Annual report

2010

entra

Entra Eiendom
Biskop Gunnerus gate 14 a
0185 Oslo

Postboks 52, Økern
0508 Oslo

Invoice address:
Entra Eiendom AS
Fakturamottak
Boks 373 Økern
0513 Oslo
E-mail: faktura@entraeiendom.no

Telephone +47 21 60 51 00
Telefax +47 21 60 51 01

E-mail: post@entraeiendom.no
www.entra.no

Graphic design: Newmarketing AS
Photographer: Marte Garmann

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This is Entra Eiendom

Entra is one of Norway's leading property companies, owning over one million square metres of floor space. The company's business concept is to add value by developing, leasing and operating attractive, eco-friendly premises.



According to the company's articles of association, Entra Eiendom can own, buy, sell, operate and manage real property, and carry out other activities that are connected with this.

Entra's vision is to enhance the efficiency and reputation of its customers. The Group has 166 employees, has its head office in Oslo and regional offices in Oslo, Trondheim, Bergen and Kristiansand.

Entra was founded on 1 July 2000, when the portion of Statsbygg's property portfolio that operated in a competitive market was transferred to a separate company.

Entra's main purpose is to provide premises to meet central government needs, and to operate on commercial principles. In addition, Entra can also serve municipal and private customers.

Entra is state-owned through the Ministry of Trade and Industry.

The company's strategy is to have an active presence throughout the value chain. Its buildings must be eco-friendly, modern and flexible.

Entra is a company driven by its values. Entra's values are:
FOCUSED
HONEST
RESPONSIBLE
AMBITIOUS

Entra's slogan is:
A GOOD HOST

KEY FIGURES AT 31 DECEMBER	**2010**	**2009**
Property-related		
Estimated market value (NOK millions)	21 494	20 249
Total area (BTA)	1 213 367	1 152 127
Area under management (BTA)	972 705	948 595
Occupancy rate in area under management	95.1 %	96.1 %
Weighted average remaining contract term (years)	10.6	9.8
Financial		
EBITDA	998	1 016
Management income	533	564
Comprehensive income	701	709
Comprehensive balance sheet	22 328	21 173
Equity ratio	31 %	31 %

Statement by the Chief Executive Officer

More ambitious environmental goals

Having highly eco-friendly premises is important to the vast majority of our customers

In 2010 Entra celebrated the tenth anniversary of its foundation. The company was founded as a result of a decision by the Norwegian parliament to increase the efficiency of government use of office space, by creating a company that would meet government office needs but would operate on commercial principles.

We used the anniversary as an opportunity to step back and look at where we are and where we are going.

Over the course of ten years, our property portfolio has almost doubled. At the close of 2010 we were managing 111 properties with combined floor space of over one million square metres and a market value of NOK 21.5 billion. We have achieved an annual return on equity of almost 17 percent, and have in total paid out over a billion Norwegian kroner in dividends.

In 2010 we signed lease contracts for 68.000 square metres. At the close of the year, over 95 percent of our management portfolio was leased. 79 percent of our customers are from the public sector.

Entra's development projects are helping to ensure that office space is used more efficiently, as is demonstrated by the refurbishment of the NVE building in Middelthunsgate 29 in Oslo. When the Norwegian Water Resources and Energy Directorate moves back this year, the space will be used 30 percent more efficiently.

In 2010 Entra's financial results were roughly stable. Rental income was higher than the previous year, whereas operating profit fell slightly. One of the things that hit operating profit was a decline in other operating revenue. This was mainly due to the sale of the housing project Maridalsporten, developed by our subsidiary Ribekk (formerly Optimo), which in 2009 generated revenue from the sale of flats.

Our values – focused, responsible, honest and ambitious – guide us in everything we do at Entra.

Being responsible is one of our most important values. Entra takes responsibility for its own activities, as well as for industry trends. That responsibility is a function of the company's size and ownership, as well as the industry it operates in. The construction industry is responsible for 40 percent of all energy consumption, significant CO_2 emissions and large amounts of waste. Entra has a detailed and binding environmental strategy, which was incorporated into all of the company's activities in 2010. That process produced practical results and increased our knowledge. It involved a lot of work, and the pace of change was rapid. Over the past year we managed to reduce the company's total energy consumption by two percent.

In 2010, Norway introduced an energy labelling scheme for buildings. Entra was one of the first property companies to start implementing the scheme. By 1 July 2011, all of our buildings will have been energy labelled. We entered the year with the goal that all of our new buildings should be in energy class B. Now we have raised our goal for new buildings to class A.

At Entra we have ambitious environmental targets because we are convinced that in the long run it will help attract customers and increase customer satisfaction. We believe that being a tenant in a highly eco-friendly building will increase the ability of our customers to attract employees, and also support their own environmental efforts. Entra's annual customer survey shows that having highly eco-friendly premises is important to the vast majority of our customers. That motivates us to continue our efforts, in order to achieve our vision of "enhancing the efficiency and reputation of our customers".

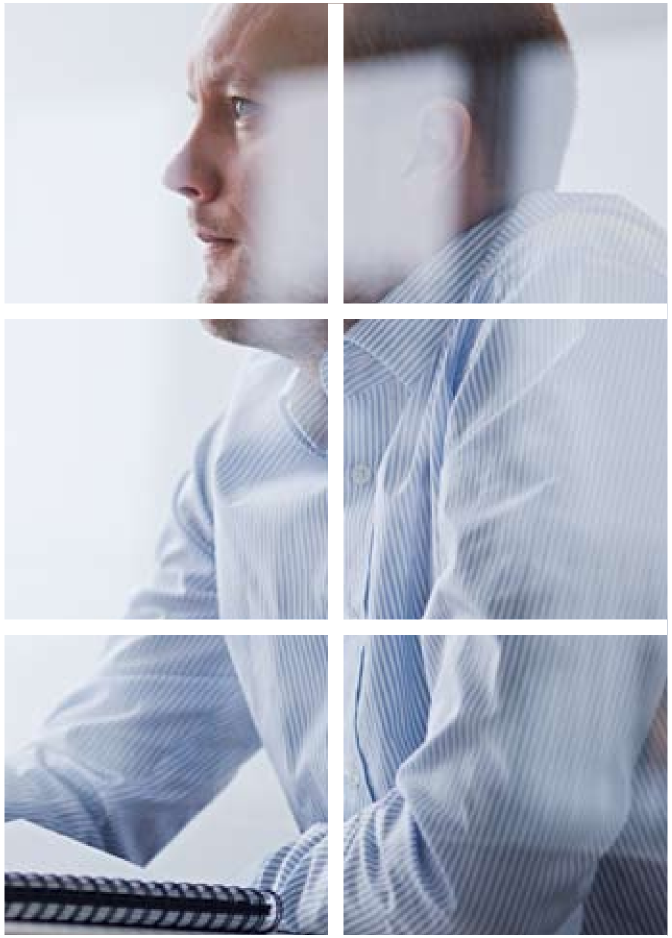
We need factual information if we are to make the right decisions. Previously we lacked specific forecasts for the property market. We have done something about that. Entra now obtains estimates for important market indicators such as rents, vacancy rates, transaction volumes and required rates of return from all of the biggest commercial property agents in Oslo. In 2010 Entra launched a "Consensus report" based on these estimates. Twice a year we make the report publicly available.

Every day we work hard to meet our customers' expectations. Our customer survey in 2010 showed that the great majority of our customers are favourably inclined towards leasing from Entra again and would recommend us to other people. I would like to thank all of my colleagues for their hard work, which has produced such good results, although it means that we have given ourselves high standards to live up to. It is a good sign that our annual employee satisfaction survey also showed that we were making good progress.

We are optimistic about the coming year. The Norwegian economy is expected to continue improving in 2011. That means brighter prospects for the property market, and the transaction market is expected to pick up. We believe that rents will rise for modern offices of the right environmental standard in good locations. It is inspiring to see that market forces are beginning to play a role in making buildings more eco-friendly. Increasingly people are discovering the link between profitability and sustainable development.

Kyrre Olaf Johansen
Chief Executive Officer

Corporate governance



In 2010 Entra implemented a new balanced scorecard, which is an important tool for corporate governance.

Entra Eiendom AS (Entra) is owned by the Norwegian government, which exercises and manages its ownership through the Ministry of Trade and Industry.

The company follows the recommendations dated 21 October 2010 issued by the Norwegian Corporate Governance Committee (NUES). For further details of the recommendations, please visit www.nues.no. Each year, Entra Eiendom AS's executive management and Board of Directors review the corporate governance principles of the Group and look at how they are working in practice.

There are some minor non-conformances with the recommendations. See the discussion under the individual sections below. The reason for the non-conformance is that the Norwegian state is the company's only shareholder.

1. CORPORATE GOVERNANCE STATEMENT

GOVERNANCE

The Ministry of Trade and Industry's management of the company on behalf of the government is based on generally accepted principles for corporate governance and for the allocation of roles under Norwegian company law. In addition, the government has drawn up principles for good corporate governance, which essentially coincide with NUES's requirements relating to transparency and information about the company. The shareholder appoints a Board of Directors to safeguard the interests of the shareholder, as well as to ensure that the company's need for expertise, capacity and diversity is met. The Norwegian government is a proactive shareholder with respect to setting clear goals for its ownership of the company. It is also important for there to be good systems in place for monitoring the company's finances.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Entra's strategy and overall objectives, which are set by the Board, set out the company's ambitions, strategic choices and long-term goals. The ethical guidelines and values adopted by the Board are the foundation on which Entra's activities rest. Guidelines, procedures and authorisation structures can be found in Entra's quality system. The quality system consists of the steering documents that integrate strategy, goals and overall principles with routines and documentation requirements for the administration and business areas in the value chain. The quality system ensures the quality and continuous improvement of the company's work processes.

The company is split into three business areas: projects/development, marketing and operation. The Group has administrative and support functions for finance, strategy, communication and human resources. Based on the authority granted to the CEO by the Board, the CEO has implemented an authorisation structure for the Group. In 2010, Entra implemented a new balanced scorecard, which is an important tool for corporate governance. Based on the company's strategy, criteria for success and associated indicators have been established, which together make up the company's balanced scorecard. Scorecards have been created for each business area and for the company's support functions. The scorecards include goals for corporate social responsibility and environmental standards. The system makes a positive contribution to the executive management's governance of the company, as well as providing information to the Board.

