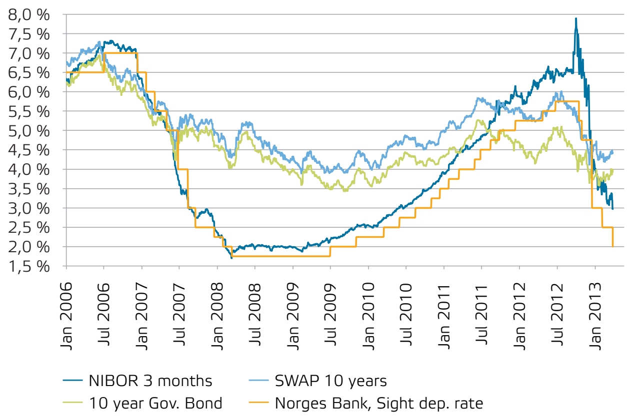


Figure 15: Historical market interest rates



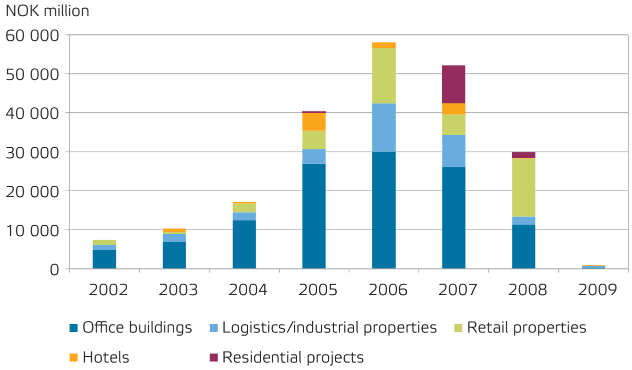
THE TRANSACTION MARKET

The transaction market for commercial property experienced strong growth over the period 2005-2007. However, the whole of 2008 was affected by the liquidity crisis and financial turbulence, and the total transaction volume looks likely to be NOK 29 billion. That is a significant reduction from the two previous years. As figure 16 shows, the annual transaction volume for commercial property rose by 50-100 percent in 2004, 2005 and 2006. After a strong close to the year, turnover in 2007 was just over NOK 50 billion. The low transaction volume in 2008 was largely due to a gap between the price and yield expectations of buyers and sellers, but also due to less favourable borrowing terms.

Since autumn 2007, the average fall in the value of commercial property has been between 15 and 20 percent. However, certain types of property have fallen considerably more; this is mainly true of sites in outlying locations, with uncertain cash flow and with high vacancy levels.

The increase in yield over the same period has been around 150-250 basis points on average. Some unpopular properties, for example those suffering from the above-mentioned problems, have seen the biggest increase in yields. Centrally located properties with reliable, long-term cash flow and tenants, have suffered less. Sites with planning permission and development potential without guaranteed revenues are another group to have seen some of the biggest falls over the period. Overall project costs fell significantly over the final quarter of the year, as there was more available capacity in the market, but the risks facing lessors mean that in general properties are achieving significantly lower prices than a year ago. It is estimated that the prime yield on class A properties in class A locations, which in practice means Vika/Aker Brygge, is currently around 6.5 percent. The equivalent yield for class A properties in class B locations is probably in the region 6.5-7.0 percent. However, it should be noted that certain types of prestigious properties with special characteristics – whether price bracket, status, quality, Euro rents, tax benefits, etc. – may attract special groups of buyers (foreigners, cash buyers), and in those cases the yield may be lower than for prestigious offices in general.

Figure 16: Transaction volume of commercial properties (deals larger than NOK 50 million)



Investing in commercial property gradually increased in popularity until last year, and new entrants to the market helped to push up the prices of commercial property. Many traditional property syndicators have established their own property funds, which is reflected in lists of buyers and sellers in 2006 and 2007. Figures for 2007 revealed that syndicators were responsible for a smaller share of transactions than previously, whilst property funds had increased their share by an equivalent amount. Foreign buyers were still not major players in the market, but there were several new investors involved, and general levels of interest were rising. Some listed companies and unit trusts also had a large proportion of foreign investors. The figures for 2008 show that the most active group of buyers in the first half of the year was the overseas players. They showed great interest in the spring, but over the autumn their enthusiasm waned in parallel with the escalating financial crisis. The syndicators and "traditional" property companies were the other two most important groups of buyers. Many of the sellers were industrial companies and retailers.

The property portfolio

TABLE 1

	BTA								
	Offices	Education sector	Potential	Developments	Other	Total	Weighted average remaining lease term	Annual income from active contracts	Percentage of total rental income
Eastern Norway Region:						709 036	10,8	995 851 132	72 %
Oslo	462 526	10 129	-	39 001	1 354	513 010			
Akershus	76 977	33 755	10 000	29 102	17 390	167 224			
Østfold	28 803	-	-	-	-	28 803			
Southern Norway Region:						127 362	10,2	134 408 824	10 %
Kristiansand	36 066	12 253	-	-	2 737	51 055			
Oslofjord and Agder	25 861	-	-	2 519	312	28 692			
Drammen	22 574	25 041	-	-	-	47 615			
Western Norway Region:						137 595	5,8	126 955 381	9 %
Bergen	60 516	6 366	-	13 536	-	80 418			
Stavanger	42 538	-	13 151	-	1 488	57 177			
Central and Northern Norway Region:						166 579	8,4	131 798 271	9 %
Trondheim	72 649	-	40 900	21 653	-	135 202			
Tromsø	24 643	-	-	-	310	24 953			
Bodø	6 425	-	-	-	-	6 425			
Total	**859 576**	**87 544**	**64 051**	**105 810**	**23 591**	**1 140 572**	**10,1**	**1 389 013 608**	**100 %**

MARKET VALUE/CONCENTRATION

Based on the average of the two external, independent valuations, the Group's property portfolio at 31 December 2008 was valued at NOK 19.2 billion. Including Entra's stakes in joint ventures, the portfolio's value was NOK 20.2 billion. Corrected for minority interests, the Group's portfolio was worth NOK 18.6 billion.

Table 2 shows the components of changes in market value from 2007 to 2008. Taking into account stakes in subsidiaries, and adjusted for purchases, sales and investments, there is an unrealised fall in value for the Group's properties of approx. NOK 3.8 billion. The unrealised increase in value for our interests in associates and joint ventures was NOK 411 million.

The company owns a total of 124 properties. The majority of the property portfolio by value (in total 60 percent) is located in Oslo, with 74 percent in the Oslo region. The geographic distribution of the portfolio based on value is shown in figure 17, page 82.

Table 3 shows price changes for comparable properties in the various regions over the course of the year. Overall, the table shows a fall in value of 11 percent. Taking into account investments over the period, the fall in value was 18 percent. The main reasons for the price fall in value were above all an increase in market yields, but also signs that market rents are declining. Across the whole portfolio, however, the values of development properties have fallen more than those of ordinary investment properties with long-term, reliable lease contracts.

The company's portfolio contains many large properties situated in central locations in Norway's biggest cities. This means that there is a concentration of values, with the 10 most valuable properties being worth NOK 8.4 billion, or 44 percent of the market value of the Group's properties at

TABLE 2

Market value NOK million	2008°)	2007°)
Opening market value	22 328	18 831
Investments ¹)	1 396	1 030
Property purchases ²)	22	1 369
Property sales ³)	-97	-54
Unrealised change in value (properties owned ≤ 50 %)	411	35
Unrealised change in value (properties owned >50 %)	-3 844	1 118
Closing market value	20 216	22 328

¹) Investments corrected for shareholding

²) Opening value of properties purchased: this year's market value corrected for shareholding

³) Closing value of properties sold: last year's market value corrected for shareholding

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

TABLE 3

Change in market value of comparable properties (Group)	Market value 2008	Market value 2007	Change NOK million	Change %	Investments 2008	Net change %
NOK million						
Eastern Norway Region – Oslo	11 395	13 054	-1 659	-13 %	626	-18 %
Eastern Norway Region – Akershus	2 322	2 325	-2	0 %	372	-16 %
Eastern Norway Region – Østfold	400	477	-77	-16 %	-	-16 %
Southern Norway Region – Kristiansand	600	715	-115	-16 %	5	-17 %
Southern Norway Region – Oslofjord and Agder	274	334	-59	-18 %	4	-19 %
Southern Norway Region – Drammen	768	835	-67	-8 %	21	-11 %
Western Norway Region – Bergen	1 034	1 187	-153	-13 %	142	-25 %
Western Norway Region – Stavanger	523	635	-112	-18 %	13	-20 %
Central and Northern Norway Region – Trondheim	1 448	1 571	-122	-8 %	206	-21 %
Central and Northern Norway Region – Tromsø	320	367	-48	-13 %	6	-15 %
Central and Northern Norway Region – Bodø	81	94	-12	-13 %	-	-13 %
Total	19 165	21 592	- 2 427	-11 %	1 396	-18 %

31 December 2008. The 30 largest properties are together worth approx. 75 percent of the total value.

SEGMENTS

The company's main area of focus is the office segment, which represents 75 percent of the total portfolio. The company has also gained experience and expertise in the education segment, which represents 8 percent of the overall portfolio. The proportion of development properties remained stable at a high level. At the close of 2008 the segment made up 15 percent of the overall portfolio, 6 percent of which represents probable development potential. Figure 18 shows the distribution of our portfolio at 31 December 2008.

Entra's total portfolio has grown by approx. 90 percent since the company was established, from just under 600,000 m² in 2000 to approx. 1,141,000 m² at the close of 2008.

For 2008, the future development potential of undeveloped sites has been separated out from other development properties, and has been classified as potential development. Examples of this category include 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. Adjusted for potential developments in 2007, the volume of development properties fell by approx. 69,000 m². The development portfolio, including potential developments, was reduced from 20 to 15 percent of the overall portfolio in 2008. Over the same period, potential developments increased by 17,000 m² to 64,000 m². The decline in the volume of development properties was mainly due to the completion of a number of major projects in 2008, which were transferred to the management portfolio.

The focus on development property is in line with Entra's strategy, which states that a significant proportion of the company's activities shall be focused on development. Figure 19 shows changes in the segmental distribution of the company's property portfolio over time.

RENTAL INCOME

The total contract volume for signed lease contracts was NOK 1,484 million at the turn of the year. Some of these contracts (worth NOK 95 million) relate to projects under development, which means that rental income from active

Figure 17: Geographic composition of assets

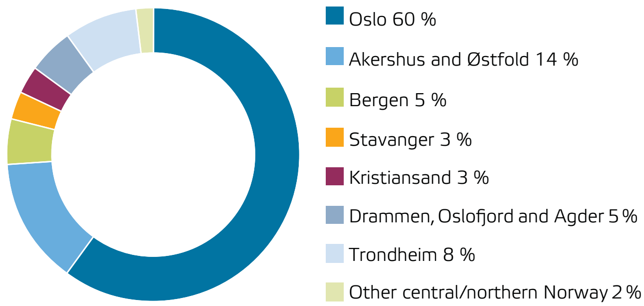
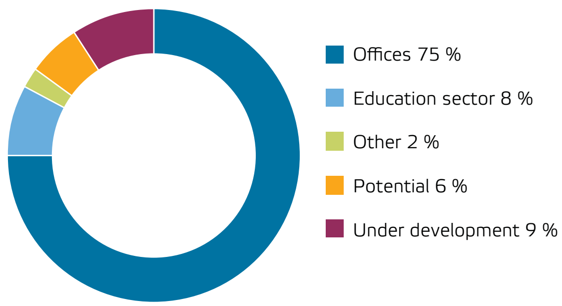


Figure 18: Segmental composition of portfolio



lease contracts at 31 December 2008 was NOK 1,389 million.

The Group's rental income over the coming years is safeguarded by long-term lease agreements. At the turn of the year, the weighted average remaining lease term was 10.1 years. This was 0.3 years less than in 2007. However, new long-term contracts signed in 2008 helped to maintain the long remaining lease term, which is significantly higher than when the company was established. This can be seen from figure 20.

The even expiry structure of the contract portfolio protects the company against excessive exposure to the economic cycle and fluctuations in market rents. A maximum of 11.2 percent of Entra's contract portfolio, in value terms, expires in any given year. The profile has continuously improved since the company was founded. Figure 21 shows the expiry profile of the Group's lease contracts at 31 December 2008.

OCCUPANCY RATE

The occupancy rate at the close of 2008 was 97.6 percent for the company's ongoing management portfolio. This is an increase of 0.6 percent over the close of 2007. The company's customer focus results in high levels of customer satisfaction, which means that a high proportion of leases are renegotiated when they 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 22, page 84.

At the turn of the year, Entra had 169 861 m² of development properties/buildings under construction. This represents around 15 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. It also includes the development reserve in the portfolio. Approx. 69 percent of the floor space in projects that have been started or that are under development has been leased.

It is this rolling portfolio of development projects that has been the source of most of the value added by

Figure 19: Historical size of the property portfolio

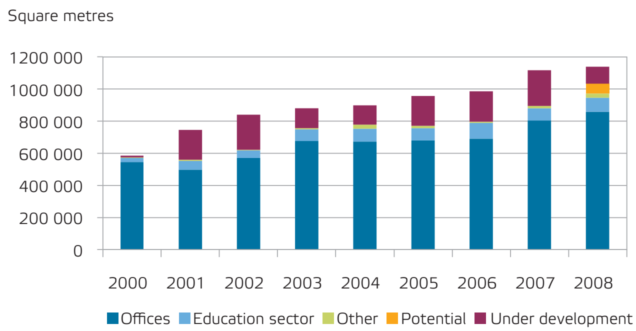


Figure 20: Weighted remaining lease term (years)

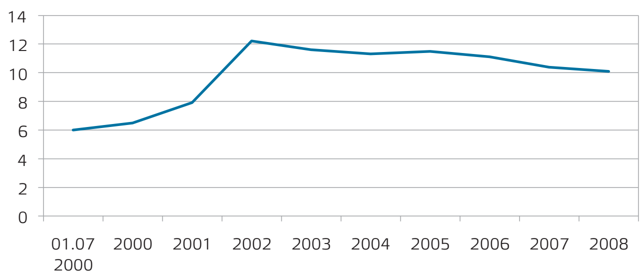
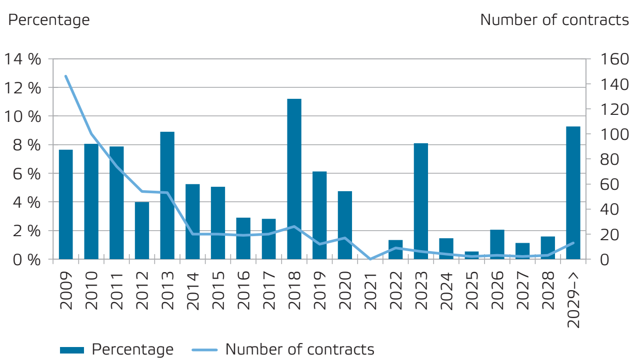


Figure 21: Lease contract maturities



the company over the course of its history. However, the profitability of individual projects tends 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, so that this expertise can benefit our customers in future projects.

TENANT STRUCTURE

At 31 December 2008, office space rented to public sector tenants constituted 82 percent (85 percent) of our total contract value. The change 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. Changes in the company's tenant structure over time are illustrated in figure 23.

Although the proportion of private sector 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.

There is a relatively high concentration of rental income within certain customer groups. Figure 24 shows the company's biggest customer groups by government ministry, measured by gross floor space.

Cumulatively, the 10 largest customers (ministries) occupy just over 68 percent of the floor space in the managed portfolio. All of these customers are in the public sector.