CORPORATE SOCIAL RESPONSIBILITY AND THE ENVIRONMENT

State-owned companies face strict requirements regarding the fulfilment of their corporate social responsibilities. Entra's business concept includes the ambition to be the industry-leader in terms of environmental performance, and this ambition sets the standard for the company's environmental activities. Entra's environmental strategy describes the company's goals and areas of focus. Corporate social responsibility is an integrated part of the business, which is also defined in relation to the company's suppliers. The Board has adopted guidelines on socially responsible purchasing. The guidelines specify requirements and set out rules for the company's purchasing activities, which must meet high ethical standards. There must be a competitive bidding process in which all bidders are treated equally.

Requirements in relation to corporate social responsibility must be clearly communicated to the company's suppliers.

Both manufacturing processes and finished products must meet environmental standards, and the fundamental rights of workers must be respected by all of the links in Entra's chain of suppliers. Ethical guidelines for suppliers and a document on socially responsible purchasing are available on the company's website.

ETHICAL GUIDELINES

The company's ethical guidelines support the company's corporate social responsibility activities, and deal with topics such as health, safety and the environment as well as business ethics, including corruption and bribes. The company's ethical guidelines are available on the company's website.

Non-conformance with the recommendations: None

2. ENTRA'S ACTIVITIES

According to the company's articles of association, Entra Eiendom can own, buy, sell, operate and manage real property, and carry out other activities that are connected with this. The company can invest in shares or ownership interests and participate in companies engaged in similar activities. The company shall be run on commercial principles.

The Group's strategy, values and overall objectives are clearly defined. By developing, leasing out and managing highly eco-friendly premises, the company shall add value. The company's growth strategy is focused on profitable growth, customer-focus and environmental leadership.

See www.entra.no for a more detailed description of the company's strategy.

Non-conformance with the recommendations: None

3. EQUITY AND DIVIDENDS

EQUITY

At 31 December 2010, the Entra group had NOK 6.993.9 millions of equity, giving it an equity ratio of 31.3 percent. The Group's financial strength is considered satisfactory. Entra shall maintain enough equity to allow it to pursue its goals and strategy, while reflecting the company's risk profile.

DIVIDENDS

The Board proposes the dividend to the annual general meeting (AGM). 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. The AGM can determine the dividend in accordance with Section 8-1 of the Norwegian Companies Act.

Entra's goal is to manage the Group's resources in such a way that its shareholder receives a competitive return on capital employed. The shareholder has adopted a dividend policy for the company. The annual dividend shall constitute 50 percent of the Group's profit after tax and non-controlling interests as calculated under Norwegian Generally Accepted Accounting Principles, or be equivalent to at least two percent of book equity after non-controlling interests under IFRS at the start of the financial year. The expected dividend from Entra is presented each year in the national budget.

CAPITAL INCREASES AND SHARE BUYBACKS

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

Non-conformance with the recommendations: None

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

All of the shares in the company are owned by the Norwegian government through the Ministry of Trade and Industry, and there is only one class of shares. The section in the recommendations about deviating from the pre-emptive rights of shareholders during capital increases is not relevant to the company.

Entra considers it important to be transparent and conservative in relation to transactions where there might be a perception that there is a conflict of interest between the company and a Board member, key employee or closely related parties of any of these. In 2010 the Board adopted a policy for transactions with related parties. It is supposed to ensure that agreements in which Board members or key employees have a direct or indirect interest are handled in a satisfactory manner. The Chair of the Board shall be informed if transactions with related parties are over a defined value, or affect Board members or the CEO. If the transaction affects the Chair of the Board, the Vice-chair shall deputise.

The policy imposes a duty on Board members and key employees to inform Entra of any potential conflicts of interest or other directorships. The guidelines for the Board state that Board members and the CEO cannot participate in discussions or decisions on questions that affect them personally or affect a related party, where they consequently have a significant personal or financial interest in the decision that is reached.

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

Non-conformance with the recommendations: None

5. FREE NEGOTIABILITY

According to the recommendations, the company's shares should in principle be freely negotiable. Entra Eiendom AS is wholly owned by the Norwegian state, and this requirement is therefore not relevant.

Non-conformance with the recommendations: None

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 ministry that owns Entra decides when the AGM should take place. Entra's executive management prepares the agenda and is responsible for sending out notice of the meeting. The notice sets out what items are on the agenda. The notice is sent to the shareholder, the Chair of the Board, the company's auditor and the Office of the Auditor General. Entra Eiendom AS does not have an election committee, and the sections of the recommendations on elections committees have therefore not been followed.

In 2010 the deadline for registering for the AGM was set as close as practicably possible to the AGM.

CHAIR OF THE MEETING
The Chair of the meeting is elected by the AGM. The Chair of the Board chaired the AGM in 2010.

ATTENDANCE
The Ministry of Trade and Industry represents the shareholder at the AGM. It is not relevant for the company to enable shareholders to participate without attending. This is because Entra only has one shareholder. At least the Chair of the Board of Directors shall attend the AGM on behalf of the Board. The participation of the Board at the meeting is agreed with the shareholder. The company's auditor shall always attend the AGM. The Office of the Auditor General is entitled to attend, and made use of that right in 2010. The executive management is represented by the CEO, CFO and Deputy CEO.

Non-conformance with the recommendations: For the sections of the recommendations that are relevant to the company, there is only a minor non-conformance. The non-conformance is related to the overall participation of the Board at the company's AGM.

7. ELECTION COMMITTEE
Entra Eiendom does not have an election committee. Board members are appointed by the shareholder.

Non-conformance with the recommendations: The company does not have an election committee, as Board members are appointed by the shareholder.

8. CORPORATE ASSEMBLY AND BOARD, COMPOSITION AND INDEPENDENCE
Entra Eiendom does not have a corporate assembly.

COMPOSITION AND INDEPENDENCE OF THE BOARD OF DIRECTORS
According to the company's articles of association (§5), the Board shall have between five and seven members. Entra Eiendom AS's Board is made up of five shareholder-elected members and two employee representatives. The shareholder elects the shareholder-elected members, including the Chair, through the AGM. The shareholder-elected members sit for a period of two years, and were most recently elected/re-elected at the 2010 AGM. The employee representatives are chosen by and amongst the employees, and sit for the same length of time as the shareholder-elected members of the Board. None of the members of the Board supply services to the company, and the Board is independent of the company's executive management, main business partners and shareholder. Two of the shareholder-elected members are women. One of the two employee-elected Board members is a woman. The overall expertise, capacity and diversity of the Board makes a positive contribution to the ability of the company to add value and safeguard the interests of the shareholder. No representatives of the Group's executive management are Board members. The CVs of Board members are included in the annual report.

Non-conformance with the recommendations: There is no need for Entra Eiendom AS to have a corporate assembly, as the company has fewer than 200 employees. It is also impossible for Board members to own shares in the company, as the company is wholly state-owned.

9. THE WORK OF THE BOARD
THE TASKS OF THE BOARD
The Board has overall responsibility for the management of Entra Eiendom AS, and through the CEO it shall ensure that the company is properly run. Amongst other things, the Board shall prepare plans and budgets for the company's activities, and keep informed about its financial position and performance. Each year, the strategy and overall objectives for the group are reviewed. The Board checks that the company has sufficient capital in view of the scope of its activities and the associated risks, and that its activities are subjected to appropriate audits. At Board meetings, the CEO reports on the status of the company's operations with the help of the business report, including the risk matrix and risk assessments, and scorecards showing how well the company is doing at achieving its most important goals (the scorecards are described in section one above).

The Board has drawn up guidelines that govern its own activities and procedures. The guidelines also regulate the CEO's tasks and relationship with the Board. They emphasise the importance of good preparation for Board meetings, and of allowing all Board members to take part in decision-making procedures. The Chair of the Board chairs board meetings. The Board has chosen a Vice-chair who chairs meetings when the Chair cannot or should not lead the work of the Board. A thematic plan for the Board's work for the year has been established. Based on the annual plan, the Chair of the Board – in consultation with the company's CEO – adopts the final agenda for the Board meeting. The CEO, CFO and Deputy CEO shall attend all Board meetings. The company's auditor attends when the annual financial statements are adopted or on other occasions where the auditor's expertise is relevant.

Each year the Board assesses its own work and way of working as a basis for making changes and improvements. In addition, the Board's expertise is evaluated, collectively and for each member, and an assessment is made of how well the Board works as a team. The results of the evaluation are presented to the shareholder.

SUB-COMMITTEES
The Board has created an audit committee and compensation committee, which have two and three shareholder representatives respectively, selected amongst the current Board of Directors. Representatives are elected by the Board for periods of two years at a time, and they were most recently elected/re-elected at the Board meeting in August 2010. The committees assist the Board with preparing items for discussion, but decisions are taken by the whole Board. The Board has established mandates for the work of the committees. The mandates are subject to annual revision.

The audit committee has relevant expertise in accounting and auditing. The audit committee helps the Board to carry out a thorough assessment of issues surrounding financial reporting, internal controls and risk management, and reports to the Board. The Board's audit committee makes sure that the group has an independent and effective external auditor. The audit committee also makes sure that the company has adequate internal controls and procedures for compliance with laws and regulations, as well as that the group's ethical guidelines are adhered to.

The CEO, CFO, committee secretary and the company's auditor shall always attend audit committee meetings. The audit committee has established a calendar of meetings, and meets six times a year. A separate meeting is held to discuss important matters related to the annual financial statements. The committee performs an annual evaluation of its own work.

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 CFO shall always attend compensation committee meetings. The CEO attends as necessary. The committee normally meets two to four times a year. The compensation committee held two meetings in 2010.

Non-conformance with the recommendations: None

10. RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management and internal controls at Entra are described in the company's quality system. The overall policies and guidelines relating to areas such as ethics, the environment and corporate social responsibility guide the activities of the company.

RISK CLASSES

The group aims to have a proactive approach towards risk management, and potential risks shall be identified, assessed, quantified and managed. The executive management has established procedures for managing the exposure to risk that the company's business involves. The company has defined the following risk classes: investment risk, project risk, market risk and financial risk. Investment risk is taken into account when calculating profitability (required rate of return and cash flow) at the time of investment. Project risk is managed continuously over the course of projects by monitoring progress, finances and contractual issues. The company's market risk, which relates to signing and renegotiating lease contracts, is continuously monitored. The group's financial risk is managed in accordance with the adopted finance policy, and financial instruments are used to limit risk exposure.

MANAGEMENT RESPONSIBILITIES

In conjunction with the executive management's quarterly review of the company's operations, risk matrices are drawn up within each business and support area, to provide an overall picture of the company's exposure to risk within the defined risk classes. The Board is informed of the company's risk exposure at each Board meeting. The management's risk assessments, and the information that they provide about corrective measures, put the Board in a good position to judge whether the company's risk management procedures are satisfactory. Risk management and internal controls are also discussed by the Board's audit committee. The company has established systems for managing and monitoring issues related to health, safety and the environment as an integrated part of its management reporting.

Entra's business concept includes the ambition to be the industry-leader in terms of environmental performance, and this ambition sets the standard for the company's environmental activities.

FINANCIAL REPORTING AND INTERNAL CONTROLS

Procedures have been established for financial reporting in the Group that involve carrying out a high-level review of significant estimates, provisions and accruals in conjunction with preparing the quarterly and annual financial statements. For significant accounting items and non-routine transactions, separate notes to the accounts are prepared, which are approved by the CFO. The valuation of the company's properties is subject to a separate review and assessment at management level at the close of each quarter. This involves holding meetings with the external valuers, with a particular focus on discussing perceptions of the market, risk premiums and documentation. The audit committee reviews the external auditor's management letter, as well as the findings and assessments of the audits of the interim and annual financial reports. Significant issues in the auditor's report are presented to the Board.

OPERATIONAL INTERNAL CONTROLS

The quality department carries out internal audits in accordance with the plan approved by the audit committee. The results are presented to the audit committee, which reports the main conclusions to the Board. As part of the company's efforts to ensure high standards of corporate social responsibility amongst its suppliers, and as an element of its internal controls, in 2010 Entra hired an external consultant to perform supplier audits at selected construction projects. The audits focused on the implementation at suppliers of Entra's standard requirements in relation to corporate social responsibility, such as environmental standards and waste management, as well as the wages, working and living conditions of selected workers involved in the projects.

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.

Non-conformance with the recommendations: None

11. REMUNERATION OF THE BOARD

Each year, the AGM determines the remuneration of the Board. For information about remuneration of the Board in 2010, see Note 23 to the financial statements. The remuneration of the Board is not performance-related, and no options have been issued to Board members. For a discussion of the Board's independence, see Section 4.

Non-conformance with the recommendations: None

12. REMUNERATION OF KEY EMPLOYEES DETERMINING SALARIES AND REMUNERATION

For details of how the CEO's salary and overall remuneration package are calculated, see the discussion of the compensation committee under Section 9. The aim is for the company's total remuneration of the CEO 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 management group have a bonus scheme based on the same criteria as other employees at Entra, with a ceiling of 25 percent of their annual salaries. There are no share option schemes for key employees.

The company-wide performance-related pay scheme has been revised as of 2010. Performance-related pay is now linked to defined company goals for return on equity, owner costs, achieved rents, occupancy rate, customer satisfaction and energy consumption, as well as defined individual goals. The extent to which the company achieved its goals over the course of the year can be seen from the company's corporate governance system. The total performance-related pay within this scheme in any given year can total no more than one month's salary.

After consultation with the compensation committee, the CEO has been authorised to give employees who are not part of the management group bonuses over and above the company-wide scheme. However, the total bonus can never exceed 25 percent of the annual salary of the employee.

REMUNERATION IN 2010
Please see Note 23 to the consolidated financial statements for further details about the remuneration of key employees.

Non-conformance with the recommendations: None

13. INFORMATION AND COMMUNICATION

FINANCIAL REPORTING AND COMMUNICATION
Entra Eiendom AS has publicly traded bonds, and its reporting conforms with the rules of the Securities Trading Act, as well as with the requirements specified by Oslo Børs for companies with listed bonds. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). 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. The financial calendar is published on the company's website, and is also stated in the company's annual report.

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 Deputy CEO always attend on behalf of the company. There are regular meetings between shareholder representatives, the Chair and the CEO.

Non-conformance with the recommendations: None

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 Norwegian parliament.

Non-conformance with the recommendations: Section 14 of the recommendation is not considered relevant to the company.

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 attends meetings of the audit committee, as well as Board meetings to review and adopt the annual report and financial statements. The auditor attends Board meetings when other matters for which the auditor's expertise is relevant are being discussed. There are two annual meetings between the audit committee and auditor, and one meeting between the whole Board and the auditor, which is not attended by representatives of the executive management.

AUDITOR'S REVIEW OF THE COMPANY'S INTERNAL CONTROLS
When presenting the results of the interim audit, the auditor focuses on the company's internal controls, identified weaknesses and proposals for improvements. The auditor summarises the findings and assessments of the interim audit in a letter to the company's executive management, which is copied to the Chair of the Audit Committee.

AUDITOR'S INDEPENDENCE
Each year the auditor's independence is assessed by the audit committee. 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 management group informs the audit committee of any additional services supplied by the external auditor under a fixed item on the agenda at meetings.

ANNUAL GENERAL MEETING
The auditor attends the AGM in conjunction with the discussion of the annual report and financial statements. The auditor's fee for statutory auditing and other services is approved by the AGM.

Non-conformance with the recommendations: None



Presentation of the Board of Directors

Directors' report and declaration

Entra Eiendom's Board of Directors

CHAIR OF THE BOARD

Grace Reksten Skaugen. Chair since 2004. Year of birth: 1953

Job title: self-employed consultant.

Educational background: PhD in laser physics from The Imperial College of Science and Technology at the University of London and MBA from BI Norwegian Business School.

Other directorships: Chairs the Board of Ferd AS. Member of the boards of Statoil ASA and Investor AB.

VICE CHAIR

Martin Mæland
Board member since 2007
Year of birth: 1949

Job title: CEO of OBOS.

Educational background: Cand.mag. and cand.oecon. from the University of Oslo.

Other directorships: Chairs the Board of Veidekke ASA. Member of the boards of Fornebu Utvikling ASA and Terra Boligkreditt AS, as well as several internal directorships within the OBOS group.

BOARD MEMBER

Finn Berg Jacobsen
Board member since 2004
Year of birth: 1940

Job title: consultant (own company).

Educational background: Government authorised auditor, business degree from NHH and MBA from the Harvard Business School.

Other directorships: Member of the boards of Arctic Securities ASA, Aker ASA and Oslo Asset Management ASA.

BOARD MEMBER

Åse Koll Lunde
Board member since 2010
Year of birth: 1966

Job title: lawyer.

Educational background: Law degree, University of Bergen.

Other directorships: Member of the Boards of Solvang ASA and Bjørk Advokat og Eiendomsmegling AS.

BOARD MEMBER (EMPLOYEE REPRESENTATIVE))

Mari Fjærbu Åmdal
Board member since 2006
Year of birth: 1967

Job title: technical manager for Entra Eiendom, Southern Region.

Educational background: engineering degree.

BOARD MEMBER (EMPLOYEE REPRESENTATIVE))

Tore Benediktsen
Board member since 2008
Year of birth: 1948

Job title: operations manager at Entra Eiendom, Southern Region.

Other directorships: housing co-operative chairman and union representative in the Norwegian Civil Service Union (NTL).

BOARD MEMBER

Ottar Brage Guttelvik
Board member since 2006
Year of birth: 1953

Job title: County Director for Møre og Romsdal.

Educational background: business degree from NHH and further studies in political science and public administration.

Other directorships: Chairs the boards of Fylkeshuset AS, Fylkeshuskantina AS and A/S Fastlandsfinans. Member of the boards of the Norwegian Institute for Urban and Regional Research (NIBR) and the regional theatre in Møre og Romsdal. Deputy member of the Board of Folketrygdfondet.

Directors' report 2010

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

Entra's main purpose is to provide premises to meet central government needs, and to operate on commercial principles similar to those of private enterprises in the industry. The company has both public and private sector customers, with its main focus being on commercial property. The biggest customer group is public sector tenants, who make up 79 percent of the company's customers.

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

ENTRA'S ACTIVITIES IN 2010

The transaction market for commercial property improved dramatically in 2010, and turnover more than doubled in comparison with 2009. Properties with long-term, secure lease contracts are dominating the transactions, but demand is improving for properties in all categories. The revival of the transaction market has resulted in there being greater interest in properties the company is selling. In accordance with the market strategy adopted by the company, in 2010 it both bought and sold properties.

Entra has acquired development properties by buying Hagegata 23 ANS in Oslo and Stakkevollveien 11 AS in Tromsø, as well as purchasing the property Holtermanns veg 1-13 in Trondheim.

The company has continued to sell smaller properties that no longer fall within the Group's main area of focus, with 12 transactions being completed in 2010.

As of 30 June 2010, Entra acquired the remaining shares in Ribekk AS (formerly Optimo AS). The residential project in Brekkeveien by Lake Maridalsvannet was sold to the minority shareholders of Optimo in conjunction with the transaction. Optimo Forvaltning AS was sold in October 2010.

At the close of 2010 the Group controlled 1,083,212 square metres spread across 111 properties, eight of which are under development.