Figure 22: Historical occupancy rate

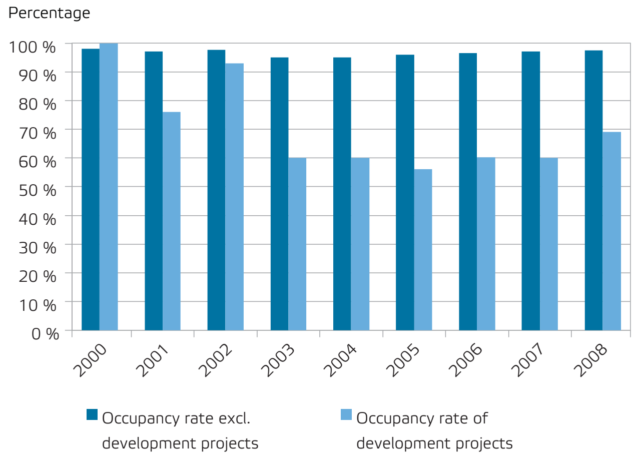
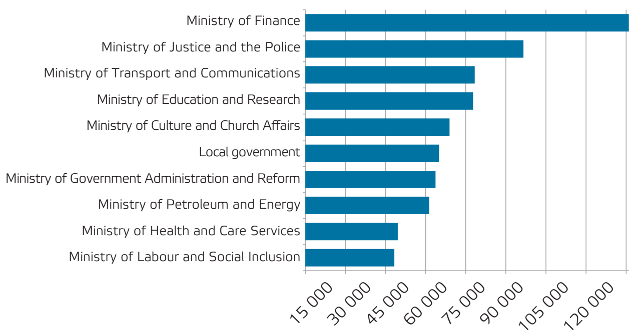


Figure 23: Tenant structure

Figure 24: Biggest customers, number of square metres



Overview of properties

Property	Location	Total	GROSS AREA				
			Offices	Education	Potential	Development	Other
Kirkegaten 2B	Arendal	5 808	5 808	-	-	-	-
Firmaleilighet	Beitostølen	150	-	-	-	-	150
Allehelgens gate 6	Bergen	14 104	14 104	-	-	-	-
Kaigaten 9	Bergen	9 991	9 991	-	-	-	-
Kalfarveien 31	Bergen	8 441	8 441	-	-	-	-
Marken 37	Bergen	3 417	-	3 417	-	-	-
Nonnesetergaten 4	Bergen	17 218	17 218	-	-	-	-
Spelhaugen 12	Bergen	8 938	8 938	-	-	-	-
Strømgaten 1	Bergen	2 950	-	2 950	-	-	-
Tollbualmenningen 2A	Bergen	1 824	1 824	-	-	-	-
Valkendorfs gate 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	-	-	-	-
Kjørbo gård	Bærum	1 000	-	-	-	-	1 000
Kjørboveien 10	Bærum	10 000	-	-	10 000	-	-
Kjørboveien 12–26	Bærum	27 499	27 499	-	-	-	-
Kjørboveien 15, 30–33	Bærum	12 061	-	-	-	12 061	-
Kjørboveien 3	Bærum	16 240	-	-	-	-	16 240
Malmskriverveien 2–4	Bærum	20 393	20 393	-	-	-	-
Malmskriverveien 18–20	Bærum	9 686	9 686	-	-	-	-
Ringstabekkveien 105	Bærum	12 969	-	-	-	12 969	-
Borkenveien 1–3	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	-	-	-
Grønland 56–58	Drammen	21 638	-	21 638	-	-	-
Nedre Storgate 18	Drammen	4 446	4 446	-	-	-	-
Brochs gate 3	Fredrikstad	4 130	4 130	-	-	-	-
Gunnar Nilsens gate 25	Fredrikstad	4 370	4 370	-	-	-	-
Tollbodbrygga 2	Fredrikstad	1 765	1 765	-	-	-	-
Solsiden 1–3, firmahytte	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	172	-	-	-	-	172
Lømslandsvei 6	Kristiansand	1 445	-	-	-	-	1 445
St Hansgata 1	Kristiansand	469	469	-	-	-	-
Tordenskiolds gate 65	Kristiansand	24 705	24 705	-	-	-	-
Tordenskiolds gate 67	Kristiansand	656	656	-	-	-	-
Vestre Strandgt 21	Kristiansand	2 014	2 014	-	-	-	-
Storgata 19A	Larvik	1 765	1 765	-	-	-	-
Jeløgata 2	Moss	946	946	-	-	-	-
Welhavens gate 2A, 2B, 2C	Moss	3 010	3 010	-	-	-	-

Property	Location	Total	GROSS AREA				
			Offices	Education	Potential	Development	Other
Prins Chr. Augusts plass 3	Moss	5 041	5 041	-	-	-	-
Vogts gate 17	Moss	9 542	9 542	-	-	-	-
Jernbanegaten 4	Mysen	603	603	-	-	-	-
Akersgata 32	Oslo	2 170	2 170	-	-	-	-
Akersgata 34	Oslo	3 528	3 528	-	-	-	-
Akersgata 36	Oslo	1 363	1 363	-	-	-	-
Akersgata 51 / Apotekergata 6	Oslo	16 296	16 296	-	-	-	-
Biskop Gunnerusgate 6	Oslo	9 150	9 150	-	-	-	-
Biskop Gunnerusgate 14	Oslo	50 576	50 576	-	-	-	-
Brekkeveien 8 / 19	Oslo	14 360	-	-	-	14 360	-
Brynsengfaret 4 og 6A, 6B, 6F	Oslo	35 505	35 505	-	-	-	-
Brynsengfaret 6 C og D	Oslo	349	-	-	-	-	349
Cort Adelers gate 30	Oslo	15 601	9 582	6 019	-	-	-
Henrik Ibsens gate 110	Oslo	36 484	36 484	-	-	-	-
Dronningens gate 16	Oslo	13 013	13 013	-	-	-	-
Fredrik Selmers vei 4	Oslo	32 372	32 372	-	-	-	-
Fritzners gate 12	Oslo	820	820	-	-	-	-
Grenseveien 92	Oslo	14 700	14 700	-	-	-	-
Hagegata 22	Oslo	13 592	13 592	-	-	-	-
Hagegata 24	Oslo	1 005	-	-	-	-	1 005
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	39 709	39 709	-	-	-	-
Middelthuns gate 29	Oslo	21 170	21 170	-	-	-	-
Pilestredet 19–21	Oslo	7 098	7 098	-	-	-	-
Pilestredet 28	Oslo	3 660	-	-	-	3 660	-
Pilestredet 30 AB, CD	Oslo	1 624	-	-	-	1 624	-
Schweigaards gate 15	Oslo	22 831	22 831	-	-	-	-
Schweigaards gate 15B	Oslo	15 058	-	-	-	15 058	-
St. Olavs gate 4	Oslo	4 110	-	4 110	-	-	-
Strømsveien 96	Oslo	18 163	18 163	-	-	-	-
Tollbugata 1A	Oslo	8 453	8 453	-	-	-	-
Tordenskiolds gate 12	Oslo	12 920	12 920	-	-	-	-
Tvetenveien 22	Oslo	4 126	4 126	-	-	-	-
Universitetsgata 2	Oslo	41 540	41 540	-	-	-	-
Wergelandsveien 27/29	Oslo	6 187	6 187	-	-	-	-
Youngskvartalet	Oslo	4 299	-	-	-	4 299	-
Øvre Slottsgate 2B	Oslo	5 052	5 052	-	-	-	-
Aasta Hansteens vei 10	Oslo	5 454	5 454	-	-	-	-
Storgata 162	Porsgrunn	1 314	1 314	-	-	-	-
Sverres gate 20	Porsgrunn	2 519	-	-	-	2 519	-
Strandgata 10	Risør	555	555	-	-	-	-
Sandarveien 1	Sandefjord	797	797	-	-	-	-
Tollbugata 1	Sandefjord	1 099	1 099	-	-	-	-
Instituttveien 24	Skedsmo	27 135	-	27 135	-	-	-
Jonas Lies gate 20–28	Skedsmo	12 421	8 349	-	-	4 072	-

			GROSS AREA				
Property	Location	Total	Offices	Education	Potential	Development	Other
Nittedalsgata 2B	Skedsmo	2 970	2 970	-	-	-	-
Storgata 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/Lundegt.4	Skien	4 331	4 331	-	-	-	-
Lerviksveien 32 og 36	Stavanger	10 383	10 383	-	-	-	-
Nytorget 1	Stavanger	5 216	5 216	-	-	-	-
Proff. Hanssensvei 10	Stavanger	37 200	24 049	-	13 151	-	-
Skansegaten 2	Stavanger	2 891	2 891	-	-	-	-
Tollpakkhuset	Stavanger	1 488	-	-	-	-	1 488
Grønnegata 122	Tromsø	6 664	6 664	-	-	-	-
Grønnegata 126	Tromsø	178	-	-	-	-	178
Strandgata 41	Tromsø	6 418	6 418	-	-	-	-
Strandveien 13	Tromsø	11 561	11 561	-	-	-	-
Vestregata 65	Tromsø	132	-	-	-	-	132
Brattørkaia 13B	Trondheim	6 334	6 334	-	-	-	-
Brattørkaia 14B	Trondheim	5 800	-	-	-	5 800	-
Brattørkaia 16	Trondheim	15 000	-	-	15 000	-	-
Brattørkaia 17A	Trondheim	10 900	-	-	10 900	-	-
Brattørkaia 17B	Trondheim	22 400	10 094	-	-	12 306	-
Brattørkaia 15A og B	Trondheim	15 000	-	-	15 000	-	-
Dronningens gate 2	Trondheim	5 158	5 158	-	-	-	-
Erling Skakkes gate 25	Trondheim	3 547	-	-	-	3 547	-
Kongens gate 87	Trondheim	10 505	10 505	-	-	-	-
Prinsens gate 1	Trondheim	26 000	26 000	-	-	-	-
Tungasletta 2	Trondheim	14 558	14 558	-	-	-	-
Storgaten 51	Tønsberg	4 599	4 599	-	-	-	-
		1 140 572	859 576	87 544	64 051	105 810	23 591

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 generated 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. Calculations are based on NGAAP figures.

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

+ Management income
- Cost of capital
= EVA

This is how the management income is calculated

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

Management income

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

- Unrealised changes in the value of properties are included.
- No depreciation is taken into account as it only represents a calculated and not an actual reduction 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 the value of all 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 increase the market value of a property in order 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 to the value of the property portfolio.

Capital costs

Capital costs consist of the weighted average cost of equity and debt. The cost of equity is determined by the shareholders through their required rate of return. The cost of debt is the net cost of new debt, less the tax advantage.

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 capital costs. This change in market value also forms part of the calculation for management income.

Thus EVA assesses capital at its market value, and the Entra Eiendom AS Group is measured in accordance with the market cost of capital (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 has added 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 any change 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, 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.

EVA at Entra Eiendom

The table on page 90 shows EVA achieved for each year since the establishment of the company.

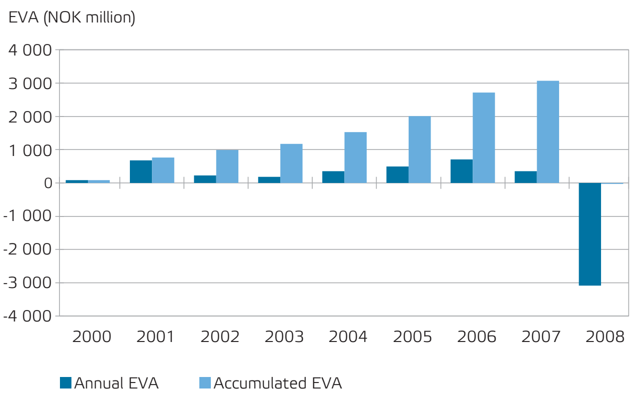
The Group generated positive EVA (i.e. added value over and above the expectations of its owner and creditors) from its establishment in 2000 until the end of 2007. EVA in 2008 was negative, and this was almost entirely due to changes in market values over the year. The company's net operating profit continued to grow at a steady pace, whilst the fall in market values resulted in a negative EVA for 2008. Accumulated EVA over the period 2000-2008 is virtually zero.

The poor performance in 2008 was mainly due to external factors. The property market experienced rapidly rising market yields. This was due to investors increasing their required return on equity, whilst banks demanded higher risk premiums on loans.

Internal factors that made a positive contribution to EVA include:

- 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 developmen of our existing contracts.
- lower owner costs as a result of a dedicated, long-term focus on cost reductions, as well as lower purchasing costs.

Figure 25: Historical EVA



Accumulated EVA calculation

NOK million	2000	2001	2002	2003	2004	2005	2006	2007	2008	Accumulated
Rental income and other revenues	261	657	673	792	935	1 040	1 124	1 230	1 426	8 138
– Management, operation, maintenance and admin.	100	210	378	406	387	329	339	350	491	2 990
= Net operating profit/loss	161	447	295	386	548	711	785	880	935	5 148
+ Interest income	17	26	14	9	4	16	16	80	33	215
+/– Change in market value	1 095	2 696	2 179	2 196	2 242	2 123	2 887	3 476	-2 503	16 392
– Investments	875	1 346	1 337	1 552	1 574	1 227	1 133	2 157	1 350	12 551
+ Profit on the sale of property	-	-	-	24	82	20	24	-1	2	151
= Profit/loss after change in market value	398	1 823	1 151	1 064	1 302	1 643	2 579	2 278	-2 882	9 355
– Tax	111	510	322	298	364	460	722	638	-807	2 619
= Management income	287	1 313	829	766	937	1 183	1 857	1 640	-2 075	6 736
– Capital costs (interest on capital employed)	205	633	602	580	592	692	1 146	1 294	1 026	6 770
= EVA	81	680	227	186	346	490	711	346	-3 101	-34

EVA balance sheet

NOK million	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total assets	3 815	5 010	6 551	8 494	8 768	9 727	10 692	12 829	13 981
– Interest-free liabilities	-	-	-	89	164	414	803	741	451
+/– Added value adjusted for latent tax	756	1 786	2 231	2 615	3 310	4 205	5 572	7 032	4 490
= Total capital employed	4 571	6 796	8 782	11 020	11 914	13 517	15 462	19 119	18 020

Directors' annual statement

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

In addition to the parent company Entra Eiendom AS, the Group comprises the following subsidiaries: Oslo Z AS, Universitetsgaten 2 AS, Biskop Gunnerusgate 14 AS, Kunnskapsveien 55 AS (previously Instituttvn. 24 AS), Kr. Augustsgate 23 AS, Nonnen Utbygging AS, Langkaia 1 AS, Entra Kultur 1 AS, Kjørboparken AS, Bispen AS, Pilestredet 28 AS, Hagegata 24 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 50 percent of the shares in the joint venture UP Entra AS.

The company owns shares in the following associates: 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 2008

Entra lets out commercial premises, primarily offices. Its properties are mostly located in its core areas of Oslo, Trondheim, Bergen, Stavanger and Kristiansand, with the main focus being on Oslo and Eastern Norway. The Group's largest customer group is public sector tenants. At the close of 2008, it managed 1,140,572 m² spread across 125 properties. In general there was little activity in the transaction market in 2008. This did not have any great impact on the company's activities during the year. Since its foundation, Entra has focused on development and growth, and it has only occasionally sold properties.

The volume of development projects and new floor space completed in 2008 was similar to in previous years. The following major projects were completed in 2008: The Nonneseter quarter, the extension to Romerike police station, Strømsveien 96, Akersgata 51, office blocks at Kjørbo, Havnelageret phase II and Union Scene. Furthermore, phase III of Brattørkaia 17b and the refurbishment project at Cort Adelers gate 30 were partially completed. In 2008 work started on the refurbishment projects at Piletredet 30 a, b and c and Brattørkaia 14, as well as the new-build project Oslo Z. The decision was also taken to totally refurbish Middelthunsgate 29, as well as to refurbish and extend the Norwegian Petroleum Directorate's premises in Stavanger.

The office rental market in Oslo slowed down in 2008. However, in the office rental markets in the other Norwegian cities, the company experienced growth for much of the year, although the rate of growth was declining. The economic downturn only started to have a clear impact on the rental market in the final quarter of 2008, with rents levelling off or falling, and average office vacancy rates edging up. Public sector customers are continuing to express a need for additional space, as opposed to the private sector which is positioning itself for space reductions. This has led to a stabilisation of the company's operations over the course of 2008.

The company signed a large number of lease contracts over the course of the year. Entra's occupancy rate was 97.5 percent at the close of 2008. 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 was involved in major development and construction projects during 2008.

Oslo will see a number of major urban development projects in the coming years. The investment projects at Bjørvika through Oslo S Utvikling AS have so far been a success, and through its involvement Entra wants to help ensure good urban development outcomes.

82 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 most important goals is to have 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 2008 97 percent of Entra's customers said that they would be happy to lease premises from Entra again, and 94 percent said that they would recommend Entra to others.

In 2008 the company hired a new CEO, Kyrre Olaf Johansen. Johansen took up his position on 1 September.

ASSOCIATES

At Krambugata 3 AS in Trondheim the existing buildings have been converted into a hotel, which was completed in the third quarter. Choice Hotels started operating the hotel on 22 September, and are reporting that the market has responded positively.

Oslo S Utvikling AS is playing an important role in the development of Bjørvika as a new district of Oslo. A major milestone was reached when Oslo City Council adopted a final zoning plan for the "Barcode" area on 27 February. The delays to the zoning plan have resulted in delays to the development of the area.