In 2010 the company invested NOK 709.9 million in investment projects (refurbishments and new-builds), and the following major projects were completed:
• Schweigaardsgate 15b, Oslo Z, Oslo
• Valkendorfsgate 6, Bergen
• Professor Olav Hanssens vei 10 (first construction phase), Stavanger

Entra Eiendom started work on the new-build for phase two of the Papirbredden project in Drammen. The project is being run through the part-owned subsidiary Papirbredden Eiendom AS. Work on the rehabilitation of Hagegata 23 and Tvetenveien 22 was started in 2010 and will be completed in 2011. After securing new lease contracts, the decision has been taken to go ahead with the rehabilitation and extension of Fredrik Selmers vei 4 in Oslo, a new-build at Brattørkaia 15 in Trondheim and the rehabilitation of Lervigsveien 36 in Stavanger. The company's environmental focus and its consciousness of the importance of environmental issues is reflected during the development and construction phases of all of its projects.

After a fourth quarter in which a very large number of lease contracts were signed in the Oslo area, activity in the office market reached its highest level since the peak in 2006-2007. In the other cities where the company operates, the rental markets remained stable. The pick-up in activity in the market reflects the improvement in the Norwegian economy. Office vacancy levels fell slightly towards the end of the year, but remained high in Oslo.

Entra had an occupancy rate of 95.1 percent at the close of 2010, down from 96.1 percent in 2009. This was partly due to properties in need of refurbishment standing empty while waiting for a new lease contract to be signed. The average remaining contract term was 10.6 years at the end of 2010. In 2010 Entra signed leased contracts for approximately 68.000 square metres in total, with the most important individual contracts being:

• Directorate of Taxes, Fredrik Selmers Vei 4, Oslo, 25,000 square metres.
• Norwegian Directorate for Nature Management, Brattørkaia 15, Trondheim, 8,800 square metres.
• City of Oslo, Department of Education, Cort Adelers gate 30, 4,800 square metres.
• Oslo Execution and Enforcement Authority, Pilestredet 19-21, 4,470 square metres.
• MSD Norge AS, Grønland 51, Drammen, 4,000 square metres.
• Norwegian Defence Estates Agency, Tvetenveien 22, Oslo, 4,130 square metres.
• Statoil ASA, Kjørbo, Sandvika, 3,600 square metres.

One of Entra's most important goals is to have satisfied customers. High levels of satisfaction gives a more stable customer base, allowing for a more efficient operation of the company´s properties. In 2010, 69 percent of the company's customers took part in a customer survey. 96 percent of them said that they would consider leasing premises from Entra again, and 94 percent would be happy to recommend Entra to others. Entra's cost of ownership was NOK 112 per square metre in 2010, which includes a sound maintenance programme.

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. Entra's involvement in Brattørkaia in

Trondheim, Bjørvika (through Oslo S Utvikling AS) and Papirbredden in Drammen are all good examples of this.

In 2009 Entra adopted a new, three-year environmental strategy. The company aims to become the industry-leader in environmental performance. By providing eco-friendly premises and focusing on best environmental practice both during development and operation, Entra shall make a positive contribution to the reputations of its customers. The company's customer survey shows that almost three out of every four customers consider it important to them that their premises have an eco-friendly profile. From 2009 to 2010, Entra reduced the energy consumption of its properties by two percent, equivalent to 4 GWh/year. In 2010 the company's average degree-day-adjusted energy consumption per square metre was 208 kWh, compared with a goal of 210 kWh.

PART-OWNED SUBSIDIARIES

Brattørkaia AS (52 %) is developing Brattørkaia in Trondheim, and the company had a busy 2010. The Norwegian Directorate for Nature Management signed a lease contract for approximately 8,800 square metres at the property Brattørkaia 15. The plan is that construction will start in the first half of 2011. At Brattørkaia 14, the National Centre for Pop & Rock, Rockheim, was officially opened on 19 August. The building has received a number of awards for its design, for instance Trondheim Kommunes byggesikkpris, Eiendomsprisen 2010 and Cityprisen 2011. In the six months since it opened, the museum has had over 70,000 visitors.

Our development projects in Drammen are continuing through **Papirbredden Eiendom AS** (60 %). The company started work on the second construction phase in October. The plan is that eventually the project will provide 23,000 square metres of floor space. This is the first construction project in Norway participating in the FutureBuilt programme right from the start. FutureBuilt aims to promote climate-friendly architecture and urban development. Papirbredden Eiendom AS also owns the new science park and Union Scene in Drammen. The science park is primarily leased to further education institutions and a library. Union Scene is a modern cultural centre with stages, theatres and offices for Drammen Town Council's culture department. In 2010 the company bought Kreftingsgate 33 AS in order to develop it.

From 2009 to 2010, Entra reduced the energy consumption of its properties by two percent, equivalent to 4 GWh/year.

Kristiansand Kunnskapspark Eiendom AS (51%) owns the science park Sørlandet Kunnskapspark. The property is home to large tenants such as Agder Research, Høyskoleforlaget and the Sørlandet Resource Centre, as well as a number of small companies that want to be part of a research-driven environment.

JOINTLY CONTROLLED ENTITIES

Oslo S Utvikling AS (33.33 %) is playing a major role in the development of Bjørvika. In the opera quarter the company is building a total of approximately 200,000 square metres above ground and a joint cellar area covering 75,000 square metres. In 2010, Oslo S Utvikling AS handed over KLP's new head office. The company has also signed a lease contract with the auditing and management consultancy firm Deloitte for an office building designed by Snøhetta. The building has ambitious targets for environmental performance and energy consumption, and is to be completed in 2013. Work on the construction of the Visma building and on the footbridge between Bjørvika and Schweigaardsgate continued at full steam. The Visma building is due for completion in spring 2011. Meanwhile, work started on the construction of the new headquarters for the DnB NOR Group. The first of a total of three buildings will be completed in summer 2012. The two remaining buildings will be completed at the end of 2012 and 2013 respectively. Homes in what is known as residential phase II went on sale in December, and the plan is to start building a block of 70 flats in the first half of 2011.

UP Entra AS (50 %) develops and manages 79,400 square metres of property in the Hamar region. In 2010, Up Entra AS and Hamar Town Council (50/50) sold their shares in Biohus AS, which owns Holsetgata 22 in Hamar.

ASSOCIATES

In 2010, Entra Eiendom AS sold its 45 percent ownership interest in **Krambugata 3 AS** in Trondheim. Krambugata 3 has been converted into a hotel and has been leased to Choice Hotels.

Ullandhaug Energi AS (44 %) supplies water-based heating to buildings in the Stavanger area using heat pumps and waste heat recovery. The company also plans to dig geothermal wells. Entra's ownership interest gives it access to clean energy for Professor Olav Hanssens vei 10.

Kunnskapsbyen Eiendom AS (33.75 %). The company's wholly-owned subsidiary Kjeller Senterbygg AS, had its first full year of operation for Kunnskapsbyens Hus in the Kjeller Science Park. The owners want to sell Kjeller Senterbygg AS and then dissolve Kunnskapsbyen Eiendom AS.

Youngstorget Parkeringshus AS (21.26 %) promotes the construction of a public car park under Youngstorget square in Oslo. Entra's interest in the car park is related to the company's properties in the area between Youngstorget and Arbeidersamfunnets plass.

Tverrforbindelsen AS (16.67 %) in Trondheim is working on the project to build a bridge between Brattørkaia and the station area. The company's purpose is to do the groundwork for realising the project and to reach agreement on how the various parties will be involved. Planning and discussions regarding the project continued throughout 2010, and construction is expected to start in the first quarter of 2011.

INCOME STATEMENT AND BALANCE SHEET, FINANCIAL MATTERS AND LIQUIDITY

GENERAL

The annual report has been filed on the assumption of the business being a going concern. The Board's assessment is that this is an accurate assumption. The company is in a healthy financial position, and has good liquidity. There have been no events since 31 December 2010 that affect the financial statements.

INCOME STATEMENT AND CASH FLOW

The group's operating revenue in 2010 totalled NOK 1,510.1 (1,696.8) million. The decline was partly due to the loss of revenue from the residential project in Brekkeveien run by Ribekk (formerly Optimo). Rental income in 2010 amounted to NOK 1,429.7 (1,366.4) million. The increase in rental income was mainly due to annual rent increases, but it was also due to the completion of projects, including the new-build at Schweigaards gate 15B in Oslo, as well as the refurbishment of Hagegaten 22 in Oslo and Brattørkaia 14 in Trondheim. Meanwhile, new refurbishment projects and the sale of properties reduced rental income.

Operating profit amounted to NOK 987.3 (1,006.3) million. Operating expenses in 2010 totalled NOK 504.7 (690.1) million. The decline was mainly due to the fact that there were no longer any expenses related to the residential project in Brekkeveien run by Ribekk (formerly Optimo).

Changes in the value of investment properties in 2010 totalled NOK 522.8 (333.2) million. The increase in value was mainly due to a decline in the required rate of return for properties with long-term, safe lease contracts. The recovery of the financial markets has helped to support greater activity in the transaction market. At 31 December 2010, the company's net yield based on contract rents was 6.3 percent (6.7 percent). Market rents increased gradually over the course of the year. This has a particularly big impact on the values of properties with leases with a short remaining term. Overall, the company's portfolio has a weighted remaining lease term of 10.6 years, which means that it is relatively unaffected by increases in market rents.

Net financial items totalled NOK -480.7 (-460.0) million. The Group's share of profit from associates and jointly controlled entities amounted to NOK 26.4 (17.8) million.

The change in the value of the company's financial instruments was NOK -104.2 (89.9) million. The change from last year was due to falling market interest rates and the gradual normalisation of credit spreads on loans to Entra.

The Group's profit before tax in 2010 was NOK 951.5 (987.3) million. The tax charge for the year totalled NOK 250.1 (276.7) million.

The Entra Eiendom Group's profit after taxation was NOK 701.4 (710.5) million before non-controlling interests, and NOK 735.3 (593.2) million after non-controlling interests.

The Group's net cash flow from operating activities totalled NOK 526.6 (536.5) million. The decline relative to the previous year was mainly due to a NOK 31.1 million fall in management income. The Group's net cash flow from investment activities totalled NOK -772.8 (-990.4) million.

In 2010, adjustments to the value of investment property totalled NOK 522.8 (333.2) million.

The biggest investments in 2010 related to the refurbishment projects at Middelthunsgate 29 and Hagegaten 23 in Oslo and Valkendorfsgate 6 in Bergen, the new-build project at Pilestredet 28 in Oslo and the refurbishment and extension of the Norwegian Petroleum Directorat's premises at Professor Olav Hanssens vei 10 in Stavanger. The sale of properties and shares also increased net cash flow from investment activities by NOK 316.6 million. In 2010, net cash flow from financing activities totalled NOK 169.8 (503.2) million. For 2010 this mainly relates to net new borrowing to finance ongoing projects. The total net change in liquid assets for the year was NOK -76.4 (49.3) million.

BALANCE SHEET AND EQUITY

The Group's book assets at the close of the year totalled NOK 22,327.7 (21,172.5) million. The carrying amount of the Group's investment properties and investment properties held for sale rose by NOK 1.270.1 million in 2010. 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 342.0 million in 2010.

IFRIC 12 has been implemented retrospectively from 1 January 2010. IFRIC 12 covers the accounting rules for private operators who are commissioned by the public sector to construct or upgrade public infrastructure. The rules require the infrastructure to be operated by the private sector for a period, although the public sector retains control of the residual value. In accordance with these rules, three properties with a combined carrying amount of NOK 1,296.5 million have been reclassified from investment properties to financial assets. The reclassification resulted in a negative impact on equity of NOK 123.1 million.

The Group's equity at 31 December 2010 was NOK 6,993.9 (6,485.6), equivalent to an equity ratio of 31.3 percent (30.6 percent). The Board considers the Group's financial position to be satisfactory.

FINANCIAL MATTERS

Conditions in the financial markets improved, but remained volatile, in 2010. Macroeconomic growth showed signs of slowing in mid-2010, due to increasing concern about the debt levels and budget deficits of certain Eurozone countries. Over the latter part of the year, financial markets conditions got better, driven by general optimism and an improvement in certain macroeconomic indicators.

The improvement in financial market conditions over the year provided much better access to capital, and at a lower cost. Banks are becoming increasingly willing to lend money, and interest is also reviving within the capital markets. There has been a great deal of liquidity in the commercial paper market. In total, Entra issued NOK 3,315 million in commercial paper in 2010. In the fourth quarter the company also issued a new seven-year bond with a face value of NOK 500 million and a fixed-rate coupon of 4.70 percent. The loan helps ensure that the company has committed financing to cover the Group's liquidity requirements for the whole of 2011. The average interest rate on the Group's portfolio of loans and debt instruments was 5.1 percent per annum at 31 December 2010 (5.2 percent). The average interest rate at which the company borrows money has fallen as a result of falling market interest rates and the use of interest rate instruments. At 31 December 2010, 70 percent of the Group's total interest-bearing debt was subject to fixed interest rates. The weighted average duration (fixed interest period) was 3.6 years at the close of the year.

Entra is financed through a variety of bank and capital market instruments. The company's loans have a spread out maturity structure. At 31 December 2010, the Group's liquid assets amounted to NOK 153.4 (229.8) million. In addition the company had committed, undrawn credit facilities with Norwegian banks totalling NOK 4.95 (5.0) billion. The Group's liabilities at 31 December 2010 totalled NOK 15,333.8 (14,686.9) million. The Group's nominal interest-bearing debt on that date totalled NOK 12.225 (11,883) million, equivalent to 54.8 percent (55.7 percent) of total equity.

RISKS ASSOCIATED WITH ENTRA'S BUSINESS

The Group is exposed to financial risk through the liabilities on its balance sheet. The management of its financing activities is regulated by the limits set in the company's finance policy. Changes in interest rates may have an impact on the Group's cash flows. The company manages this risk by using various interest rate hedges within a framework that covers average duration, a spread out maturity structure and hedging over different time periods. Refinancing risk is reduced by entering into long-term loan agreements and by having a spread out maturity structure. Entra does not expose itself to currency risk. Our high proportion of public sector tenants means that credit and counterparty risk is limited. Other customers are continuously given a credit check. Any lack of financial strength is compensated for by satisfactory security being demanded.

The company is exposed to project risk in conjunction with the construction and refurbishment of properties. The company takes this type of risk into account in its investment analysis prior to deciding to start work on a project, and project risk is subsequently continuously monitored. When calculating profitability, a risk premium is added to allow for things like cost increases over the construction period, delays and contractual disputes. When making investment decisions, market risk is also taken into account when analysing cash flow and the required rate of return.

The company is exposed to the rental market, and thereby risks associated with negotiation and renegotiation of lease contracts. This risk is monitored in an ongoing process by keeping track of when contracts expire and planning market activities. 79 percent of the company's customers are in the public sector, and changes in prerequisites and the potentiation of the public sector may affect the company's risk exposure.

PROFIT FOR THE YEAR AND ALLOCATIONS

In 2010 Entra Eiendom AS made a profit after taxation of NOK 72.1 (68.4) 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 -60.1 million
Proposed dividends	NOK 124.6 million

The company's distributable reserves totalled NOK 500.7 million at 31 December 2010.

SHAREHOLDER INFORMATION

The Norwegian Government, through the Ministry of Trade and Industry, owns 100% of the shares in Entra Eiendom AS. The owner cannot dispose of the shares in the company without special authorisation from the Norwegian parliament.

CORPORATE GOVERNANCE

Corporate governance at Entra is based on the principles set out by the Norwegian Corporate Governance Committee (NUES) in its recommendations.

In 2010 there were seven Board meetings. All of the Board members were up for election in 2010. The AGM chose Åse Koll Lunde as a new shareholder-elected member. Gerd Kjellaug Berge left the Board.

The Group has established a set of values and ethical guidelines that underpin its operations. Entra's strategy and overall objectives highlight the ambitions, strategic choices and long-term goals. Guidelines, routines and authorisation structures are elaborated to reinforce the strategy and overall objectives.

See the chapter on corporate governance for a more detailed discussion of corporate governance principles.

WORKING ENVIRONMENT AND STAFF

At the close of 2010, the Group had 166 employees in total, or 163.6 full-time equivalents. That was a reduction of one employee compared with the close of 2009. Staff turnover at Entra Eiendom AS was 7.8 percent in 2010, which was 1.8 percent higher than in 2009. Adjusted for natural wastage (retirement), turnover was 5.3 percent, which was 0.8 percent higher than in 2009. Staff turnover was within the goals set by the company.

Sickness absence at Entra Eiendom AS was 3.4 percent, which was 0.3 percent lower than in 2009. The company works systematically to prevent sickness absence, and monitors the progress of staff on sick leave closely.

In 2010 Entra participated in the employee satisfaction survey "Great place to Work" for the second time. The survey provides a basis for comparing employee satisfaction both within the organisation and in relation to other companies. The survey covers three main aspects of management – credibility, respect and fairness – as well as the areas of pride and camaraderie. This year's survey revealed a four to five percentage point improvement for all of the five measures. The company is working on plans for further improvements in 2011.

In 2010 there were no occupational accidents that resulted in serious injury. Cooperation with the employee organisations was good and constructive during 2010, and made a positive contribution to the running of the company.

EQUAL OPPORTUNITY AND DIVERSITY

In 2010, 28.6 (24.8) percent of Entra's employees were women. Around 56 percent of the positions at the company are in the operations and maintenance department, and most of those jobs are related to the operation of the company's properties, which is an area where there are usually very few female applicants. At the close of 2010, 10 percent of the workers at the operations and maintenance department were women, and there are ongoing efforts to increase the proportion of women in this area of our business. Elsewhere in the company, 52 percent of our employees are women. Entra aims to increase the number of women working at the company, and that goal has been incorporated into the company's recruitment policy and its balanced scorecard.

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's working hours are the same for men and women, and salaries and working conditions are designed not to discriminate. Employee benefits, such as flexible working hours and full pay during sickness and pregnancy regardless of the National Insurance Scheme's limits, are regarded as important tools in ensuring equal opportunity.

In 2002 the company signed an agreement on inclusive working life. Reducing sickness absence and increasing the average retirement age are seen as priorities. The company has established a senior employees policy with means to improve the working environment for older workers. Only four of the 18 employees who were entitled to retire in 2010 actually did so.

The company believes in the benefits of diversity. Consequently it aims to increase the number of employees with immigrant background. This goal has been incorporated into the company's balanced scorecard and recruitment policy, and all qualified applicants from an ethnic minority are invited for an interview. The company's recruitment processes encourages all qualified candidates to apply, regardless of age, gender, ethnic background or any disabilities.

4.2 percent of the workforce at Entra works part-time, and 16 percent of part-time staff are women. They have all chosen to work part time.

THE COMPANY'S IMPACT ON THE ENVIRONMENT

Entra has a specific environmental strategy designed to reduce the company's negative impact on the environment. The strategy has been adopted for a three-year period. 2010, which was the first year, has given the company useful experiences. Based on them, we have become more ambitious in some areas. In the future, all new-builds must qualify for energy class A, while complete refurbishments must qualify for energy class B.

Analyses are carried out for all investments to identify optimal solutions in terms of environmental impact, investment, operation and maintenance. Where possible, construction materials are reused, and there is an effort to use the most sustainable materials available. Heating largely comes from water-based systems, connected to district heating plants. Water-based heating systems are very flexible in terms of choice of primary energy source.

During its construction projects, Entra consults with relevant stakeholders in order to reduce the negative impacts on the surroundings caused by noise, waste and pollution. Entra takes part in voluntary initiatives such as the Green Building Alliance, the Norwegian Green Building Council and the Ethical Trading Initiative in order to build up its expertise, share experiences and help the whole industry to move in the right direction.

During all new-build projects, conversions and maintenance work, there is an emphasis on measures to reduce energy consumption and increase recycling. The company has a web-based system that measures energy consumption, waste production and water consumption at Entra's buildings.

Entra has a specific environmental strategy designed to reduce the company's negative impact on the environment.

One important aspect of Entra's environmental strategy is that it must start with the company's own employees. Training needs are continuously assessed. In the company-wide performance-related pay scheme, one of the areas that employees are judged on is the company's environmental performance.