On 5 June Entra signed a construction and lease agreement with DnB NOR for a new 80,000 m2 head office for the DnB NOR Group. The plan is for work on the project to start in 2009, with completion due in 2012-2013. A new head office for KLP is under construction, which is due to be completed at the start of 2010. On the site directly east of the KLP building, a project has been drawn up in partnership with the architectural firm Snøhetta, consisting of an approx. 17,500 m2 office building. This building is generating interest in the market, but work will only start on the project once tenants have been found.

UP Entra AS develops and manages property in the Hamar region. Over the course of the year, the company raised its shareholding in Trekanten Utvikling AS to 100 percent. The plan is for UP Entra to take over Statens Hus in Hamar from Entra Eiendom AS in the first part of 2009.

In 2008, **Kunnskapsbyen Eiendom AS** in Kjeller started work on the construction of an approx. 8,000 m2 commercial property in Kjeller, due to be completed in the fourth quarter of 2009. The building is approx. 80 percent leased. The stated strategy is to sell the building.

Kongsvinger Kompetanse- og Næringssenter AS owns the property at Oterveien 26. The aim of the company is to develop a centre that will bring together local knowledge economy companies and businesses under the same roof. At 31 December 2008 tenants included Hedmark University College, Glåmdalen Regional Council, the Vocational Training Board and Glåmdalen inter-municipal adult education centre.

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

General

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

Income statement and cash flow

The Group's total operating revenues in 2008 were NOK 1,350.8 (1,230.1) million. Rental income in 2008 was NOK 1,297.5 (1,185.5) million. The increase in rental income was partly due to the completion of development projects, including Akersgaten 51 and Langkaia 1 in Oslo, Kjørboveien 12-26 in Sandvika, Grønland 60 in Drammen, Gimlemoen 19 in Kristiansand and Nonnesetergaten 4 in Bergen.

Operating profit before changes in the value of investment properties and writedowns totalled NOK 943.3 (868.6) million. Operating expenses in 2008 totalled NOK 407.5 (361.5) million. The increase in operating expenses was primarily due to the completion of the abovementioned projects.

Changes in the value of investment properties totalled NOK -3,491.8 (1,204.6) million. The fall in value experienced in 2008 was mainly due to difficulties in the property and financial markets. Investors have increased their required return on equity, whilst banks are demanding higher risk premiums on loans. This had resulted in higher yields, which reduces property values. In 2008, the average yield for Entra's property portfolio rose by approx. 120 basis points, reaching 7.9 percent at the close of the year. Properties under development suffered writedowns of NOK 369.8 (0) million. Market rents for office premises remained stable in 2008, but there are signs of weakness ahead. Entra's lease contracts have a long weighted average remaining lease term (10.1 years). Most of Entra's tenants are in the public sector, which means that the commercial risk is low.

Net financial items in 2008 totalled NOK -906.1 (-188.5) million. This item includes NOK -376.3 (231) million as a result of changes in the value of financial instruments. Please see the relevant section of this report for more details on the Group's financing.

The Group's profit before taxation in 2008 was NOK -3,822.1 (1,883.4) million. Tax income for the year totalled NOK 1,222.5 million (expense of NOK 519.7 million).

The Entra Eiendom Group's profit after taxation was NOK -2,599.6 (1 363.6) million before minority interests, and NOK -2,573.7 (1 388.2) million after minority interests.

The Group's net cash flow from operating activities totalled NOK 405.0 (516.2) million. The main reason for the reduction from the previous year was a change in tax payable of NOK -33.3 million and net changes in accounts receivable and accounts payable of NOK 55.4 million. Net cash flow from investment activities was NOK -1,395.4 (-1,750.3) million. Investments in 2008 mainly related to the new-build projects for the Asker and Bærum police force in Sandvika and at Nonnesetergaten 4 in Bergen, as well as conversion and refurbishment projects at Akersgaten 51 and Langkaia 1 in Oslo, Kjørboveien 12-26 in Sandvika and Grønland 60 in Drammen. Net cash flow from financing activities was NOK 837.8 (1,434.5) million in 2008. For 2008 this mainly relates to net new borrowing to finance ongoing projects. The total net change in liquid assets for the year was NOK -152.6 (200.2) million.

Balance sheet and equity

The Group's book assets at the close of the year totalled NOK 20,091.3 (22,566.9) million. The total value of the Group's investment properties and buildings under construction fell by NOK 2,496.6 million in 2008. The value of investment properties is measured at fair value, based on the average of two external, independent valuations. The Group's nominal interest-bearing debt increased by NOK 1,054 million in 2008.

The Group's equity ratio at 31 December 2008 was 29.1 (38.1) percent. The Board considers the Group's financial position to be satisfactory.

On 29 December the decision was taken to transfer the property that houses the National Library of Norway from Entra Eiendom AS to its wholly owned subsidiary Entra Kultur 1 AS. At the same time, Entra Kultur 1 AS took over responsibility for a long-term debt security with a face value of NOK 1,100 million, which is secured by a mortgage in the property. For accounting purposes the transaction was completed on 30 November 2008 at fair value. The property was developed by Entra Eiendom AS, and title to the property was transferred to Entra Kultur 1 AS in 2005.

Financing and liquidity – financial risk

The financial crisis and pace of market change in 2008 were greater than anyone could have predicted at the start of the year. The economic slowdown, resulting in liquidity problems at financial institutions and very high risk premiums in interest rate markets, has damaged the world economic climate. A serious downturn is now expected.

The financial crisis has resulted in very high interest rate spreads, particularly in the case of NIBOR, as well as wider credit market spreads for the loans arranged by the company in 2008. The company's refinancing/liquidity risk has increased as a result of the changes in the market/financial crisis.

The Group's liquid assets, including liquid financial deposits at 31 December 2008, totalled NOK 204.1 (355) million. In addition, at 31 December 2008 the company had available, undrawn credit facilities with Norwegian banks totalling NOK 3.2 (2.4) billion.

Entra Eiendom is financed through a variety of bank and capital market instruments. The maturities of the loans are very spread out.

The management of the company's financing activities is regulated through agreed frameworks in the finance strategy and finance policy. A constant evaluation is made of its financial frameworks in relation to its other activities. The Board considers that the risks associated with the company's financial exposures have increased. As a result of the turbulence in financial markets, the company's financing costs have increased, reducing its flexibility under the conditions set out in its loan agreements.

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 5.8 percent per annum at 31 December 2008 (5.6 percent). At 31 December 2008, 71 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.

The high proportion of public sector tenants means that credit and counterparty risk is limited. Other customers are given a credit check. Any lack of financial strength is compensated for by satisfactory security being demanded.

The Group's liabilities at 31 December 2008 totalled NOK 14,236.9 (13,965.4) million. The Group's nominal interest-bearing debt at 31 December 2008 totalled NOK 11,487 (10,433) million, equivalent to 57.2 percent (46.2 percent) of total equity.

PROFIT FOR THE YEAR AND ALLOCATIONS

In 2008 Entra Eiendom AS made a profit after taxation of NOK 446.8 (78.5) million, as set out in the financial statements presented under the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

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

Transferred from other reserves NOK million 446.8

The company's distributable reserves totalled NOK 599.3 million at 31 December 2008.

SHAREHOLDER INFORMATION

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

CORPORATE GOVERNANCE

Corporate Governance plays a key role in Entra's activities. Entra is constantly developing the company's routines and governance processes. The company thereby aims to highlight how it is managing and developing the shareholder's assets, as well as achieve greater predictability and confidence, whilst giving it the basis for dealing with specific challenges and critical decisions effectively. The aim is add more value whilst reducing risk.

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

For further details, please see the separate paragraph on "Corporate governance" in the company's annual report.

REPORT TO PARLIAMENT ON ENTRA EIENDOM AS

Report No. 29 (2008-2009) to the Storting concerning Entra Eiendom AS was debated by the Storting on 4 June 2009. The report and the decisions of the Storting describe the owner's expectations for the company.

WORKING ENVIRONMENT AND STAFF

At the close of 2008, the Group had 160 employees, or 158.5 full-time equivalents. That was nine employees more than at the end of 2007.

Staff turnover in 2008 was 10.3 percent, which was 0.2 percent higher than in 2007. Adjusted for natural wastage (retirement), turnover was 5.8 percent. For 2008, we set a turnover target of between 4 and 12 percent.

Sickness absence at Entra in 2008 was 4.1 percent. This was 0.16 percent less than in 2007. Sickness absence in 2008 was 0.9 percent lower than the company's target.

Sickness absence at Entra is lower than the average sickness absence rate in Norway.

The 2008 employee survey showed an employee satisfaction rate of 89.6 percent, confirming the good results from previous years.

In 2008 there was one occupational accident resulting in death at one of Entra's construction projects. The deceased was an employee of one of the company's contractors. No report on the investigation by the police and Norwegian Labour Inspection Authority has yet been received. Apart from this accident there were no recorded accidents or incidents that caused serious personal injury in 2008.

Cooperation with employee organisations was good and constructive during 2008, and 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 2008, 26.4 (23.5) percent of Entra's employees were women. 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 rare for the company to have female applicants for these vacancies. Three women work in operations. At the close of 2008, 52 percent of the company's managers were women.

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.

4 percent of the workforce at Entra works part-time, and 60 percent of part-time staff 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 aim is for its properties to have as little impact as possible on the environment, and for the company to use energy and other resources efficiently. Analyses are carried out for all investments to identify the optimal balance between investment, operation and maintenance. Construction materials are reused wherever possible, and the company aims to use environmentally friendly materials. The company generally uses water-borne heating, which enables the use of heat pumps and renewable energy sources.

Entra 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. For all new-builds, conversions and maintenance work, measures are taken to reduce energy consumption and to maximise recycling. The aim is to reduce the amount of unrecycled waste to 30 percent of total waste produced. For operating personnel it is a priority to monitor our properties' energy consumption and level of recycling during the operating phase.

The company has started installing automatic water meters at its properties.

ENOVA projects

The four ENOVA projects that were started in 2006 and 2007 for the four regions were continued in 2008. Entra's energy consumption is below average according to ENOVA's building statistics. In total, 770,000 m2 of the company's properties are included in ongoing ENOVA-backed energy saving projects. Individual new-build projects with ENOVA backing are also under construction.

The aim of the ENOVA projects is to reduce energy consumption at our buildings by approx. 19 GWh. Energy and environmental analyses, which have been carried out at half of the buildings, have revealed potential savings of approx. 18 GWh. So far, specific energy consumption has been reduced by approx. 9 percent. The overall target is a reduction of 10 percent.

Features of historic value

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.

FUTURE DEVELOPMENT

In general there is a lot of uncertainty in the market. This has led to banks demanding a higher risk premium, in spite of the cuts to Norges Bank's key rate. Companies must provide greater security, and show a better ability to service loans. Several market players are struggling with high levels of debt, which is reducing their flexibility. Entra has sound finances and long lease contracts, customers without payment difficulties and high levels of customer satisfaction. The company's properties occupy central locations in areas that will continue to remain attractive in the future.

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

Over the course of 2008, the turbulence in financial markets started to reduce activity levels in the rental market. Nevertheless, city rents continued to rise in most segments for much of the year, although the rate of growth slowed dramatically. In the second half of the year rents started to level off, and in some areas they began to decline. City rents have probably peaked, and are expected to decline in 2009. Macroeconomic indicators suggest that economic growth will be slow, and that unemployment will increase significantly over the coming years. The predicted slowdown in hiring, along with less market activity and a greater availability of sublease space, will lead to higher office vacancy rates than previously anticipated. The relatively limited number of office projects underway will to some extent help to prevent vacancy rates from rising as high as in 2001.

The rental market will become more challenging in the times ahead. Centrally located properties close to public transport hubs, with modern and flexible premises, which are efficient to run, will provide a competitive advantage.

Financial developments

The company has low levels of debt and long-term financing. Entra is involved in several major development projects.

A significant proportion of the company's debt is hedged against interest-rate rises. This helps to reduce the impact of uncertainty surrounding the future course of market interest rates. The company is naturally exposed to risk from the portion of its debt that is subject to variable rates. It is necessary to have a certain amount of variable rate debt in the 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 has a strong position in the financial markets, which means that it has access to capital to finance planned investments, albeit at higher prices than previously charged.

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

Oslo, 18th June 2009
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen
Chairman of the board

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Mari Fjærbu Åmdal
Employee representative

Martin Mæland
Board member

Gerd Kjellaug Berge
Board member

Tore Benediktsen
Employee representative

Kyrre Olaf Johansen
Chief Executive Officer

IFRS consolidated accounts 2008

Consolidated income statement

All figures in NOK 000s

	Note	2008	2007
Rental income	21	1 297 471	1 185 461
Other operating revenue	22	53 379	44 604
Total operating revenue		**1 350 850**	**1 230 065**
Maintenance		56 795	50 037
Other operating expenses	23,24	341 322	299 528
Depreciation	10	9 404	11 919
Total operating expenses before adjustment to value of investment property and writedowns		**407 521**	**361 484**
Operating profit/loss before adjustment to value of investment property and writedowns		**943 329**	**868 582**
Writedowns (Projects under development)	10	-369 792	-
Adjustment to value of investment property	8	-3 491 825	1 204 641
Profit/loss on the sale of property		2 276	-1 340
Operating profit		**-2 916 012**	**2 071 882**
Income from investments in associates and joint ventures	12	4 538	60 032
Interest and other finance income		33 189	19 499
Interest and other finance expense		-567 448	-499 020
Adjustment to value of financial instruments	3	-376 336	230 972
Net financial items		**-906 056**	**-188 517**
Profit before tax		**-3 822 068**	**1 883 365**
Tax expense	25	-1 222 490	519 729
Profit before minority interests		**-2 599 578**	**1 363 636**
Minority share of profit	28	-25 856	-24 534
Profit after minority interests		**-2 573 722**	**1 388 170**
Earnings per share (NOK)		-18 100	9 763

Consolidated balance sheet

All figures in NOK 000s

Assets	Note	31.12.2008	31.12.2007
FIXED ASSETS			
Intangible assets			
Goodwill	7	15 749	15 749
Other intangible assets	7	7 616	5 731
Total intangible assets		**23 365**	**21 480**
Tangible assets			
Investment property	8	17 532 867	19 503 000
Projects under development	10	1 406 897	1 933 354
Property used by owner	10	16 537	16 811
Other operating assets	10	22 396	26 240
Total tangible fixed assets		**18 978 696**	**21 479 406**
Financial assets			
Investments in associates and joint ventures	12	270 632	266 094
Financial assets available for sale		5 994	7 369
Other non-current receivables	13	167 656	89 500
Total financial fixed assets		444 282	362 962
Total fixed assets		**19 446 343**	**21 863 848**
CURRENT ASSETS			
Receivables			
Trade receivables	14	46 551	94 889
Other current receivables	9, 14	394 320	253 204
Total current receivables		**440 871**	**348 093**
Financial assets measured at fair value through profit and loss		23 608	21 837
Cash and bank balances	15	180 522	333 149
Total current assets		645 000	703 078
Total assets		**20 091 343**	**22 566 926**

Consolidated balance sheet

All figures in NOK 000s

Equity and liabilities	Note	31.12.2008	31.12.2007
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		4 310 624	7 029 720
Total retained earnings		**4 310 624**	**7 029 720**
Minority share of equity	28	129 664	157 606
Total equity		**5 854 466**	**8 601 504**
LIABILITIES			
Provisions			
Pension obligations	17	68 850	62 079
Deferred tax	25	1 606 034	2 852 156
Other provisions	18	32 693	33 511
Total provisions		**1 707 577**	**2 947 746**
Other non-current liabilities			
Bond loan	19	3 315 484	3 922 662
Liabilities to financial institutions	19	5 375 072	4 337 236
Other non-current liabilities	19	828 360	358 236
Total other non-current liabilities		**9 518 916**	**8 618 134**
Current liabilities			
Certificate loans	19	1 370 000	1 900 000
Liabilities to financial institutions	19	994 672	-
Trade payables		172 273	233 558
Tax payable	25	4 332	6 122
Unpaid government taxes and duties		7 967	11 482
Other current liabilities	20	461 140	248 379
Total current liabilities		**3 010 384**	**2 399 542**
Total liabilities		**14 236 877**	**13 965 422**
Total equity and liabilities		**20 091 343**	**22 566 926**

Oslo, 18th June 2009
The Board of Directors
of Entra Eiendom AS

Grace Reksten Skaugen
Chairman of the Board

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Mari Fjærbu Åmdal
Employee representative

Martin Mæland
Board member

Gerd Kjellaug Berge
Board member

Tore Benediktsen
Employee representative

Kyrre Olaf Johansen
Chief Executive Officer

Changes in the Group's equity

All figures in NOK 000s

At 31 Dec. 2008	Share capital	Share premium reserve	Other equity (not taken to income)	Other equity	Minority interests	Total equity
Equity at 1 January 2008	142 194	1 271 984		7 029 720	157 606	8 601 504
Reclassification of investments available for sale			3 300	-3 300		-
Profit/loss for the year				-2 573 722	-25 856	-2 599 578
Dividend paid				-144 000	-2 086	-146 086
Adjustment to value of investments available for sale			-1 375			-1 375
Total equity, 31 Dec. 2008	**142 194**	**1 271 984**	**1 925**	**4 308 699**	**129 664**	**5 854 466**

At 31 Dec. 2007	Share capital	Share premium reserve	Other equity (not taken to income)	Other equity	Minority interests	Total equity
Equity at 1 January 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**

Consolidated cash flow statement

All figures in NOK 000s

		2008	2007
	Cash flow from operating activities		
	Profit before tax	-3 822 068	1 883 365
-	Tax paid during the year	-34 353	-1 054
+	Depreciation of fixed assets	9 404	11 919
+	Writedowns (projects under development)	369 792	-
+/-	Profit/loss on the sale of fixed assets	-2 276	1 340
+/-	Profit/loss on the sale of shares	-5 450	14 300
+/-	Adjustment to value of investment property	3 491 825	-1 204 641
+/-	Changes in the market value of financial derivatives	376 336	-230 972
+/-	Changes in short-term items	-12 948	42 473
+/-	Change in other accruals	34 719	-524
=	**Net cash flow from operating activities**	**404 981**	**516 206**
	Cash flow from investment activities		
+	Sales of fixed assets	102 732	92 628
-	Purchase of fixed assets	-1 408 859	-1 745 261
-	Purchase of shares and stakes in other enterprises	-14 364	-99 772
-	Purchase of other investments	-74 952	-
+	Sales of other investments	-	1 903
=	**Net cash flow from investment activities**	**-1 395 443**	**-1 750 503**
	Cash flow from financing activities		
+	New non-current liabilities	2 289 764	2 629 396
-	Repayment of non-current liabilities	-775 842	-704 150
-	Repayment of current liabilities	-530 000	-350 000
-	Dividends paid	-146 086	-140 750
=	**Net cash flow from financing activities**	**837 836**	**1 434 496**
	Net change in cash and cash equivalents	-152 626	200 200
+	Cash and cash equivalents at the start of the year	333 149	132 949
=	**Cash and cash equivalents at the end of the year**	**180 522**	**333 149**

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 1,140,572 m² at 31 December 2008. 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 and Northern Norway. The regional offices are located in Oslo, Kristiansand, Bergen and Trondheim.

The company mainly has public sector tenants, and at 31 December 2008 only 18.3 percent of tenants were in the private sector.

NOTE 2 – Accounting principles

ACCOUNTING POLICIES

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

BASIC PRINCIPLES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU. The consolidated financial statements have been prepared on a historical cost basis, with the following modifications: investment properties, financial assets and financial liabilities have been measured at fair value. Financial instruments measured at fair value include the Group's long-term borrowings, derivatives and investment shares.

Presenting the accounts under IFRS requires the management to make certain assessments and assumptions. The application of the company's accounting policies also requires management to exercise judgement. Estimates and subjective judgements are based on past experience and other factors that are considered relevant. Actual results may deviate from these estimates. The estimates and underlying assumptions are continuously reassessed.

Changes in accounting estimates are recognised in the period in which the changes occur if they only apply to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods. Note 4 details items in the accounts that are based on a significant amount of subjective judgement.

Changes to published standards coming into force in 2008

IAS 39 – Financial instruments - recognition and measurement: IAS 39 was changed in 2008, allowing financial instruments measured at fair value as a trading portfolio to be reclassified as an amortised cost category for financial instruments where there is no longer an active market. This change did not have any impact on our financial statements in 2008.

The Group has chosen to apply the following standards:

IFRS 8 – Operating segments: IFRS 8 replaces IAS 14 and brings segment reporting requirements into line with the requirements in 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, changes to standards and interpretations that have not yet come into force, and which the Group has not chosen to apply early

Changes to IFRS 2 - Share-based payment - Vesting conditions and cancellations: This change to IFRS 2 provides clearer guidelines on what does and does not constitute a vesting condition. It also regulates the accounting treatment of cancellations in share option schemes, when cancellation occurs as a result of the failure to meet other conditions than vesting conditions. The amendment to IFRS 2 came into force on 1 January 2009. The Group plans to implement the amendment as of 1 January 2009. The changes are not expected to affect the consolidated accounts.

IFRS 3 (revised) – Business combinations: Compared to the current IFRS 3, the revised standard changes and clarifies certain aspects of the implementation of the acquisition method. Specific matters that are affected include goodwill for step acquisitions, minority interests, contingent consideration and acquisition-related costs. IFRS 3 (R) is set to come into force on 1 July 2009, but IFRS 3 (R) has yet to be approved by the EU. The Group plans to implement IFRS 3 (R) as of 1 January 2010.

IAS 1 (revised) – Presentation of financial statements: The revised standard involves changes to the financial statements, particularly the equity statement, and introduces a statement of non-owner transactions ("Statement of comprehensive income"). IAS 1 (R) came into force on 1 January 2009. The Group will implement IAS (R) as of 1 January 2009. The implementation of the revised IAS 1 will result in changes to the Group's financial statements and adjustments to comparative figures.

IFRS 23 (revised) – Borrowing costs: The biggest change in IAS 23 (R) is that it will no longer be possible to expense borrowing costs attributable to a qualifying asset. It will therefore only be possible to capitalise borrowing costs. IAS 23 (R) came into force on 1 January 2009. The Group already capitalises borrowing costs, and the change therefore has no practical implications.

IAS 27 (revised) – Consolidated accounts and separate financial statements: In comparison to the current IAS 27, the revised standard provides additional guidelines on accounting for changes in shareholdings in subsidiaries and the disposal of subsidiaries. It also amends the current rules on how losses are allocated between the majority and minority interest, with losses being charged to the minority interest even if they exceed the minority interest in the equity of the subsidiary. IAS 27 (R) is set to come into force on 1 July 2009, but IAS 27 (R) has yet to be approved by the EU. The Group plans to implement IAS 27 (R) as of 1 January 2010.

Amendments to IAS 32 – Financial instruments – Presentation and IAS 1 – Presentation of financial statements – Puttable Financial Instruments: The amendment to IAS 32 means that certain put options are to be classified as equity. The change to IAS 1 relates to the requirement to provide additional information in the notes. The changes to IAS 32 and IAS 1 are supposed to come into force on 1 January 2009, but the amendments are yet to be approved by the EU. The Group plans to implement the changes to IAS 32 and IAS 1 as of 1 January 2009 if the implementation date set by the EU coincides with the IASB. The standards are not expected to affect the consolidated accounts.

Amendment to IAS 39 – Financial instruments – recognition and measurement – Eligible Hedged Items: The changes to IAS 39 clarify the rules on how financial instruments (hedged items) are hedged in relation to various risks or components of cash flows. The changes adopted primarily provide additional guidelines on hedging one-sided risk (using options as hedging instruments) and hedging inflation risk, but also clarify the guidelines stating that the specified risks and cash flows must be separately identifiable and reliably measurable. The changes to IAS 39 are supposed to come into force on 1 July 2009, but the amendments are yet to be approved by the EU. The Group plans to implement the changes to IAS 39 as of 1 January 2010. The standard is not expected to affect the consolidated accounts.

IFRIC 12 – Service concession arrangements: IFRIC 12 relates to public service concessions for infrastructure granted to private operators, where the public authorities regulate or control the service provided by the operator, to whom the service is provided and at what price. The interpretation regulates how these arrangements are to be accounted for. The interpretation came into force on 1

January 2008, but was yet to be approved by the EU at that time. The interpretation has still not been approved, but the EU has proposed that it come into force for accounting years starting after 31 December 2009. The Group will implement the interpretation as of 1 January 2009. IFRIC 12 will have an impact on a small number of the Group's investment properties.

IFRIC 14 – AS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction: This interpretation deals with the limit on how much of a pension plan surplus companies can recognise as an asset, where statutory or contractual minimum funding requirements exceed the pension liability. The interpretation came into force on 1 January 2008, but was yet to be approved by the EU at that time. The interpretation has now been approved by the EU for financial years starting after 31 December 2008. The Group will start applying the interpretation as of 1 January 2009, but it is not expected to affect the consolidated accounts.

IFRIC 15 – Agreements for the construction of real estate: This interpretation deals with how to account for property projects. The interpretation provides guidelines on which projects should be considered construction contracts covered by IAS 11, and which ones should be covered by IAS 18. The interpretation came into force on 1 January 2009, but has yet to be approved by the EU. The Group will start applying IFRIC 15 as of 1 January 2010, but it is not expected to affect the consolidated accounts.

IFRIC 16 – Hedges of a net investment in a foreign operation: This interpretation deals with how to account for foreign currency hedging related to net investment in foreign operations. The interpretation clarifies what types of hedging instruments qualify for hedge accounting and what types of risk can be hedged. The interpretation came into force on 1 October 2008, but has yet to be approved by the EU. The Group will implement IFRIC 16 as of 1 January 2010. The standard is not expected to affect the consolidated accounts, as Entra does not have net foreign investments.

IFRIC 17 – Distributions of non-cash assets to owners: This interpretation deals with how to account for distributions to owners that are made using other assets than cash. The interpretation came into force on 01 July 2009, but has yet to be approved by the EU. The Group will implement IFRIC 16 as of 1 January 2010.

IASB's annual improvements project: Several changes to standards have been adopted that will come into force during 2009. Below is a list of the most important changes that may have an impact on recognition, measurement and the information contained in notes:

- IFRS 5 Non-current assets held for sale and discontinued operations: When an entity plans to sell a controlling interest in a subsidiary, all assets and liabilities in the subsidiary shall be classified as held-for-sale, even if the entity intends to keep a non-controlling interest after the sale.
- IAS 1 Presentation of financial statements: In accordance with IAS 39, assets and liabilities classified as held-for-sale are not automatically classified as current on the balance sheet.
- IAS 19 Employee benefits:
    - Changes to the definitions of the terms past service costs, return on pension plan assets, short-term and other long-term benefits.
    - Changes to pension plans that reduce benefits for future service are treated as curtailments.
    - The reference to IAS 37 re. contingent liabilities has been removed.
- IAS 20 Accounting for government grants and disclosure of government assistance: Future loans from the public sector at below market interest rates are not exempt from the requirement to establish an estimated interest rate. The difference between the nominal value of the loan received and its present value shall be accounted for as government assistance.
- IAS 38 Intangible assets: Advertising and promotional costs are to be recognised as an expense when the product is available to companies or when the service has been received.
- IAS 39 Financial instruments - recognition and measurement:
    - Any change in how a derivative is used, through it being designated a hedging instrument or through it ceasing to be one, shall not be considered a reclassification. Derivatives can therefore be taken in or out of the category "fair value through profit or loss" after initial measurement.
    - When recalculating amortised cost under IAS 39.AG8 for an instrument that is or has been

the hedged item in a fair value hedge, the original effective interest rate shall not be used. Instead, an interest rate that takes into account the impact of the hedge shall be used.

• The reference to "segment" has been removed in relation to designating and documenting hedges.

- IAS 40 Investment property: Property under construction or development for future use as an investment property falls within the scope of IAS 40.

The change to IAS 40 for property under construction will affect the Group's future financial reporting. Beyond that, the the changes in the improvements project are not expected to have a significant impact on the Group's financial reports.

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, balances and unrealised gains are eliminated. Unrealised losses are eliminated, but are considered evidence of impairment in terms of writing down the value of the transferred asset. If necessary, the accounting principles at subsidiaries are changed in order to bring them into line with the Group's accounting principles.

Transactions with minority interests

Changes to minority interests are included using the parent entity method in the consolidated accounts. For purchases of minority interests, the difference between the acquisition cost and carrying amount of the acquired shares is recognised in equity. Gains or losses on sales of shares to minority interests are also recorded through equity.

Jointly controlled entities

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.

Associates

Associates are entities over which the Group exercises 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 associates are recognised using the equity method. At the time of acquisition, investments in associates are recognised at the acquisition cost. Investments in associates include goodwill identified at the time of acquisition, less any subsequent impairments.

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 associate's obligations.

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

SEGMENT INFORMATION

Operating segments are reported in the same way as in internal reports to the company's highest decision-making authority. The company's highest decision-making authority, which is responsible for allocating resources and assessing the profitability of the operating segments, has been identified as the group management.

INVESTMENT PROPERTY

Investment property is owned with the aim of achieving a long-term return from rental income. Properties used by the Group are valued separately as fixed assets. Investment property is recognised at fair value, based on market values identified by independent valuers. Gains or losses as a result of changes in the market value of investment property are recognised through profit or loss as they arise. Property under construction or development for future use as investment property (work in progress) is recognised at historical cost, adjusted for writedowns.

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, which includes 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, if it is probable that future financial benefits associated with the expenditure will flow to the group and the expense can be measured reliably. Other repair and maintenance costs are recorded through profit and loss in the period in which they are incurred. When investment properties are disposed of, the difference between the net sales proceeds and carrying amount is recognised through profit or loss.

Buildings under construction, fixed assets, machinery and other equipment

Property, plant and equipment is recognised at cost, less depreciation. The historical cost includes costs directly related to acquisition of the asset. Buildings under construction are measured at historical cost, adjusted for writedowns. 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 attributable to the expenditure will flow to the group and the expense can be measured reliably. Amounts relating to replaced parts are recognised in the income statement. Other repair and maintenance costs are recorded through profit and loss in the period in which they are incurred.

Sites that are not considered to be investment properties (and buildings under construction) are not depreciated. Other assets are depreciated in a straight line over their anticipated remaining useful life.

The remaining useful life, and residual value, is reassessed on each balance sheet date and changed if necessary. If the carrying amount of an asset is higher than its recoverable amount, the value of the asset is written down to the recoverable amount (Note 10).

Gains and losses on disposals are recognised through profit or loss, and are calculated as the difference between the sales price and the carrying amount at the time of disposal.

Housing units being developed by the company for sale

Housing projects involve the development and construction of residential housing, with individual units being handed over to the purchaser when they are completed. While they are under construction, these projects are classified as current assets. When the unit is completed and handed over to the buyer, the sales proceeds are booked to income and the associated costs are expensed.

Borrowing costs

The borrowing costs for capital used to finance buildings under construction is capitalised under the asset in question. When calculating the capitalised borrowing costs, the average interest rate on the company's debt portfolio over the course of the year is used, unless there is separate financing for the specific project. In such cases the specific borrowing cost for the loan in question is used. When calculating the average interest rate to be used for the capitalisation of borrowing costs, loans taken out for specific projects are not included.

INTANGIBLE ASSETS

Goodwill

Goodwill is the difference between cost and the fair value of the Group's share of net identifiable assets in the entity on the acquisition date.

Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. For the purposes of impairment testing, goodwill is allocated to the relevant cash flow generating units. Goodwill is allocated to the cash flow generating units or groups of cash flow generating units that are expected to benefit from the acquisition from which the goodwill arose.

Goodwill arising from the purchase of shares in associates is included under the investment in the associate, and is tested for impairment as part of the carrying amount of the investment. 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.

Software

Purchased software is recognised at cost (including expenditure on making programs operative) and is amortised over the expected useful life. Expenses directly associated with the development of identifiable and unique software owned by the Group and which is likely to generate net financial benefits for more than one year are capitalised as intangible assets, and are depreciated over the expected useful life. Expenses relating to the maintenance of software are expensed as incurred.

Impairment of non-financial assets

Intangible assets with an uncertain useful life are not depreciated, and are instead tested annually for impairment. 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 carrying amount 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

Initial measurement of trade receivables is at fair value. A provision for bad debts is recognised if there is objective evidence that the Group will not receive payment in accordance with the original conditions. Any subsequent payments received against accounts for which a provision has previously been made are taken to income.

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. Overdrafts are included as cash and cash equivalents in the statement of cash flows. On the balance sheet, overdrafts are included under current liabilities.

Short-term investments

Short-term investments, such as shares, are measured at fair value on the balance sheet date and are classified as available for sale. Changes in the value of share investments are recognised directly in equity. Writedowns are recognised in the income statement. Dividends and other distributions received from the companies are recognised as other finance 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.

Changes to benefits payable under the pension plan are measured through profit or loss, unless the entitlements under the new pension plan are contingent upon the employee remaining at the company for a specific amount of time (the qualifying period). In such cases the cost associated with the change to the plan is amortised in a straight line over the qualifying period.