ENOVA PROJECTS

In total, 738,200 square metres of the company's property portfolio is covered by energy-saving projects started in 2006 and 2007 with the support of Enova. The aim of the Enova projects is to reduce energy consumption in the buildings by approximately 19 GWh/year in comparison with energy consumption at the time the projects were started. By 2010, energy consumption had been cut by 18.8 GWh/year, equivalent to a reduction of 11.4 percent. The specific energy consumption of the properties covered by Enova projects was 202 kWh/sq.m. in 2010. This is significantly lower than at other comparable buildings, and reflects the hard work of the company's operations department and a close co-operation with the customers.

Of the four Enova projects started in 2006 and 2007, two projects – one in Eastern Norway and one in Western Norway – were completed in 2010. The projects had achieved a combined reduction in energy consumption of 10.5 percent, or 13.3 GWh/year.

The Enova projects have been moved into Entra's environmental project, to allow a more systematic analysis of the energy consumption at each property and, not least, to see how the operation of the building services can be optimised.

FEATURES OF HISTORIC VALUE

The features of historic value in the company's buildings are carefully safeguarded in line with current laws and regulations. When disposing of properties comprising buildings constructed before 1950, the company follows the 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), which was also referred to in St.meld. (White paper) no. 29 (2008-2009).

FUTURE DEVELOPMENT

GENERAL

The macroeconomic environment is improving, and the impact of the credit crisis was less severe in Norway than in many other countries. The Norwegian economy performed well in 2010, and the mainland economy is expected to grow at around trend pace going forward. Employment is expected to grow in parallel with the increase in economic activity.

A development as described will provide good opportunities for adding more value in the commercial property sector. Entra is continously developing new projects and new business areas, in support of the company's business concept of adding value by developing, leasing and operating attractive and highly eco-friendly premises.

The recovery in the macroeconomic climate and financial markets has improved the flow of credit in the Norwegian economy. Both banks and the bond market appear to be increasingly willing to lend money to commercial property projects.

It is essential for Entra to have the trust of its customers, owners, employees and of society as a whole. Entra will continue to build on the company's strong position in the rental market for commercial property. In order to achieve this, it will be important to focus on the company's corporate social responsibility, including the company's environmental goals, and on integrating that responsibility into day-to-day operations and development projects.

MARKET DEVELOPMENT

There is growing optimism about the prospects of the property market. The employment rate has stopped falling, and companies are reporting greater interest in taking on more staff in the future. Norway's largest towns and cities are experiencing rapid population growth, and that is where Entra has most of its portfolio and where it is engaged in significant development projects.

Demand for office space is expected to increase in 2011. In the fourth quarter of 2010, the volume of contracts signed in Oslo reached a record. Many large companies are looking for new premises, which will lead to a busy rental market.

Office vacancy rates stopped rising in 2010, and they are expected to fall slightly in 2011.

Rents stopped falling and levelled off in 2010, and they are expected to increase slightly in 2011. In Oslo, the fact that significant volumes of new premises will come onto the market in 2012 and 2013 may also moderate rent increases in 2011.

The big improvement in the transaction market in 2010 can partly be put down to pent-up demand. Nevertheless, transactions volumes are expected to remain high, and probably even increase, in 2011. The low return on bonds and cash deposits means that there is greater interest in the property market. Properties with long-term, safe leases will continue to make up the majority of the transactions.

Demand for modern and sustainable premises in attractive locations is expected to increase. As we go forward, Entra will gain a competitive advantage from having centrally-located properties close to transport hubs, with modern, environmentally sustainable and flexible solutions in addition to efficient operation of the properties.

FINANCIAL DEVELOPMENTS

Entra's equity is increasing, and the company has long-term loan agreements. Transactions during 2010 showed that there is a strong willingness to lend money to the company.

It is the view of the Board that Entra's strong cash-flow and balance sheet give it a good financial platform. Entra will retain its conservative financial risk profile. Entra will use its strong position to continue growing profitably in accordance with the company's strategy. The company is involved in several major development projects.

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

Oslo, 17 March 2011
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen
Chair of the Board

Martin Mæland
Vice-chair

Finn Berg Jacobsen
Board member

Åse Koll Lunde
Board member

Ottar Brage Guttelvik
Board member

Tore Benediktsen
Board member

Mari Fjærbu Åmdal
Board member

Kyrre Olaf Johansen
Chief Executive Officer

Declaration by the Board of Directors and CEO

We declare that, to the best of our knowledge, the consolidated financial statements for the year 2010 have been prepared in accordance with IFRS, as stipulated by the EU, including the additional information required by the Norwegian Accounting Act, and that the parent company's financial statements for 2010 have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles, and that the information contained therein provides a true and fair picture of the assets, liabilities, financial position and results of the company and the Group.

We also declare that, to the best of our knowledge, the annual report gives a true and fair picture of the performance, results and financial position of the company and the Group, as well as describing the most important areas of risk and uncertainty faced by the business.

Oslo, 17 March 2011
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen
Chair of the Board

Martin Mæland
Vice-chair

Finn Berg Jacobsen
Board member

Åse Koll Lunde
Board member

Ottar Brage Guttelvik
Board member

Tore Benediktsen
Board member

Mari Fjærbu Åmdal
Board member

Kyrre Olaf Johansen
Chief Executive Officer

IFRS Consolidated Financial Statements

2010

Consolidated Financial Statements 2010

Statement of comprehensive income 1 Jan.-31 Dec.

All amounts in NOK millions

	Note	2010	2009
Rental income	5	1 429.7	1 366.4
Other operating revenue	5,22	80.4	330.4
Total operating revenue		**1 510.1**	**1 696.8**
Profit/loss on the sale of non-current assets		-18.1	-0.5
Maintenance		69.8	59.4
Other operating expenses	23,24	408.5	620.9
Depreciation	7,10	10.7	9.7
Writedowns	7	15.7	-
Total operating expenses		**504.7**	**690.1**
Operating profit		**987.3**	**1 006.3**
Interest and other finance income		123.1	122.7
Interest and other finance expense		-603.8	-582.7
Net financial items		**-480.7**	**-460.0**
Share of profit from associates and jointly controlled entities			17.8
Management income		**533.0**	**564.1**
Adjustment to value of investment property	8	522.8	333.2
Adjustment to value of financial instruments	3	-104.2	89.9
Profit before tax		**951.5**	**987.3**
Tax expense	25	250.1	276.7
Profit for the year		**701.4**	**710.5**
Other revenue and expenses			
Realised gains/losses on available-for-sale financial instruments recognised through profit or loss		-	-1.9
Comprehensive income for the year		**701.4**	**708.6**
Profit for the year attributable to			
Controlling interest		735.3	595.1
Non-controlling interests	28	-33.9	115.5
		701.4	**710.5**
Comprehensive income for the year attributable to			
Controlling interest		735.3	593.2
Non-controlling interests	28	-33.9	115.5
		701.4	**708.6**
Earnings per share (NOK)	29		
Continuing operations			
Ordinary = Diluted		**5 171**	**4 185**

Notes 1 through to 29 form an integral part of the consolidated financial statements.

Balance sheet at 31 December

All amounts in NOK millions

Assets	Note	2010	2009	1 Jan. 2009
NON-CURRENT ASSETS				
Intangible assets				
Goodwill	7	-	15.7	15.7
Other intangible assets	7	12.6	7.0	7.6
Total intangible assets		**12.6**	**22.7**	**23.4**
Property, plant and equipment				
Investment properties	4,8	20 060.7	18 454.5	17 716.0
Property used by the company	10	6.2	6.5	16.5
Other property, plant and equipment	10	40.2	21.7	22.4
Total property, plant and equipment		**20 107.2**	**18 482.7**	**17 754.9**
Non-current financial assets				
Investments in associates and jointly controlled entities	12	615.4	308.1	270.6
Financial assets available for sale	3-1	0.4	0.6	6.0
Loans to associates and jointly controlled entities	26	135.6	375.1	164.5
Other non-current receivables	13	1 168.2	1 129.5	1 106.3
Total non-current financial assets		**1 919.5**	**1 813.3**	**1 547.4**
Total non-current assets		**22 039.3**	**20 318.8**	**19 325.7**
CURRENT ASSETS				
Stock				
Homes for sale	9	-	104.3	236.9
Total stock		**-**	**104.3**	**236.9**
Receivables				
Trade receivables	14	24.7	21.5	46.6
Other current receivables	14	41.8	93.5	157.4
Total current receivables		**66.5**	**114.9**	**204.0**
Financial assets at fair value through profit or loss	3-1	-	-	23.6
Cash and bank deposits	15	153.4	229.8	180.5
Total current assets		**219.9**	**449.1**	**645.0**
Investment properties held for sale	8	**68.5**	**404.7**	**-**
Total assets		**22 327.7**	**21 172.5**	**19 970.7**

Notes 1 through to 29 form an integral part of the consolidated financial statements.

Balance sheet at 31 December

All amounts in NOK millions

Equity and liabilities	Note	2010	2009	1 Jan. 2009
EQUITY				
Paid-in capital				
Share capital	16	142.2	142.2	142.2
Share premium reserve		1 272.0	1 272.0	1 272.0
Total paid-in equity		**1 414.2**	**1 414.2**	**1 414.2**
Retained earnings				
Other equity		5 450.3	4 816.9	4 223.7
Total retained earnings		**5 450.3**	**4 816.9**	**4 223.7**
Non-controlling interest's share of equity	28	129.4	254.5	129.7
Total equity		**6 993.9**	**6 485.6**	**5 767.6**
LIABILITIES				
Provisions				
Pension liabilities	17	77.9	77.0	68.8
Deferred tax	25	2 084.9	1 836.8	1 572.3
Other provisions	18	46.4	35.0	32.7
Total provisions		**2 209.1**	**1 948.8**	**1 673.8**
Other non-current liabilities				
Bonds	19	3 882.5	3 361.1	3 315.5
Liabilities to financial institutions	19	4 683.2	4 810.5	5 375.1
Other non-current liabilities	19	749.5	647.6	828.4
Total other non-current liabilities		**9 315.2**	**8 819.2**	**9 518.9**
Current liabilities				
Certificate loans	3-2, 19	2 677.0	2 228.3	2 405.8
Bonds	3-2, 19	54.7	1 176.4	68.6
Liabilities to financial institutions	3-2, 19	782.2	163.7	58.4
Trade payables	3-1	141.5	212.4	172.3
Tax payable	25	3.2	18.9	4.3
Unpaid government taxes and duties		12.2	11.4	8.1
Other current liabilities	20	138.7	107.8	293.0
Total current liabilities		**3 809.5**	**3 918.8**	**3 010.4**
Total liabilities		**15 333.8**	**14 686.9**	**14 203.1**
Total equity and liabilities		**22 327.7**	**21 172.5**	**19 970.7**

Notes 1 through to 29 form an integral part of the consolidated financial statements.