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

Redundancy packages are payments made when a contract of employment is terminated by the Group before the normal retirement age or when an employee voluntarily agrees to leave in return for such a payment. The Group expenses redundancy packages when it has a proven obligation to either terminate the contract of current employees in accordance with a formal, detailed plan that cannot be withdrawn by the Group, or to make redundancy payments as a result of an offer made to encourage voluntary redundancy. Redundancy packages that are due for payment over 12 months after the balance sheet date are discounted to their present value.

TAX

The tax expense for an accounting period consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised directly in equity. If such cases, the tax is also recognised directly in equity.

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.

In principle deferred tax is not calculated on temporary differences arising from investments in subsidiaries and associates. This does not apply in cases where the Group is not in control of when the temporary differences will be reversed, and it is probable that they will be reversed in the foreseeable future.

PROVISIONS

The Group recognises provisions for lease agreements and legal requirements when a present obligation (legal or constructive) has arisen as a result of a past event, it is likely that an outflow of resources will be required to settle the obligation and its amount can be estimated reliably. There is no provision for future bad debts.

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

Provisions are measured at the present value of expected payments to settle an obligation. A discount rate before tax is used which reflects the present market situation 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 adjust the Group's interest rate change profile to current interest rate expectations and to goals for interest rate risk. Derivatives are initially recognised at cost price on the date on which the contract was signed, and subsequently at fair value. Gains or losses on re-measurement at fair value are recognised in the income statement.

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 revenue consists of rent, other operating revenue and proceeds from the 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.

Gains and losses resulting from the disposal of investment property is shown on a separate line in the income statement.

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 amounts in NOK millions

The Group is exposed to various types of financial risk. The Group'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 Group 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 Group has arranged long-term credit facilities.

The Group issues commercial paper as part of its ongoing, long-term financing. By definition, commercial paper has a maximum maturity of 12 months, and is therefore classified as a current liability. To protect itself against the liquidity risk associated with its use of commercial paper, the company has set up back stop facilities totalling NOK 1.7 billion (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 Group's finance policy states that the back stop facilities shall at all times cover all of the commercial paper becoming due in the next 6 months.

Maturity structure of interest-bearing debt (nominal values)	Year	2008 Loan value NOK million	2007 Loan value NOK million
	2008	-	2 672
	2009	2 697	541
	2010	1 600	1 603
	2011	1 900	301
	2012	870	872
	2013	1 500	1 400
	More than 5 years	2 920	3 045
	Total	**11 487**	**10 433**

At 31 December 2008, the average weighted remaining term to maturity of the company's debt was 6.2 years (6.2 years at 31 December 2007).

Undrawn credit facilities

At 31 December 2008, the Group had the following undrawn credit facilities, worth a total of NOK 3,183 million:

Available amount	Year	2008 NOK million	2007 NOK million
Entra Eiendom AS			
Back stop	2009	-	540
Revolving credit facility/back stop	2011	-	1 600
Revolving credit facility	2012	500	-
Revolving credit facility	2013	1 250	-
Revolving credit facility/back stop	2018	800	-
Revolving credit facility	2017	500	-
Subsidiaries			
Project loan to Brattørkaia AS	2010	103	253
Project loan to Kristiansand Kunnskapspark Eiendom AS	2023	-	-
Project loan to Papirbredden Eiendom AS	2026	30	30
	Total	**3 183**	**2 423**

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 the development of general NOK interest rate levels. Interest payments are the Group's biggest regular expense. A large proportion of the Group's debt is subject to fixed interest rates (71 percent) as shown in the table below. The Group uses a variety of derivatives to optimise its portfolio for its interest rate fixing structure. The Group'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.

At 31 December 2008 the weighted average duration was 4.5 years (3.5 years at the close of 2007). The average interest rate on loans in the portfolio was at the same point in time 5.8 percent (5.6 percent).

The table below shows the company’s maturity structure in terms of exposure to interest rate risk at 31 December 2008.

Term to maturity	31.12.2009 Up to 1 year	31.12.2010 1-2 years	31.12.2012 2-4 years	31.12.2014 4-6 years	31.12.2016 6-8 years	31.12.2018 8-10 years	31.12.2018+ 10 years or more	TOTAL
Percentage	29 %	9 %	12 %	12 %	23 %	7 %	8 %	100 %
Amount (NOK million)	3 287	1 070	1 410	1 390	2 620	750	960	11 487

Sensitivity analysis of interest rate hedging

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

Figures in NOK millions	Total change in financing costs *)	Change in the Group's interest cost (annual)	Change in fair value of loans and derivatives
Market rates increase by 1 percentage point	570	-31	601
Market rates decline by 1 percentage point	-659	31	-690

*) 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	2008	2007
Nominal value of interest rate derivatives on the balance sheet date (NOK million) **)	12 110	10 260
of which		
– Fixed to variable swaps **)	2 410	2 410
– Variable to variable swaps	400	400
– Variable to fixed swaps	6 050	6 160
– Futures contracts (contracts that start in the future)	-	-
– Options or option-related products	3 250	1 250
Range of fixed interest rates	From 2.975%	From 3.565%
	To 6.195%	To 6.195%
Variable rate reference	NIBOR	NIBOR
Average fixed rate excl. futures contracts	5,08 %	5,27 %
Average fixed rate incl. futures contracts	5,05 %	5,27 %
Fair value of derivatives on the balance sheet date (NOK million)	792	320
Change in fair value of bank loans over the year ***)	257	-
Change in fair value of bonds over the year	-163	144
Change in fair value of interest rate derivatives over the year	-472	86
Change in fair value of other items	1	1
Total change in fair value of financial instruments	**-376**	**231**

**) NOK 2,410 million (NOK 2,410) of interest rate swaps linked to the bonds issued by the Group are included in the volume of interest rate swaps. These bonds are swapped to a variable rate in order to ensure that the Group is in a position to manage its interest rate fixing independently of the bonds themselves. The real volume used for interest rate fixing is therefore NOK 9,700 million (NOK 7,850 million). NOK 6,450 (6,560) million of this consists of pure interest rate swaps, whilst NOK 3,250 (1,250) million is interest rate options or option related products. Option related products are used either to put a ceiling on 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. The majority of the Group's option-related agreements are standard interest rate swaps where the bank has an option to extend the maturity date of the contracts.
***) Spreads on bank loans are included in market value calculations for 2008. The agreed spreads on bank loans are thought to be below the estimated market interest rate for bank loans with equivalent durations and credit risks on the balance sheet date. The difference between the agreed interest rate spreads and market spreads has been discounted over the loan's term to maturity using the swap rate. This has a positive impact on the Group's results, which in isolation reduces liabilities by NOK 257 million.

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 Group 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 2008, 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. 82 percent of the tenants in the Group's property portfolio were from the public sector at 31 December 2008. This is a 3 percent reduction since 2007, 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 Group has a cautious finance policy and a relatively high equity ratio. At 31 December 2008, the Group's value-adjusted equity ratio under NGAAP was 39 percent (51 percent at 31 December 2007).

NOTE 4 – Critical accounting estimates and subjective judgements

All figures in NOK 000s

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.

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

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	Investment properties' market value	Change in value
1 percent lower yield	6,9 %	20 000 000	2 500 000
0.5 percent lower yield	7,4 %	18 700 000	1 200 000
Average yield 31 Dec. 2008	**7,9 %**	**17 500 000**	-
0.5 percent higher yield	8,4 %	16 500 000	-1 000 000
1 percent higher yield	8,9 %	15 500 000	-2 000 000

NOTE 5 – Segmental information

All figures in NOK 000s

The operating segments are identified based on the reporting used by group management when assessing performance and profitability at a strategic level.

The management's monitoring is based on accounts that comply with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

Operating profit/loss by segment

01.01.2008 – 31.12.2008	Eastern Norway	Southern Norway	Western Norway	Central and Northern Norway	Administra-tion/project development	Total	Transition to IFRS	Total under IFRS
Rental income	918 186	136 840	118 905	123 540	-	1 297 471	-	1 297 471
Other operating revenue	119 146	1 805	5 210	2 370	-	128 532	-75 153	53 379
Total operating revenue	1 037 332	138 645	124 116	125 910	-	1 426 003	-75 153	1 350 850
Maintenance	44 107	6 645	10 860	6 392	264	68 268	-11 473	56 795
Other operating expenses	226 951	12 626	33 221	22 004	127 477	422 279	-80 988	341 322
Depreciation	163 317	26 263	11 711	44 044	7 072	252 407	-243 003	9 404
Total operating expenses before adjustments to value and writedowns	434 375	45 534	55 792	72 440	134 813	742 954	-335 464	407 521
Operating profit before adjustments to value and writedowns	602 957	93 111	68 323	53 470	-134 813	683 049	260 311	943 329
Writedowns (projects under development)	-	-	-	-	-	-	-369 792	-369 792
Adjustment to value of investment property							-3 491 825	-3 491 825
Profit/loss on the sale of property	-	22 009	-	-	-	22 009	-19 733	2 276
Operating profit	**602 957**	**115 120**	**68 323**	**53 470**	**-134 813**	**705 058**	**-3 621 038**	**-2 916 012**
Other information:								
Income from associates	-7 393	-528	-	-385	-	-8 306	12 845	4 538
Investments during the period (historical cost)	1 044 613	22 861	154 295	209 839	-	1 431 608	-	1 431 608
Sale of properties during the period (sales price)	-	102 711	-	-	-	102 711	-	102 711

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 revenue	24 354	956	-	19 293	-	44 604	-	44 604
Total operating revenue	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	-232 213	361 484
Operating profit before value adjustments	537 225	82 183	70 377	77 234	-130 652	636 367	232 213	868 581
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 associates	25 745	100	-	-26	-	25 819	34 213	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

Explanation of differences between NGAAP and IFRS 2008

The NOK -75.2 million under other operating revenue relates in its entirety to proceeds from the sale of housing by the subsidiary Optimo. Under NGAAP, revenues are recognised on an arising basis. Under IFRS, revenues are only recognised on physical hand-over.

Under NGAAP, project-related maintenance costs for investment properties are recognised through the income statement. As these maintenance costs are taken into account in the fair value calculation under IFRS, the maintenance costs under IFRS are NOK 11.5 million lower.
Under IFRS, neither investment properties nor development properties are depreciated. The reversal of NOK 243.0 million relates to depreciation recognised under NGAAP for the abovementioned groups of properties. Under IFRS an impairment of NOK 369.8 million was identified, against NOK 0 million under the segment results reported to the management. For further details see Note 10.

Segmental carrying amount of investment properties, buildings under construction and property used by the company

At 31 Dec. 2008	Eastern Norway	Southern Norway	Western Norway	Central and Northern Norway	Administra-tion/project development	Total
Investment property	12 953 604	1 627 422	1 556 950	1 394 892	-	17 532 867
Projects under development	1 028 203	-	-	378 694	-	1 406 897
Property used by owner	-	3 025	-	-	13 511	16 537
Total	**13 981 806**	**1 630 447**	**1 556 950**	**1 773 586**	**13 511**	**18 956 301**

At 31 Dec. 2007	Eastern Norway	Southern Norway	Western Norway	Central and Northern Norway	Administra-tion/project development	Total
Investment property	14 472 048	1 842 184	1 571 525	1 617 244	-	19 503 000
Projects under development	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**

NOTE 6 – Major transactions

There were no major transactions in 2008.

NOTE 7 – Intangible assets

All figures in NOK 000s

	Goodwill	Options	Other intangible assets	Total intangible assets
Opening balance 1 Jan. 2008	15 749	-	16 877	32 626
Disposals	-	-	-	-
Reclassification	-	3 750	2 314	6 064
Disposals	-	-	-1 351	-1 351
Acquisition cost at 31 Dec. 2008	15 749	3 750	17 840	37 339
Opening balance 1 Jan. 2008	-	-	11 146	11 146
Depreciation	-	-	4 179	4 179
Disposals	-	-	-1 351	-1 351
Accumulated deprecation at 31 Dec. 2008	-	-	13 974	13 974
Carrying amount at 31 Dec. 2008	**15 749**	**3 750**	**3 866**	**23 365**
Anticipated economic life			5 years	
Depreciation schedule			Linear	

All of the goodwill relates to the purchase of shares in Optimo AS. Other intangible assets relate to capitalised IT investments.
In the 2008 accounts, options with a face value of NOK 3,750 have been reclassified from other receivables to intangible assets. The options relate to rights to purchase properties.

	Goodwill	Other intangible assets	Total intangible assets
Opening balance 1 Jan. 2007	15 749	17 394	33 143
Acquisitions	-	1 628	1 628
Disposals	-	-2 144	-2 144
Acquisition cost at 31 Dec. 2007	15 749	16 877	32 626
Opening balance 1 Jan. 2007	-	8 759	8 759
Depreciation	-	4 531	4 531
Disposals	-	-2 144	-2 144
Accumulated deprecation at 31 Dec. 2007	-	11 146	11 146
Carrying amount at 31 Dec. 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.

NOTE 8 – Investment properties

All figures in NOK 000s

Value of investment properties	2008	2007
Opening balance 1 Jan.	19 503 000	17 399 340
New acquisitions	-	458 597
Improvements	478 079	370 525
Net change in fair value through profit and loss	-3 491 825	1 204 641
Disposals	-96 999	-85 908
Investments in development projects	1 140 611	155 806
Closing balance sheet 31 Dec.	**17 532 867**	**19 503 000**

The income statement includes NOK 0.8 million (4.8 million in 2007) of operating expenses for investment properties that were not leased out. For information about valuations and fair value calculations for investment properties, see note 4. Critical accounting estimates and subjective judgements.

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

The subsidiary Optimo has started developing housing projects for sale. Until the homes are completed and transferred to the buyer, they are treated as current assets. Their total carrying amount was NOK 236.9 million at 31 Dec. 2008.

NOTE 10 – Other fixed assets

All figures in NOK 000s

	Projects under development *	Property used by owner	Other operating assets
Opening balance, 1 Jan. 2008	1 933 354	17 361	38 429
Acquisitions	945 270	-	1 143
Capitalised borrowing costs	38 676	-	-
Disposals	-1 140 611	-	-389
Acquisition cost at 31 Dec. 2008	1 776 689	17 361	39 184
Opening balance, 1 Jan. 2008	-	550	12 189
Depreciation	-	274	4 599
Writedowns	369 792	-	-
Disposals	-	-	-
Accumulated depreciation and writedowns, 31 Dec. 2008	369 792	824	16 788
Carrying amount at 31 Dec. 2008	**1 406 897**	**16 537**	**22 396**
Anticipated economic life		50 years	3 years
Depreciation schedule		Linear	Linear

	Projects under development *	Property used by owner	Other operating assets
Opening balance, 1 Jan. 2007	858 908	17 361	35 103
Acquisitions	1 169 649	-	3 944
Capitalised borrowing costs	15 703	-	-
Disposals	-110 907	-	-617
Acquisition cost at 31 Dec. 2007	1 933 354	17 361	38 429
Opening balance, 1 Jan. 2007	-	275	7 100
Depreciation	-	275	5 151
Disposals	-	-	-62
Accumulated deprecation at 31 Dec. 2007	-	550	12 189
Carrying amount at 31 Dec. 2007	**1 933 354**	**16 811**	**26 240**
Anticipated economic life		50 years	3 years
Depreciation schedule		Linear	Linear

*) No depreciation is charged against buildings under construction.

As a result of the weakness in the property market over the past year, Entra Eiendom has tested its development projects for impairment. This has resulted in the value of certain projects being written down. The writedowns have been made to fair value less estimated remaining costs until completion. The fair value calculations have been carried out by external valuers. The valuers receive a complete list of all lease contracts that have already been signed for the projects, details of floor space, insurance projects and other up-to-date information relating to the projects.

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 valuations resulted in writedowns of NOK 369.7 (0) million, which are shown on a separate line in the income statement as a writedown of projects under development.

NOTE 11 – Subsidiaries

Subsidiary	Acquisition date	Business office	Shareholding/voting rights
Oslo Z AS	20.09.2000	Oslo	100 %
Universitetsgaten 2 AS	03.09.2001	Oslo	100 %
Biskop Gunnerusgt. 14 AS	26.03.2001	Oslo	100 %
Kunnskapsveien 55 AS (previously 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 %
Kjørbo Parken 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 %
Pilestredet 28 AS	07.05.2008	Oslo	100 %
Hagegaten 24 AS	01.10.2008	Oslo	100 %

Bispen AS merged with Cardinalen AS with effect from 1 Jan. 2008 for accounting purposes.

NOTE 12 – Joint ventures and associates

All figures in NOK 000s

	Acquisition date	Business office	Shareholding/ voting power	Carrying amount	Share of profit/ loss
Jointly owned business					
UP Entra AS	31.12.2003	Hamar	50 %	86 028	-24 998
Associate					
Oslo S. Utvikling AS *)	01.07.2004	Oslo	33,3 %	138 712	15 585
Kongsvinger Kompetanse- og Næringssenter AS	06.07.2006	Kongsvinger	20 %	3 059	345
Kunnskapsbyen Eiendom AS	31.12.2004	Oslo	33,75 %	4 198	-54
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21,26 %	435	-3
Krambugata 3 AS	31.12.2003	Trondheim	45 %	38 454	14 191
Papirbredden Innovasjon AS	08.08.2006	Drammen	9,97 %	-254	-528
Total				**270 632**	**4 538**

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

Aggregate financial information about associates and joint ventures:

	2008	2007
Operating revenue	61 376	59 029
Profit	4 538	60 032
Total assets	779 066	671 038
Equity	90 682	184 848
Total liabilities	688 385	486 190

*) Major projects through Oslo S. Utvikling AS (OSU)

Oslo S. Utvikling AS (OSU) is a property development company established for the purpose of developing properties at Bjørvika, Oslo. OSU is an associate of the Group and is included in the accounts using the equity method. At 31 December 2008, OSU controls approx. 300 000 m² of the 900 000 m² in total that is to be built at Bjørvika. OSU's most important projects are described below.

Completed projects

The PwC building was sold in February 2006 (forward contract), and was completed in December 2007. The gain on the sale has previously been recognised in the income statement. As of 31 December 2008 negotiations were underway regarding a final payment relating to an additional contract associated with the construction of the building.

Current projects under development

The Visma building, which is due to be completed in 2011, was sold in February 2006 (forward contract) for a gross price of NOK 920 million (value of property). At 31 December 2008 2/3 of the building was leased. The funds that are to be used to pay for its construction have been deposited in a separate bank account. Only a small proportion of the total construction costs have been contracted. The construction of the Visma building is treated as a development contract covered by IAS 11, and anticipated profit is recognised in the income statement in proportion to the project's progress/degree of completion.

The offices in the KLP building are expected to be completed on 1 April 2010, the residential units on 1 July 2010 and the retail units in 2010-2011 depending on when tenants are found. At 31 December 2008 a contract had been signed to sell the office section in 2010. The construction of the KLP building is treated as a development contract covered by IAS 11, and anticipated profit is recognised in the income statement in proportion to the project's progress/degree of completion.

At 31 December 2008 the Snøhetta building (designed to cover 16 000 m²) had neither been leased nor sold, and no contracts have been signed for the construction of the building. The cellar under the building will be constructed during 2009. The start of work above ground level is dependent on finding tenants for a significant proportion of the building, obtaining financing and gaining approval from the authorities and the company's Board. The earliest that work above ground level can possibly start is the third quarter of 2009, with completion in the third quarter of 2011 at the earliest.

Projects for lease

For the DnB NOR buildings, lease contracts for approx. 80,000 m² had been signed at 31 December 2008, and the buildings are due for completion in 2012-2013. The lease term is 15 years, with options to extend the contract or purchase the buildings.

Barcode Basement AS is a separate company that owns, and which is developing and building, all of the underground areas in the Barcode zone (gross volume 60-70,000 m², just over 50 percent of which Basement will be responsible for), and the business will lease out storage, parking spaces and plant/plant rooms for the buildings above. At 31 December 2008 work under the PwC building had been completed, whilst the areas under the KLP building were under construction. As of 31 December 2008, work was progressing on the areas under the Snøhetta building, station area/access road and the Visma building. Work under site B13 has not yet started.

Infrastructure projects

OSU owns 34 percent of Bjørvika Utvikling/Bjørvika Infrastruktur, which is mainly involved in building infrastructure at Bjørvika, with an estimated cost of NOK 2,000-2,500 million. The costs are covered by developers, who pay a fixed amount per m² of development, as well as by a contribution of NOK 300 million from the City of Oslo. Payments are due at certain milestones, with 30 percent due when work above ground level starts, 50 percent on completion of the buildings' structures and 20 on their completion. Infrastructure contributions are included in the cost estimates for the various buildings. All infrastructure is to be transferred to the City of Oslo free of charge.

Contractual obligations

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

Contractual obligations	**31.12.2008**	**31.12.2007**
Investment property	-	-
Tangible assets	776 000	252 000
Total obligations contracted	**776 000**	**252 000**

NOTE 13 – Other non-current receivables

All figures in NOK 000s

	2008	**2007**
Options	-	3 750
Loans to associates	164 472	84 049
Long-term loans to tenants	2 546	925
Other non-current receivables	638	775
Total other non-current receivables	**167 656**	**89 500**

Options with a face value of NOK 3.8 million at 31 December 2007 have been reclassified as other intangible assets in 2008. For further details see Note 7.

NOTE 14 – Current receivables

All figures in NOK 000s

	2008	2007
Trade receivables	50 035	95 490
Provisions for losses on trade receivables	-3 484	-601
Net trade receivables	46 551	94 889
Other current receivables	394 320	253 204
Total current receivables	**440 871**	**348 093**

At 31 December 2008, NOK 9.2 million in trade receivables were overdue, but had not been written down. These relate to various customers who historically have not had problems meeting their obligations. The aged analysis of these trade receivables is as follows:

Trade receivables	**2008**	**2007**
Up to 3 months	7 722	5 525
Over 3 months	1 435	4 826
Total overdue	**9 157**	**10 351**

Other current receivables	**2008**	**2007**
Shared costs to be distributed amongst tenants	15 494	3 529
Advance payments and accruals	15 608	6 482
Receivable from the tax office (VAT)	61 255	37 742
Interest accrued	60 349	52 904
Housing units being developed by the company for sale (Optimo)	236 924	145 362
Other current receivables	4 689	7 185
Total other current receivables	**394 320**	**253 204**

NOTE 15 – Bank deposits

All figures in NOK 000s

	2008	2007
Bank deposits	172 393	325 722
Tied bank deposits	8 129	7 426
Total bank deposits	**180 522**	**333 149**

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 St.prp. (white paper) no. 1 (2007-2008) the consequences of the transition to IFRS were discussed, with the conclusion being that dividends would be calculated on the basis of consolidated profit after tax and minority interests adjusted for unrealised gains and losses.

According to the Revised National Budget for 2009, Entra Eiendom AS will not be paying a dividend for the 2008 financial year.

NOTE 17 – Pension liabilities

The company has pension schemes that cover a total of 129 current employees and 26 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:	**2008**	**2007**
Present value of accrued pension liabilities in defined benefit schemes in unit trusts.	121 434 176	111 604 036
Fair value of pension scheme assets	-59 845 123	-53 248 131
Unrecognised costs relating to pension liabilities accrued in previous periods	-1 310 507	-3 947 978
Employers' NICs accrued	8 571 320	7 671 518
Net pension liabilities on the balance sheet	**68 849 866**	**62 079 445**

Change in defined benefit pension liabilities over the year:	**2008**	**2007**
Pension liabilities 1 January	111 604 036	96 843 136
Present value of pensions earned this year	12 688 715	11 243 152
Interest paid	4 952 788	4 068 062
Actuarial losses/(gains)	-4 727 220	2 302 298
Pension benefits paid	-3 084 143	-2 852 612
Pension liabilities at 31 December	**121 434 176**	**111 604 036**

Change in fair value of pension scheme assets	**2008**	**2007**
Pension scheme assets at 1 January	53 248 131	50 427 132
Anticipated return on pension scheme assets	3 078 422	2 756 226
Actuarial (gains)/losses	-1 927 803	-4 340 505
Contributions from employer	8 530 516	7 257 890
Pension benefits paid	-3 084 143	-2 852 612
Pension scheme assets at 31 December	**59 845 123**	**53 248 131**

Total cost recorded through profit and loss	**2008**	**2007**
Cost of pension benefits accrued during current period	12 688 715	11 243 152
Interest paid	4 952 788	4 068 062
Anticipated return on pension scheme assets	-3 078 422	-2 756 226
Actuarial gains and losses, etc.	-	-
Administrative costs	161 293	149 825
Employers' National Insurance Contributions	1 963 401	1 791 379
Total, included under personnel costs	**16 687 775**	**14 496 192**

The following economic assumptions have been used:	2008	2007
Discount rate	3,80 %	4,50 %
Anticipated return on pension scheme assets	5,80 %	5,50 %
Annual wage growth	4,00 %	4,50 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	3,75 %	4,25 %
Annual adjustment of pensions	3,75 %	4,25 %
Mortality	K2005	K2005
Incapacity	200% K1963	200 % K1963
Proportion of workers taking early retirement under the government's AFP scheme	40 %	50 %

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 % 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.

Employees are also insured against incapacity and death.

The CEO has a separate pension plan that is discussed in Note 23.
The company's obligations under that plan total NOK 799,546, and are included in the above tables.

NOTE 18 – Provision for liabilities

All figures in NOK 000s

	2008	2007
Provision for rent payments/loss-making contracts	31 393	32 211
Provision for guarantee	1 300	1 300
Total other provisions for liabilities	**32 693**	**33 511**

The Group's underfunding of rent payments

Rent maturity	**At 31 Dec. 2008**	**At 31 Dec. 2007**
1 year	8 446	7 832
1 year 5 years	21 103	22 264
5 years 10 years	1 844	2 115
Total	**31 393**	**32 211**

Details of provisions for properties leased by Entra

At 31 December 2008, Entra Eiendom had made provisions for rent payments for the following properties:
- Drammensveien 130, Oslo
- Akersgt 55, Oslo
- Apotekergt 8, Oslo
- Kristian Augustgt 19, 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 000s

Long-term liabilities	Nominal value 2008	Market value 2008	Nominal value 2007	Market value 2007
Bank loans	5 420 000	5 375 072	4 337 236	4 337 236
Bond loan	3 370 000	3 315 484	4 140 000	3 922 662
Other liabilities	-	36 394	55 676	38 181
Derivatives	-	791 966	-	320 055
Total long-term liabilities	**8 790 000**	**9 518 916**	**8 532 912**	**8 618 134**

Current liabilities	Nominal value 2008	Market value 2008	Nominal value 2007	Market value 2007
Bank loans	1 327 043	994 672	-	-
Certificate loans	1 370 000	1 370 000	1 900 000	1 900 000
Total current liabilities	**2 697 043**	**2 364 672**	**1 900 000**	**1 900 000**

The market value of the Group's non-current liabilities is higher than the face value of the liabilities. This reflects the impact of market value calculations for derivatives, bonds and bank loans. Derivatives and bonds increase the liabilities of the Group, whilst the market value of bank loans reduces the Group's liabilities. The overall impact of the market value calculations is to increase the Group's liabilities.

Mortgages	2008	2007
Market value of liabilities secured through mortgages	2 110 085	2 027 236
Market value of mortgaged properties		
Buildings and sites	2 449 685	2 779 759
Receivables calculated as a result of housing sales	92 253	17 100
Cars	-	329
Total	**2 541 938**	**2 797 188**

In general the Group's financing is based on negative pledge clauses. The exception is the non-current bond with a face value of NOK 1,100,000,000 that is secured through a mortgage on the National Library of Norway and associated buildings 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 000s

	2008	2007
Shared costs for buildings, owed to tenants	1 643	11 765
Advance payments by customers and other	96 664	20 029
Performance-related pay	7 356	16 091
Accruals	791	720
Holiday pay owed	7 557	7 035
Interest accrued	168 087	134 851
Provision for Board fees	1 850	1 734
Provision for other liabilities	45 797	2 484
Construction loans	120 043	-
Other current liabilities	11 353	53 670
Total other current liabilities	**461 140**	**248 379**

NOTE 21 – Lease contracts

All figures in NOK 000s

The Group's lease contracts as of 31 December have the following maturity structure measured in annual rent*)

Remaining term	At 31 Dec. 2008 No. contracts	Annual rent*	Percentage	At 31 Dec. 2007 No. contracts	Annual rent*	Percentage
≤ 1 year	146	113 537	8 %	136	70 778	7 %
1 year ≤ 5 years	281	427 623	29 %	258	381 480	26 %
5 years ≤ 10 years	105	403 732	27 %	101	328 349	25 %
≥ 10 years	71	539 156	36 %	86	596 801	42 %
Total	**603**	**1 484 048**	**100 %**	**581**	**1 377 408**	**100 %**

The table shows the remaining non-terminable contractual rent for current lease contracts without taking into account the impact of any options.
*) The rent is stated as the annualised contractual rent, and is therefore not reconcilable with the rental income for the year for accounting purposes.

Other parameters relating to the Group's contract portfolio

	31.12.2008	31.12.2007
Occupancy rate *	97,5 %	97,0 %
Share of public sector tenants	82 %	85 %
Weighted average remaining contract term	10,1 years	10,4 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 revenue

All figures in NOK 000s

	2008	2007
Internal maintenance	13 891	14 157
Administrative mark-ups	5 416	5 480
Sale of services	33 588	23 647
Other operating revenue	483	1 320
Total other operating revenue	**53 379**	**44 604**

NOTE 23 – Personnel costs

All figures in NOK 000s

Personnel costs	**2008**	**2007**
Wages, bonuses and other taxable benefits	92 113	79 404
Employers' National Insurance Contributions	13 023	11 440
Pension expenses	14 724	7 423
Other personnel costs	9 073	6 400
Total personnel costs	128 933	104 667
Personnel costs reclassified as shared costs for buildings	-27 877	-23 150
Personnel costs reclassified as owner's costs for buildings	-10 336	-9 959
Total	**90 720**	**71 558**

Number of employees/full-time equivalents	**2008**	**2007**
Number of employees at 31 Dec.	160	151
Number of full-time equivalents at 31 Dec.	158,5	143,5
Average number of employees	152,8	147

Payments to leading employees	**Salaries**	**Profit related pay**	**Basic benefits**	**Pension NPSPF ***	**Total compen-sation 2008**	**Total compen-sation 2007**
Key employees						
K.O. Johansen, CEO	950	-	43	35	1 029	-
T. Bøystad, Deputy CEO	2 934	367	143	103	3 547	2 509
A.K. Slungård, Marketing Director	1 309	139	75	103	1 627	1 430
N.F. Skau, Technical Director	1 040	165	137	103	1 446	1 188
K.O. Larssen, CFO, left 31 May 2008	727	270	58	42	1 096	1 800
C. Bakkehaug, Dir. of Financing and Investment, left 31 October 2008	1 277	54	119	86	1 535	1 556
R. Olsø, Director of Strategy	1 790	121	70	103	2 085	1 300
B. Holm, Director of Projects and Development	1 293	155	10	103	1 562	1 275
S. Vågan, Director of Human Resources	1 011	182	130	103	1 426	1 250
K. Kjelland, Director of Communications, joined 1 September 2008	333	-	23	35	392	-
M. Jacobsen, Director of Communications, left 30 April 2008	438	186	41	34	699	1 335
Former employees	977	-	-	-	977	2 457
Total	**14 080**	**1 641**	**849**	**851**	**17 421**	**16 100**

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

CEO Kyrre Olaf Johansen took up his post on 1 September 2008.

The Group has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the Group, and on the achievement of goals by departments and individuals.

The CEO has an individual bonus scheme that is based on an assessment of goal achievement. Any bonus for 2008 will be determined by the Board in 2009. The maximum bonus payment is limited to 50 percent of the CEO's annual salary. The CEO is entitled to receive his salary for 12 months after the termination of his contract, subject to certain limitations.

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

CEO's additional pension

The CEO's pension benefits on reaching the age of 65 shall be equivalent to 66 percent of his final salary less benefits from the National Insurance Scheme, the Norwegian Public Service Pension Fund and pension benefits earned at other companies. The qualifying period for the additional pension is 19 years. The CEO can retire at the age of 62, in which case he will receive 60 percent of his final salary until the age of 65. In the event of suffering from a more than 50 percent long-term disability, the CEO is entitled to a disability pension. The benefit payable is 66 percent of his final salary less benefits from the National Insurance Scheme, Norwegian Public Service Pension Fund and pension benefits earned at other companies.

Remuneration of the Board and the Board's subsidiary committees

In 2008, NOK 352,000 in fees was paid to the Chairman of the Board* for 2007 and NOK 173,000 was paid to each of the remaining six members of the Board. Directors' fees thus totalled NOK 1,390,000. In addition, NOK 55,000 was paid to the chairman of the audit committee, NOK 40,000 to the member of the audit committee, NOK 40,000 to the chairman of the compensation committee and NOK 25,000 to members of the compensation committee.

The audit committee and compensation committee have two and three members respectively.

*) In addition to her basic fee of NOK 352,000, the Chairman of the Board has, in accordance with an agreement of 9 May 2007, received additional compensation totalling NOK 65,250. This is related to additional tasks carried out in 2007, which the Chairman was given after the departure of the CEO.