Oslo 17. mars 2011
Styret i Entra Eiendom AS

Grace Reksten Skaugen
Chair of the Board

Martin Mæland
Vice-chair

Finn Berg Jacobsen
Board member

Åse Koll Lunde
Board member

Ottar Brage Guttelvik
Board member

Tore Benediktsen
Board member

Mari Fjærbu Åmdal
Board member

Kyrre Olaf Johansen
Chief Executive Officer

Statement of changes in equity

All amounts in NOK millions

At 31 Dec. 2010	CONTROLLING INTERESTS Share capital	Share premium	Fair value adjust-ment reserve	Other equity	Non-controlling interests	Total equity
Equity at 1 Jan. 2010	142.2	1 272.0	-	4 816.9	254.5	6 485.6
Comprehensive income for the year	-	-	-	735.3	-33.9	701.4
Dividend paid	-	-	-	-114.5	-	-114.5
Buy-out of non-controlling interest in Ribekk AS (formerly Optimo AS)	-	-	-	12.6	-100.4	-87.9
Increase in non-controlling interest through equity injection	-	-	-	-	9.2	9.2
Total equity, 31 Dec. 2010	**142.2**	**1 272.0**	**-**	**5 450.3**	**129.4**	**6 993.9**

At 31 Dec. 2009	CONTROLLING INTERESTS Share capital	Share premium	Fair value adjust-ment reserve	Other equity	Non-controlling interests	Total equity
Equity at 1 Jan. 2009	142.2	1 272.0	1.9	4 308.7	129.7	5 854.5
Adjustment to OB due to IFRIC 12	-	-	-	-86.9	-	-86.9
Adjusted equity, 1 Jan. 2009	**142.2**	**1 272.0**	**1.9**	**4 221.8**	**129.7**	**5 767.6**
Comprehensive income for the year			-1.9	595.1	115.5	708.6
Dividend paid	-	-	-	-	-1.0	-1.0
Capital increases at subsidiaries	-	-	-	-	10.5	10.5
Total equity, 31 Dec. 2009	**142.2**	**1 272.0**	**-**	**4 816.9**	**254.5**	**6 485.6**

Notes 1 through to 29 form an integral part of the consolidated financial statements.

Statement of cash flows

All amounts in NOK millions

	Note	2010	2009
Cash flow from operating activities			
Profit before tax		951.5	1 037.5
Tax paid for the year		-7.6	2.4
Profit/loss on the sale of shares and non-current assets		18.1	0.5
Profit/loss on the sale of other investments		0.2	-
Net expensed interest on loans from financial institutions	3-3	623.4	555.7
Net interest paid on loans from financial institutions		-634.1	-586.6
Share of profit from associates and jointly controlled entities	12	-26.6	-17.8
Ordinary depreciation	7, 10	10.7	9.7
Write-downs of non-current assets		15.7	-
Adjustment to value of investment property	8	-522.8	-405.9
Changes in the market value of financial derivatives	3	104.2	-89.9
Non-cash impact of IFRIC 12	2	-18.8	-6.2
Changes in trade receivables		-3.3	25.1
Changes in trade payables		-56.7	40.1
Difference between pension expense and payments into/out of pension schemes	17	0.9	8.1
Change in other accruals		71.7	-36.2
Net cash flow from operating activities		**526.6**	**536.5**
Cash flow from investment activities			
Sales of property, plant and equipment	8	260.6	118.2
Purchase of investment properties	8	-244.5	-
Cost of upgrades to investment properties	8	-736.6	-891.7
Net cost of purchase of limited companies		-51.4	-
Purchases of moveables, machinery and equipment	10	-10.8	-5.2
Purchase of intangible assets	7	-	-3.2
Sales of shares and stakes in other enterprises		56.0	3.9
Purchase of shares and other investments		-1.3	-24.6
Outflows from loans to associates and jointly controlled entities	13	-45.2	-210.6
Sales of other investments		0.4	22.8
Net cash flow from investment activities		**-772.8**	**-990.4**

Notes 1 through to 29 form an integral part of the consolidated financial statements.

Statement of cash flows (cont…)

All amounts in NOK millions

	Note	2010	2009
Cash flow from financing activities			
New non-current liabilities	19	2 562.4	2 684.9
New current liabilities	19	3 515.0	2 800.0
Repayment of non-current liabilities	19	-2 663.5	-2 006.2
Repayment of current liabilities	19	-3 050.0	-2 985.0
Equity injection by non-controlling interest		9.2	-
Equity injections		-	10.5
Purchase of non-controlling interests	28	-87.9	-
Dividends paid		-115.4	-1.0
Net cash flow from financing activities		**169.8**	**503.2**
Net change in cash and cash equivalents		-76.4	49.3
Cash and cash equivalents at the start of the year		229.8	180.5
Cash and cash equivalents at the end of the year		**153.4**	**229.8**

Notes 1 through to 29 form an integral part of the consolidated financial statements.

NOTE 1 - GENERAL INFORMATION

Entra Eiendom was established on 01/07/2000. Entra Eiendom is engaged in the development, letting, management, operation, sale and purchase of real estate in Norway. The company is one of Norway's largest property companies, with a total property portfolio of 1,213,367 square metres and 972,705 square metres under management at 31 December 2010. Entra's head office is situated in Oslo. The company is organised into four regions: Eastern Norway, Western Norway, Southern Norway and Central and Northern Norway. The regional offices are located in Oslo, Kristiansand, Bergen and Trondheim.

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

The company mainly has public sector tenants, and at 31 December 2010 the proportion of public sector tenants was 79 percent.

The consolidated financial statements were adopted by the Board of Directors on 17 March 2011.

NOTE 2 - ACCOUNTING PRINCIPLES

ACCOUNTING POLICIES

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

BASIC PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Reporting Standards (IFRS) and interpretations by the IFRS Interpretation Committee (IFRIC), as endorsed by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act.

The consolidated financial statements have been prepared on a historical cost basis, with the following modifications: investment properties and buildings under construction, as well as financial assets and financial liabilities, have been measured at fair value. Financial instruments measured at fair value include the Group's non-current borrowings, derivatives and investment shares.

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

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

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

The Group has started using the following new and amended standards

The following revisions to standards that affect Entra's consolidated financial statements have been implemented as of 2010:

IFRS 3 Business combinations (amended) and the related changes to IAS 27 Consolidated and separate financial statements, IAS 28 Investments in associates and IAS 31. Interests in joint ventures has been applied for business combinations completed after 1 January 2010.

The acquisition method for business combinations has been significantly amended. Under the amended standard, the effect of all transactions with non-controlling interests shall be considered equity transactions if there is no change in control. Such transactions will no longer result in goodwill or in a gain or loss. Loss of control triggers remeasurement of the residual holding to fair value, with any gain or loss being recognised in profit or loss.

IAS 27 Consolidated and separate financial statements (amended)
The standard requires the effect of all transactions with non-controlling interests to be considered equity transactions if there is no change in control. Such transactions will no longer result in goodwill or in a gain or loss. Loss of control triggers remeasurement of any residual holding to fair value, with any gain or loss being recognised in profit or loss. The amended standard has been applied to the buy-out of the non-controlling interest in Ribekk AS (formerly Optimo AS) completed on 30 June 2010.

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 to be provided, to whom the service is provided and at what price. The interpretation regulates how these arrangements are to be accounted for. The interpretation will affect three of Entra's properties. The interpretation will result in these three properties being reclassified from investment properties to financial assets. The interpretation came into force for reporting periods starting after 29 March 2009. The Group has applied IFRIC 12 as of 1 January 2010, and has restated comparative figures to reflect its implementation from 1 January 2009. The impact of IFRIC 12 on the consolidated financial statements is explained in the note on accounting principles for investment properties.

IAS 24 Related parties (amended)
The standard replaces the previous IAS 24 from 2003, and is mandatory for accounting years starting after 1 January 2011, but it can also be applied early, in full or in part. The amended standard clarifies and simplifies the definition of related parties, and removes the requirement for state-owned enterprises to provide detailed information about transactions with the state and other state-owned enterprises. The application of the standard will result in the Group and parent company having to provide details in the notes of all transactions between subsidiaries and associates. The Group has chosen to apply the amended standard early, as of 1 January 2010.

New and amended standards that have been implemented by the Group, but which do not currently affect the financial statements
IFRIC 17 Distributions of non-cash assets to owners
This interpretation regulates how to account for specified non-cash distributions to owners. It deals with how to account for distributions to owners that are made using other assets than cash. Such distributions to owners shall be measured at fair value. The interpretation came into force as of 1 November 2009. The Group will implement IFRIC 17 as of 1 January 2010.

IFRIC 18 Transfer of assets from customers
The purpose of this interpretation is to deal with the varying accounting practices amongst suppliers who receive property, plant and equipment from "customers" with the purpose of using the assets to supply goods or services to the customer. IFIRC 18 applies to any arrangement by which a supplier receives property, plant and equipment (or cash to construct or acquire them) from a customer, and must then use the asset either to connect the customer to a network, or to supply the customer with ongoing access to goods and/or services (such as access to electricity, gas and water). According to IFRIC 18, if any property, plant and equipment (or cash used to construct or acquire them), meets the definition of an asset under the IASB framework from the perspective of the recipient, it shall be recognised at fair value on the date of transfer, with revenue recognised under IAS 18. Revenue shall be recognised when the goods or service are supplied, and separately identifiable components of the agreements shall be recognised separately. The interpretation came into force as of 1 November 2009. The Group will implement IFRIC 18 as of 1 January 2010.