Auditor's fee (excl. VAT)	2008	2007
Legally required audit	1 800	1 767
Tax advice	45	-
Other services not related to auditing	289	384
Due diligence	-	323
Accounting advice related to IFRS	408	448
Total remuneration of auditor	**2 542**	**2 922**

NOTE 24 – Other operating expenses

All figures in NOK 000s

	2008	2007
Management, operation and development of properties that generate rental income	167 122	152 880
Payroll and personnel costs	90 720	71 558
Other administrative costs	83 480	75 090
Total other operating expenses	**341 322**	**299 528**

NOTE 25 – Tax

All figures in NOK 000s

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	2008	2007
Deferred tax that will be reversed in more than 12 months	1 943 128	2 961 782
Deferred tax that will be reversed within 12 months	9 297	6 672
Total	**1 952 425**	**2 968 454**

Deferred tax assets	2008	2007
Deferred tax assets that will be reversed in more than 12 months	199 172	78 060
Deferred tax assets that will be reversed within 12 months	147 219	38 238
Total	**346 391**	**116 298**
Net total	**1 606 034**	**2 852 156**

Change in deferred tax on balance sheet	2008	2007
Carrying amount at 1 January	2 852 156	2 342 797
Recorded through profit and loss for the period	-1 247 529	513 607
Sale of subsidiaries	-	-4 248
Acquisition of subsidiaries	1 407	-
Carrying amount at 31 December	**1 606 034**	**2 852 156**

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

Deferred tax	Fixed assets	Income statement	Total
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
Sale of subsidiaries	-4 248	-	-4 248
31.12.2007	**2 935 092**	**33 362**	**2 968 454**
Recorded through profit and loss for the period	-1 015 874	-155	-1 016 029
31.12.2008	**1 919 218**	**33 207**	**1 952 425**

Deferred tax assets	Provisions for liabilities	Financial instruments	Receivable	Loss carried forward/ correction income	Total
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
31.12.2007	**31 271**	**17 849**	**4 022**	**63 157**	**116 298**
Recorded through profit and loss for the period	-681	105 436	634	124 703	230 093
31.12.2008	**30 590**	**123 285**	**4 656**	**187 860**	**346 391**

Tax payable is calculated as follows	2008	2007
Profit before tax	-3 822 068	1 883 365
Profit from stakes in associates	-4 538	-45 732
Other permanent differences	5 047	-1 695
Corrections to deferred tax from previous years	-98 224	2 401
Correction for acquisition/disposal of subsidiaries	-874	7 908
Change in temporary differences	4 036 466	-1 834 312
Profit for tax purposes	**115 809**	**11 934**

Tax payable on income statement	32 426	3 342
Shortfall in provisions from previous years	-28 094	2 780
Tax payable on the balance sheet:	**4 332**	**6 122**

The tax expense for the year is calculated as follows		
Tax payable	32 426	6 122
Change in deferred tax	-1 254 917	513 607
Total tax expense for the year	**-1 222 490**	**519 729**

Applicable tax rate 28 percent.

Reconciliation of tax expense with profit multiplied by nominal tax rate

	2008	%	2007	%
Tax for accounting purposes multiplied by nominal tax rate	-1 070 179	28 %	527 342	28 %
Tax on profit from stakes in associates	-1 271	0,03 %	-12 805	-0,68 %
Tax on permanent differences	1 413	-0,04 %	-475	-0,03 %
Tax on other changes	-152 453	3,99 %	5 667	0,30 %
Tax expense for accounting purposes	**-1 222 490**	**31,99 %**	**519 729**	**27,59 %**

NOTE 26 – Closely related parties

The company is owned by the Norwegian government through the Ministry of Trade and Industry. Most of the company's leased premises are leased to public sector tenants. Lease contracts are signed on commercial terms.

NOTE 27 – Events after the balance sheet date

On 19 December 2008 the Group agreed to buy Statens Hus in Hamar, with hand-over in January 2009. The total purchase price was NOK 194.4 million. The 10,850 m² building is fully leased to public sector tenants. The plan is to sell it on to UP Entra, which is a joint venture between Entra Eiendom AS (50 percent) and Utstillingsplassen Eiendom AS (50 percent).

NOTE 28 – Minority interests

All figures in NOK 000s

Company	Minority's shareholding	Minority share of profit/loss in 2008	Minority's share of equity at 31 December 2008	Minority's share of profit/loss in 2007	Minority's share of equity at 31 Dec. 2007
Papirbredden Eiendom AS	40 %	-14 462	38 531	-32 634	52 994
Kristiansand Kunnskapspark Eiendom AS	49 %	-4 112	-3 604	-5 929	508
The Brattøra companies	48 %	-12 715	-83	2 279	12 632
Optimo AS	49 %	5 434	94 820	11 750	91 473
Total minority interests		**-25 856**	**129 664**	**-24 534**	**157 606**

NOTE 29 – The Group's income statement and balance sheet under the Norwegian Accounting Act and Norwegian generally accepted accounting practices

All figures in NOK 000s

Consolidated income statement	2008	2007
Rental income	1 297 471	1 185 461
Other operating revenue	128 532	61 704
Profit on the sale of property	22 009	8 826
Total operating revenue	**1 448 012**	**1 255 992**
Maintenance	56 795	50 037
Rehabilitation costs	11 473	11 948
Other operating expenses	422 279	319 946
Loss on the sale of shares	-	10 255
Depreciation	252 407	211 766
Total operating expenses	**742 954**	**603 952**
Operating profit	**705 058**	**652 040**
Interest and other finance income	33 189	45 319
Interest and other finance expense	-575 532	-483 323
Net financial items	**-542 343**	**-438 004**
Profit before tax	**162 714**	**214 035**
Tax expense	-95 776	60 764
Profit before minority interests	**258 490**	**153 272**
Minority share of profit	11 224	7 824
Profit after minority interests	**247 266**	**145 448**

Consolidated balance sheet	31.12.2008	31.12.2007
Assets		
FIXED ASSETS		
Intangible assets		
Goodwill	8 662	11 812
Other intangible assets	3 750	3 750
Total intangible assets	**12 412**	**15 562**
Tangible assets		
Sites, buildings and other real property	11 921 813	10 905 437
Plant and machinery	39 947	43 138
Projects under development	1 028 098	928 661
Total tangible fixed assets	**12 989 858**	**11 877 236**
Financial assets		
Investments in associates	166 296	174 602
Investments in shares/stakes	4 069	4 069
Other non-current receivables	182 172	104 099
Total financial fixed assets	**352 536**	**282 770**
Total fixed assets	**13 354 806**	**12 175 567**
CURRENT ASSETS		
Receivables		
Trade receivables	138 804	94 889
Other current receivables	284 373	203 431
Total current receivables	**423 177**	**298 320**
Bonds and certificates	22 553	21 924
Cash and bank balances	180 522	333 149
Total current assets	**626 251**	**653 393**
Total assets	**13 981 058**	**12 828 960**

Equity and liabilities	31.12.2008	31.12.2007
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	209 078	-45 546
Total retained earnings	**209 078**	**-45 546**
Minority share of equity	153 278	142 054
Total equity	**1 776 534**	**1 510 687**
LIABILITIES		
Provisions		
Pension obligations	32 190	19 216
Deferred tax	60 211	187 007
Other provisions	32 693	33 511
Total provisions	**125 095**	**239 734**
Other non-current liabilities		
Bond loan	3 370 000	4 140 000
Liabilities to financial institutions	5 627 000	4 337 236
Other non-current liabilities	49 834	55 676
Total other non-current liabilities	**9 046 834**	**8 532 912**
Current liabilities		
Certificate loans	1 370 000	1 900 000
Current liabilities to financial institutions	1 000 000	-
Trade payables	189 157	233 558
Tax payable	4 332	6 122
Unpaid government taxes and duties	7 967	11 482
Dividend	-	146 086
Other current liabilities	461 140	248 379
Total current liabilities	**3 032 596**	**2 545 628**
Total liabilities	**12 204 524**	**11 174 273**
Total equity and liabilities	**13 981 058**	**12 828 960**

Annual financial statements Entra Eiendom AS

Income statement

All figures in NOK 000s

	Note	2008	2007
Operating revenue			
Rental income	10	832 059	820 081
Profit on the sale of fixed assets	2	349 604	8 904
Other operating revenue		17 037	21 447
Total operating revenue		**1 198 700**	**850 432**
Operating expenses			
Maintenance costs		44 663	36 269
Rehabilitation costs		2 828	10 047
Ordinary depreciation	2	135 827	128 751
Other operating expenses	8,11,13	272 339	262 759
Total operating expenses		**455 657**	**437 826**
Operating profit		**743 043**	**412 606**
Financial income and expenses			
Income from investments in subsidiaries		-	2 346
Interest income from Group companies		220 723	146 711
Other interest received		19 606	15 946
Other financial income		12 238	3
Interest paid		-540 224	-447 325
Other financial expenses		-7 720	-13 997
Net financial items		**-295 377**	**-296 316**
Profit before tax		**447 666**	**116 290**
Tax on profit	9	877	37 773
Profit for the year		**446 790**	**78 517**
Distribution of the profit for the year			
Dividend		-	144 000
Other reserves		446 790	-65 483

Balance sheet

All figures in NOK 000s

Assets	Note	31.12.2008	31.12.2007
Fixed assets			
Tangible assets			
Sites, buildings and other real property	2	5 729 424	6 046 605
Plant and machinery	2	26 663	33 931
Projects under development	2	220 458	352 444
Total tangible fixed assets		**5 976 545**	**6 432 980**
Financial assets			
Loans to Group companies	4,5	407 418	380 877
Investments in subsidiaries	3	1 053 707	1 038 195
Investments in associates and joint ventures	3	169 251	169 250
Loans to associates and joint ventures		164 472	84 050
Investments in shares/stakes		4 065	4 065
Other non-current receivables	4	18 816	22 328
Total financial fixed assets		**1 817 729**	**1 698 765**
Total fixed assets		**7 794 274**	**8 131 745**
Current assets			
Receivables			
Trade receivables	5	16 169	43 997
Receivables from Group companies		3 715 877	3 021 135
Other current receivables		131 296	221 169
Total receivables		**3 863 342**	**3 286 301**
Market-based bonds and certificates	12	22 265	21 284
Cash and bank balances	6	61 735	230 913
Total current assets		**3 947 342**	**3 538 498**
Total assets		**11 741 616**	**11 670 243**

Balance sheet

All figures in NOK 000s

Equity	Note	31.12.2008	31.12.2007
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	599 314	-45 546
Total retained earnings		**599 314**	**-45 546**
Total equity	1	**2 013 492**	**1 510 687**
Liabilities			
Provisions			
Pension obligations	8	32 190	19 216
Deferred tax	9	56 445	83 799
Other provisions	14	32 693	33 511
Total provisions		**120 028**	**135 226**
Other non-current liabilities			
Bond loan	4	2 270 000	4 140 000
Liabilities to financial institutions	4	5 600 000	3 460 000
Other non-current liabilities	4	33 440	37 495
Total other non-current liabilities		**7 903 440**	**7 637 495**
Current liabilities			
Trade payables	5	72 798	110 208
Taxes due		6 699	6 027
Dividend		-	144 000
Certificate loans	4	1 370 000	1 900 000
Other current liabilities	5	255 158	170 585
Total current liabilities		**1 704 655**	**2 330 820**
Total liabilities		**9 728 124**	**10 103 541**
Total equity and liabilities		**11 741 616**	**11 670 243**

Oslo, 18th June 2009
The Board of Directors
of Entra Eiendom AS

Grace Reksten Skaugen
Chairman of the Board

Finn Berg Jacobsen
Board member

Ottar Brage Guttelvik
Board member

Mari Fjærbu Åmdal
Employee representative

Martin Mæland
Board member

Gerd Kjellaug Berge
Board member

Tore Benediktsen
Employee representative

Kyrre Olaf Johansen
Chief Executive Officer

Statement of cash flows

All figures in NOK 000s

	2008	2007
Cash flow from operating activities		
Profit before tax	447 666	116 289
Tax paid for the year	-28 230	-
Profit/loss on the sale of fixed assets	-349 604	-8 904
Profit/loss on the sale of shares	-5 450	-
Writedowns of shares	-	3 418
Ordinary depreciation	137 311	128 017
Changes in trade receivables	27 828	-26 407
Changes in trade payables	-37 410	34 560
Change in other accruals	93 741	-20 470
Net cash flow from operating activities	**285 852**	**226 503**
Cash flow from investment activities		
Sales of fixed assets	1 153 667	72 003
Purchase of fixed assets	-476 651	-423 255
Sales of shares and stakes in other enterprises	5 450	-
Purchase of shares and stakes in other enterprises	-15 512	-110 136
Purchase of other investments	-799 175	-884 817
Sales of other investments	-	2 506
Net cash flow from investment activities	**-132 221**	**-1 343 699**
Cash flow from financing activities		
New non-current liabilities	2 140 000	2 460 000
New current liabilities	672	671
Repayment of non-current liabilities	-1 874 055	-720 666
Repayment of current liabilities	-445 426	-374 685
Intra-group transfer of site – equity impact	-	72 087
Dividends received	-	6 834
Dividends paid	-144 000	-140 000
Net cash flow from financing activities	**-322 809**	**1 304 241**
Net change in cash and cash equivalents	-169 178	187 044
Cash and cash equivalents at the start of the year	230 913	43 868
Cash and cash equivalents at the end of the year	**61 735**	**230 913**

Accounting policies

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

Subsidiaries/associates/joint ventures

Investments in subsidiaries, associates and joint ventures are included in the company accounts using the cost method.

In the event of other-than-temporary impairment, the investments are written down to fair value. 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 measurement of balance sheet items

Assets intended for long-term ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables that are repayable within a year are classified as current assets. When classifying current and non-current liabilities, equivalent criteria have been applied.

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

Fixed assets are measured at cost, but are written down to their recoverable value if the latter is lower than the carrying amount, and the impairment is expected to be other-than-temporary. Fixed assets with a limited useful life are depreciated according to a schedule.

Foreign currency

Foreign currency items on the balance sheet are translated at the exchange rate on the balance sheet date.

Rental income

Rental income is recognised when it is earned, i.e. over the course of the lease term.

Lease contracts that are terminated are valued on an individual basis. Payments relating to the termination of contracts are recognised as income to the extent that the company is able to re-let the premises to a new tenant at 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. The net pension liability is the difference between the present value of pension obligations and the value of pension scheme assets allocated to pay for those benefits. Pension scheme assets are measured at fair value Changes in liabilities due to changes in pension plans are allocated over the expected remaining contribution period. Actuarial gains and losses, and the impact of changes to actuarial assumptions, are amortised over the remaining expected contribution period if they exceed 10 percent of whichever is greater of the pension liabilities and pension scheme assets (the "corridor").

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

Tax

The tax charge on the income statement covers both tax payable for the period and changes 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 to a schedule over the anticipated economic life of the assets. The direct maintenance of assets is expensed as it arises. Additions or improvements are added to the asset's cost price and are depreciated in line with the asset.

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

Expenses related to construction projects are capitalised as Projects under development. 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 and when the asset enters service.

Receivables

Trade debtors and other receivables are shown at 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 fair value on the balance sheet date. Dividends and other distributions received from the companies are recognised as other finance 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.

Non-current liabilities

Non-current liabilities are shown on the balance sheet at nominal value on the initial date. Premiums and discounts in connection with taking on non-current liabilities, as well as arrangement fees, are accrued over the period of the loan. Similarly, premiums and discounts on bond buybacks are accrued over the remaining original term to maturity of the loans in question.

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 000s

	Share capital	Share premium reserve	Other equity	Total
Equity at 1 Jan. 2008	142 194	1 271 984	152 524	1 566 702
Profit/loss for the year			446 790	446 790
Equity at 31 Dec. 2008	**142 194**	**1 271 984**	**599 314**	**2 013 492**

NOTE 2 – Tangible assets

All figures in NOK 000s

	Sites *	Buildings	Machinery	Moveables *	Projects under development *	Total tangible fixed assets
Acquisition cost 1 Jan. 2008	592 852	6 083 326	269	63 331	352 444	7 092 222
Acquisitions	3 955	597 156	42	7 484	545 980	1 154 617
Disposals	-46 975	-804 117	-	-4 265	-677 966	-1 533 323
Acquisition cost at 31 Dec. 2008	549 832	5 876 365	311	66 550	220 458	6 713 517
Accumulated deprecation at 1 Jan. 2008	-	629 573	196	29 473	-	659 242
Depreciation **	-	125 298	61	11 952	-	137 311
Disposals	-	-58 098	-	-1 484	-	-59 582
Accumulated deprecation at 31 Dec. 2008	-	696 773	257	39 941	-	736 971
Carrying amount at 31 Dec. 2008	**549 832**	**5 179 592**	**54**	**26 609**	**220 458**	**5 976 545**
Anticipated economic life		50 years	4 years	3-10 years		
Depreciation schedule		Linear	Linear	Linear		

Acquisitions of buildings includes NOK 24,660,032 of interest on capitalised construction loans. Profits on the sale of fixed assets totalled NOK 355,746,071.
Losses on the sale of fixed assets totalled NOK 5,944,643. The net profit totalled NOK 349,801,428. In 2008 we sold 3 properties.
This year's capitalised rehabilitation costs total NOK 187,503,194.

*) No depreciation is charged against sites and buildings under construction and art.
**) The difference between the year's depreciation set out in the note and the total depreciation on the income statement is NOK 1,484,215. Moveables have been included on the balance sheet if the depreciation is charged to joint tenant expenses on the balance sheet.

The company's strategy means that properties in which the Norwegian government has special long-term interests shall be considered separately from other commercial properties.
In line with that strategy, in 2008 the decision was taken to transfer the National Library of Norway from Entra Eiendom AS to Entra Kultur 1 AS. The transaction was completed on 30 November 2008 for accounting purposes, and was done at fair value. The transaction was implemented with tax continuity.

NOTE 3 – Subsidiaries, associates, etc.

All figures in NOK 000s

Entra Eiendom AS

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

Subsidiary	Acquisition date	Business office	Shareholding and voting power	Book value	Book equity at 31 Dec. 2008	Profit after tax for 2008
Oslo Z AS	20.09.2000	Oslo	100 %	-	-62 841	-4 703
Universitetsgaten 2 AS	03.09.2001	Oslo	100 %	215 096	174 567	32 265
Biskop Gunnerusgt. 14 AS	26.03.2001	Oslo	100 %	262 919	132 512	32 249
Kunnskapsvn. 55 AS (prev. Instituttvn. 24 AS)	17.12.2001	Oslo	100 %	58 714	40 122	13 264
Entra Kultur 1 AS	28.02.2002	Oslo	100 %	1 275	9 152	-981
Kristian Augustsgate 23 AS	01.02.2003	Oslo	100 %	68 963	71 381	5 828
Langkaia 1 AS	21.11.2003	Oslo	100 %	20 060	31 468	-7 202
Nonnen Utbygging AS	10.02.2003	Oslo	100 %	7 601	21 450	2 964
Kjørboparken AS	21.12.2005	Oslo	100 %	130 014	14 242	-14 640
Papirbredden Eiendom AS	10.01.2005	Oslo	60 %	60 446	112 877	1 855
Kristiansand Kunnskapspark Eiendom AS	04.07.2005	Oslo	51 %	6 879	10 129	-2 599
Brattørkaia AS	31.01.2006	Oslo	52 %	12 753	8 155	-2 844
Bispen AS	24.10.2007	Oslo	100 %	100 967	5 554	-13 433
Pilestredet 28 AS	07.05.2008	Oslo	100 %	130	83	-17
Hagegaten 24 AS	01.10.2008	Oslo	100 %	14 234	1 542	446
Optimo AS	02.10.2006	Oslo	51 %	93 657	104 505	31 107
				1 053 707	674 899	73 558
Jointly owned business						
UP Entra AS	31.12.2003	Hamar	50 %	14 297	42 214	264
Associate						
Oslo S. Utvikling AS	01.07.2004	Oslo	33,3 %	111 621	78 713	-27 404
Kongsvinger Kompetanse- og Næringssenter AS	06.07.2006	Kongsvinger	20 %	1 404	13 843	2 837
Kunnskapsbyen Eiendom AS	31.12.2004	Oslo	33,75 %	3 746	12 594	-160
Krambugata 3 AS	27.09.2007	Trondheim	45 %	37 720	25 570	-856
Youngstorget Parkeringshus AS	16.11.2005	Oslo	21,26 %	463	1 873	-13
				169 250	**174 806**	**-25 331**

NOTE 4 – Receivables, liabilities and financial instruments

All figures in NOK 000s

Proportion of receivables which fall due after more than one year	2008	2007
Loans to Group companies	407 418	375 128
Options	3 750	3 750
Loans to associates	164 472	84 049
Loans to tenants	813	925
Accrual of fees on financial instruments	14 253	17 653
Total long-term receivables	**590 706**	**481 505**

Proportion of long-term liabilities with a term to maturity of more than 5 years	2008	2007
Bonds	-	1 100 000
Other non-current liabilities	1 200 000	2 700 000
Total	**1 200 000**	**3 800 000**

	2008	2007
Liabilities secured with mortgages	-	1 100 000
Mortgaged assets		
Buildings and sites	-	727 572
Total	**-**	**727 572**

Maturity structure of long-term liabilities	Year	2008 Loan value NOK million	2007 Loan value NOK million
	2008	-	807
	2009	1 033	460
	2010	1 600	1 600
	2011	1 900	300
	2012	670	670
	2013	1 500	-
	More than 5 years	1 200	3 800
Total		**7 903**	**7 637**

Undrawn credit facilities

At 31 December 2008, the maturity structure of the company's new undrawn credit facilities was as follows

Maturity structure of committed, undrawn credit facilities	Year	2008 Loan value NOK million
Long-term loan	2012	500
Long-term loan	2013	1 250
Long-term loan	2017	500
Revolving credit facility/back stop	2018	800
Total		**3 050**

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

In general the Group's financing is based on negative pledge clauses.

Interest-rate hedging and financial instruments

Our interest-rate position should support the company's strategic development, and should reflect the company's risk profile and anticipated future market interest rates based on the company's interest rate view. The 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. The duration at 31 Dec. 2008 was 4.3 years.
- Segmentation of interest-rate fixing between different maturity dates.

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

		2008 Loan value
Up to one year	26 %	2 390 000
1-2 years	11 %	1 000 000
2-4 years	12 %	1 100 000
4-6 years	16 %	1 500 000
6-8 years	25 %	2 350 000
Over 8 years	10 %	900 000
Total	**100 %**	**9 240 000**

At 31 December 2008, the average interest rate on Entra Eiendom AS's portfolio of loans and interest-rate hedging instruments was 5.75 percent.

NOTE 5 – Intragroup balances

All figures in NOK 000s

	2008	2007
Receivables		
Trade receivables	1 498	14 663
Loans to Group companies	4 123 295	3 402 012
Total	**4 124 792**	**3 416 675**

	2008	2007
Liabilities		
Trade payables	3 269	8 119
Total	**3 269**	**8 119**

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 000s

Cash in hand and at bank at the period end is shown on the cash flow analysis.	2008	2007
Locked-up tax deductions total	**5 500**	**5 255**

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.

Entra Eiendom AS is the parent company of a group of companies. The consolidated accounts can be obtained by writing to Entra Eiendom AS, Postboks 3, 0051 Oslo.

NOTE 8 – Pensions

All figures in NOK 000s

The company has pension schemes that cover a total of 129 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.

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. Employees are also insured against incapacity and death.

The company's pension scheme fulfils the stipulations of the Act on mandatory occupational pensions. The company also has a contractual early-retirement scheme for the public sector (AFP) linked to the Norwegian Public Service Pension Fund.

	2008	**2007**
Present value of pensions earned this year	11 889	11 512
Interest expenses on the pension liability	4 953	4 372
- Return on pension funds	-3 079	-2 661
Change in estimate charged to income	3 508	3 660
Administrative expenses of SPK (Norwegian Public Service Pension Fund)	162	150
Employers' National Insurance Contributions	1 963	2 402
Net pension expenses	**19 396**	**19 434**

	31.12.2008	**31.12.2007**
Estimated pension liabilities at 31 December	116 512	111 604
Pension scheme funds at 31 December	-59 857	-53 248
Effect of actuarial gains/losses not charged to income	-29 143	-39 140
Net pension liabilities on balance sheet before employer's NICs	27 511	19 216
Employers' National Insurance Contributions	3 879	2 709
Net pension liabilities after employer's NICs	**31 391**	**21 925**

Assumptions

Discount rate	4,50 %
Anticipated salary increases	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)	40,00 %

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors.
Employer's National Insurance Contributions are charged as an expense during the period that they are paid.
The CEO has a separate pension plan that is discussed in Note 23 to the consolidated accounts. The scheme covers salary over and above 12G in addition to the scheme with the Norwegian Public Service Pension Fund. The company's obligations under that plan total NOK 799,546, and are included in the above tables.

NOTE 9 – Tax

All figures in NOK 000s

Tax for the year breaks down as follows	2008	2007
Tax payable	-	-
Insufficient provision in previous year	28 230	-
Change in deferred tax	-27 354	37 773
Total tax	**877**	**37 773**

Calculation of the tax base for the year		
Profit before tax	447 666	116 289
Changes in differences that are not included in the base for deferred tax/tax assets	-436 502	-
Group contributions received entered as investments	-	-
Permanent differences *	-10 633	16 212
Basis for tax for the year	532	132 502
Changes to 2005 figures	-	2 450
Correction of deferred tax for 2007	-98 224	-49
Change in differences that are included in the calculation of deferred tax	97 692	-134 903
Tax base for the year	**-**	**-**

Overview of temporary differences	Change	2008	2007
Receivables	2 420	-2 984	-565
Fixed assets	-126 008	438 167	312 159
Provisions in accordance with generally accepted accounting principles	-9 925	-38 377	-48 302
Pensions	12 974	-32 190	-19 216
Income statement	3 564	130 385	133 949
Net temporary differences	-116 975	495 001	378 026
Correction income carried forward	-	-	-
Loss carried forward	214 667	-293 411	-78 744
Basis for deferred tax on the balance sheet	**97 692**	**201 590**	**299 282**
28 percent deferred tax	27 354	56 445	83 799
Deferred tax/Deferred tax assets on the balance sheet	**27 354**	**56 445**	**83 799**

Tax payable on the balance sheet	2008	2007
Tax on the tax base for the year	-	-
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	125 347	32 561
Insufficient provision for tax in previous year	28 230	686
Correction of deferred tax	-27 503	-14
Permanent differences (28 percent) *	-125 198	4 539
Calculated tax	877	37 773
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 000s

Geographical distribution	2008	2007
Eastern Norway	564 652	536 863
Southern Norway	85 750	81 981
Western Norway	109 306	112 018
Central and Northern Norway	72 352	89 218
Total	**832 059**	**820 081**

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

All figures in NOK 000s

Payroll and personnel costs	2008	2007
Salaries/wages, fees, etc.	66 832	70 617
Employers' National Insurance Contributions	12 708	11 316
Pension expenses	20 504	15 888
Other payments	412	517
Other personnel costs	9 212	6 380
Total	**109 668**	**104 718**
Personnel costs reclassified as shared costs for buildings	-27 412	-23 076
Personnel costs reclassified as owner costs for buildings	-10 141	-9 591
Total	**72 114**	**72 051**

Over the year, on average 122.8 full-time equivalent staff worked at the company.

Payments to leading employees	Salaries	Profit related pay	Basic benefits	Pension NPSPF *	Total remuneration
Key employees					
Kyrre Olaf Johansen, CEO	950	-	43	35	1 029
Torodd Bøystad, Deputy CED	2 934	367	143	103	3 547
Anne Kathrine Slungård, Director of Market	1 309	139	75	103	1 627
Nils Fredrik Skau, Technical Director	1 040	165	137	103	1 446
Kjell Otto Larssen, CFO, left 31 May 2008	727	270	58	42	1 096
Cay Bakkehaug, Director of Financing and investment, left 31 October 2008	1 277	54	119	86	1 535
Rune Olsø, Director of Strategy	1 790	121	70	103	2 085
Bjørn Holm, Director of Projects and Development	1 293	155	10	103	1 562
Sverre Vågan, Director of Human Resources	1 011	182	130	103	1 426
Kathrine Kjelland, Director of Communications, joined 1 September 2008	333	-	23	35	392
Mona Jacobsen, Director of Communications, left 30 April 2008	438	186	41	34	699
Former employees	977	-	-	-	977
Total	**14 080**	**1 641**	**849**	**851**	**17 421**

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

CEO Kyrre Olaf Johansen took up his position on 1 September 2008.

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.

The CEO has an individual bonus scheme that is based on an assessment of goal achievement. Any bonus for 2008 is determined by the Board in 2009. The maximum bonus payment is limited to 50 percent of the CEO's annual salary. The CEO is entitled to receive his salary for 12 months after leaving his post, subject to certain restrictions.

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

CEO's additional pension

The CEO's pension benefits on reaching the age of 65 shall be equivalent to 66 percent of his final salary less benefits from the National Insurance Scheme, the Norwegian Public Service Pension Fund and pension benefits earned at other companies. The qualifying period for the additional pension is 19 years. The CEO can retire at the age of 62, in which case he will receive 60 percent of his final salary until the age of 65. In the event of suffering from a more than 50 percent long-term disability, the CEO is entitled to a disability pension. The benefit payable is 66 percent of his final salary less benefits from the National Insurance Scheme, Norwegian Public Service Pension Fund and pension benefits earned at other companies.

Remuneration of the Board and the Board's subsidiary committees

In 2008, NOK 352,000 in fees was paid to the Chairman of the Board* for 2007 and NOK 173,000 was paid to each of the remaining six members of the Board. Directors' fees thus totalled NOK 1,390,000. In addition, NOK 55,000 was paid to the chairman of the audit committee, NOK 40,000 to the member of the audit committee, NOK 40,000 to the chairman of the compensation committee and NOK 25,000 to members of the compensation committee.

The audit committee and compensation committee have two and three members respectively.

*) In addition to her basic fee of NOK 352,000, the Chairman of the Board has, in accordance with an agreement of 9 May 2007, received additional compensation totalling NOK 65,250. This is related to additional tasks carried out in 2007, which the Chairman was given after the departure of the CEO.

Auditor's fee	2008	2007
Legally required audit	1 440	1 414
Tax advice	45	-
Other services not related to auditing	246	384
Due diligence	-	323
Advice on accounting issues related to the transition to IFRS	408	448
Total remuneration of auditor	**2 139**	**2 569**

NOTE 12 – Market based shares, bonds and certificates

All figures in NOK 000s

	Foreign Currency	2008 Book value	2008 Issuer value	2007 Book value	2007 Issuer value
Money market unit trust, Orkla Finans Likviditet	NOK	22 265	23 320	21 284	21 871
Total in money market unit trusts		**22 265**	**23 320**	**21 284**	**21 871**

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 000s

	2008	2007
Management, operation and development of properties	121 212	117 481
Payroll and personnel costs	72 114	72 051
Other administrative costs	79 014	73 227
Total other operating expenses	**272 339**	**262 759**

NOTE 14 – Other provisions and liabilities

All figures in NOK 000s

	2008	2007
Provision for rent payments	31 393	32 211
Total other provisions for liabilities	**31 393**	**32 211**

Declaration by the Board and CEO

We declare that, to the best of our knowledge, the consolidated financial statements for the year 2008 have been prepared in accordance with the IFRS accounting standards stipulated by the EU, including the additional information required by the Norwegian Accounting Act, and that the parent company's financial statements for 2008 have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles, and that the information contained therein provides a true picture of the assets, liabilities, financial position and results of the company and the Group. We also declare that, to the best of our knowledge, the annual report gives a true picture of the performance, results and financial position of the company and the Group, as well as describing the most important areas of risk and uncertainty faced by the business.
Oslo, 18th June 2009

Grace Reksten Skaugen
Chairman of the board

Martin Mæland
Board member

Finn Berg Jacobsen
Board member

Gerd Kjellaug Berge
Board member

Ottar Brage Guttelvik
Board member

Tore Benediktsen
Employee representative

Mari Fjærbu Åmdal
Employee representative

Kyrre Olaf Johansen
Chief Executive Officer

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To the Annual Shareholders' Meeting of Entra Eiendom AS

Auditor's report for 2008

This auditor's report replaces the earlier auditor's report dated February 26, 2009. The new auditor's report is issued because the Company's Board of Directors and Managing Director have issued new financial statements, as it was decided in the revised national budget 2009 that the Company should not pay dividends for the accounting year 2008.

We have audited the annual financial statements of Entra Eiendom AS as of December 31, 2008, showing a profit of MNOK 446,8 for the parent company and a loss of MNOK 2 573,7 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, the statement of changes in equity and the accompanying notes. The financial statements of the group comprise the balance sheet, the statements 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 31,2008 and the results of its operations and its cash flows and the changes in equity 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, 2008, 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, June 18, 2009
PricewaterhouseCoopers AS

Bjørn Rydland
State Authorised Public Accountant (Norway)

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

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