IFRIC 9 Reassessment of embedded derivatives (amended) and IAS 39 Financial instruments – recognition and measurement
The revision to IFRIC 9 requires an entity to assess whether an embedded derivative should be separated from its host contract in conjunction with reclassification of a financial asset that acts as a host contract for an embedded derivative in the category fair value through profit or loss. The assessment is based on the situation at the later of:
a) when the entity first became a party to the contract, and b) when a change takes place in the terms of the contract that significantly modified the cash flows. If the instrument cannot be measured reliably, it cannot be reclassified.

IFRIC 16 Hedges of a net investment in a foreign operation (amended)
The standard is not currently relevant to the Group, as the Group does not carry out any activities in foreign currencies.

IAS 38 Intangible assets (amended)
The amendment clarifies the requirements that apply to measurement of the fair value of intangible assets acquired through business combinations. It allows intangible assets with the same useful life to be treated as a single asset under certain circumstances.

IAS 36 Impairment of assets
The amendment clarifies that the largest cash-flow generating unit (or groups of units) that goodwill should be allocated to when testing for impairment is an operating segment as defined in Section 5 of IFRS 8. Operating segments (i.e. before the combination of segments with similar economic characteristics as referred to in Section 12 of IFRS 8).

IFRS 2 Share-based payment (amended)
In addition to incorporating IFRIC 8, Scope of IFRIC 2 and IFRIC 11 IFRS 2 – Group and treasury share transactions, the amendment expands on the guidelines in IFRIC 11 on how to account for intra-group equity transactions. The amendments were not relevant to the Group as of 2010.

Standards, amendments to existing standards and interpretations that have not yet come into force, and which the Group has not chosen to apply early
This list also includes amendments/additions that should have come into force according to IASB, but which have not yet been approved by the EU and therefore cannot be applied.

Amendments that may potentially affect Entra's consolidated accounts:

IFRS 9 Financial instruments will replace IAS 39
IFRS 9 will replace the rules on classification and measurement in IAS 39 Financial instruments – recognition and measurement. Under IFRS 9, financial assets with basic loan features shall be measured at amortised cost, unless you choose to measure them at fair value, while other financial assets should be measured at fair value. An amendment has also been made to financial liabilities measured at fair value for which the "fair value option" has been applied. Gains and losses on these instruments attributable to changes in the credit risk of the liability are to be presented in other comprehensive income and costs, while other changes are to be presented in profit or loss. IFRS 9 is supposed to come into force on 1 January 2013, but the standard has not yet been adopted by the EU. The Group has not yet assessed the whole impact of IFRS 9. However, a preliminary assessment indicates that the standard will not have a significant impact on the Group's accounts.

IAS 32 Financial instruments – presentation (amendment)
The amendments to the standard will not be relevant to the Group as the Group does not have any rights in currencies other than the enterprise's functional currency.

IFRIC 19 Extinguishing financial liabilities with equity instruments, applicable from 1 July 2010
The interpretation regulates how to account for renegotiation of the terms of debt instruments when this involves all or part of the debt being extinguished in exchange for equity instruments (debt for equity swaps). The debtor then recognises in profit or loss the difference between the carrying amount of the liability and the fair value of the equity instruments issued. If it is not possible to reliably determine the fair value of the equity instrument, it is measured at the value of the liability extinguished. The Group will apply the amended standard as of 1 January 2011, provided that it is

adopted by the EU. The standard is not expected to have any impact on the Group's accounts.

IFRIC 14 The limit on a defined benefit asset, minimum funding requirements and their interaction (amended)
The amendment rectifies the unintended consequence of IFRIC 14, IAS 19 – Employee benefits. Without the amendment, entities are not permitted to recognise as an asset voluntary prepayments for minimum funding contributions. The amendment comes into force for financial years starting after 1 January 2011, but it is possible to apply the amendment early. The amendment must be applied retrospectively to the earliest comparative period presented. The Group will implement the interpretation as of the 2011 financial year.

IFRS 7 Financial instruments – disclosures (amendment)
The amendment introduces new disclosure requirements relating to continuing exposure to transferred assets that have been derecognised, not derecognised in their entirety or not derecognised at all. The Group will implement systems to collect this information, but it is not yet possible to say whether and to what extent the revised standard will affect the information in the notes to the accounts. The amendment comes into force for financial years starting 1 July 2011 or later. It will not be necessary to provide additional information for comparative figures. The amendment is yet to be approved by the EU.

Various standards have been amended in 2010 as part of the annual improvement process. The amendments include a number of minor changes and interpretations to the following standards that may be relevant to the company: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13. The amendments to IFRS 3 and IAS 27 apply to financial years starting 1 July 2010 or later, while the remaining amendments apply to financial years starting 1 January 2011 or later. The amendments are yet to be approved by the EU.

CONSOLIDATION PRINCIPLES

Subsidiaries
Subsidiaries are entities over which the Group exercises control of financial and operating strategies, 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 acquisition method is used to account for purchases of subsidiaries that constitute a business. 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 non-controlling 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. The costs associated with the business combination are expensed when they are incurred.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as subsidiaries that only consist of a building, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the property. In such cases no provision is made for deferred tax (cf. exceptions in IAS 12).

Business combinations (IFRS 3), identifiable assets and liabilities are measured at fair value on the acquisition date. Non-controlling interests in the acquired entity are measured, on a case-by-case basis, either at fair value, or at their share of the acquired entity's net assets. If the aggregate of the consideration, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate is less than the company's net assets, the difference is immediately recognised in profit. Deferred tax is calculated and measured at its nominal value. Deferred tax on intangible assets (not goodwill) is included under goodwill (as "technical goodwill").

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
Transactions with non-controlling interests in subsidiaries are treated as equity transactions. If shares are acquired from a non-controlling interest, the difference between the remuneration and the proportion of the carrying amount of the subsidiary's net assets attributable to the shares is recognised in the equity of the parent company's owners. Gains and losses arising from the sale of shares to non-controlling interests are similarly recognised in equity.

If the Group loses control, any residual holding is remeasured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as an investment in an associate, in a jointly controlled entity or in a financial asset. Amounts previously included in comprehensive income that relate to the company are treated as if the Group had disposed of the underlying asset and liability. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement.

Jointly controlled entities
Jointly controlled entities are companies where the Group shares control with other parties, and where an agreement between the parties ensures that strategic decisions on financial and operating policies are unanimous. This applies to companies where a shareholder agreement ensures joint control of the business. The Group's interests in jointly controlled entities are measured using the equity method. If necessary, the accounting principles at jointly controlled entities are changed in order to bring them into line with the Group's accounting principles.

The proportion of any gains and losses on the sale of assets to jointly controlled entities that is attributable to other owners (outside the Group) of the jointly controlled entity is recognised in profit or loss. When assets are acquired from a jointly controlled entity, any gain or loss is only recognised in profit or loss when the asset is sold by the Group. A loss is recognised immediately if the transaction indicates that the value of the company's current or non-current assets has fallen.

Associates

Associates are companies over which the Group has significant influence but not control. Significant influence normally exists where the Group's investment represents between 20 and 50 percent of voting power. Investments in associates are initially recognised on the acquisition date at the acquisition cost, and thereafter using the equity method. Investments in associates include any excess values and goodwill identified at the time of acquisition, less any subsequent impairment losses.

The Group's share of the profit and loss of associates is recognised and added to the carrying amount of the investments together with the portion of unrecognised equity changes. The Group's share of profit or loss is recognised in the income statement and is added to the carrying amount of the investments. The Group's share of the comprehensive income of associates is recognised in the Group's comprehensive income and added to the carrying amount of the investments. The Group does not recognise its share of the loss if this would result in a negative carrying amount for the investment (including the entity's uncollectible receivables), unless the Group has taken over obligations or made payments on behalf of the associate.

The Group's share of unrealised gains on transactions between the Group and its associates are eliminated. This also applies to unrealised losses, unless there is a permanent fall in value. Where necessary, the accounts of associates have been brought into line with the Group's accounting principles. Gains and losses arising from the dilution of ownership interests in associates are recognised in profit or loss.

If the Group no longer has significant influence, any residual holding is remeasured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as a financial asset. Amounts relating to the company that were previously recognised in comprehensive income are treated as if the associate had disposed of the underlying assets and liabilities. This may result in amounts that were previously included in comprehensive income being reclassified to the income statement. If the Group reduces its shareholding but retains significant influence, a proportionate share of the amounts previously recognised in comprehensive income is reclassified to the income statement.

FOREIGN CURRENCY

The Group's presentation currency is NOK. This is also the functional currency of the parent company and all of its subsidiaries.

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the balance sheet date. Exchange rate fluctuations are recognised in profit or loss as they arise.

SEGMENT INFORMATION

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

INVESTMENT PROPERTY

Investment property is owned with the aim of achieving a long-term return from rental income. Properties used by the Group are valued separately under property, plant and equipment. Investment property is recognised at fair value, based on market values identified by independent valuers. Gains or losses as a result of changes in the market value of investment properties are recognised in profit or loss as they arise, and are presented after the management income (profit before changes in the value of investment properties).

As of 1 January 2009, property under construction or development for future use as investment property (buildings under construction) is defined as investment property and measured at fair value.

Initial measurement also takes into consideration the property's acquisition cost, which includes direct transaction costs such as document duty and other public duties, legal fees and due diligence costs. Transaction costs associated with properties acquired through business combinations (as defined in IFRS 3) are expensed.

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

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

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

Changes in fair value are recognised as "changes in the value of investment property".

For properties where the Group is involved in constructing and/or upgrading public infrastructure, and where the Group operates and maintains the infrastructure for an agreed period of time, the infrastructure itself is not included in the Group's accounts, but is instead treated as a financial or intangible asset, depending on whether the Group or the public sector is liable to pay/guarantee cash flows. In those cases where the Group has a contractual right to receive a specific amount or other financial asset from the public sector, in return for constructing/upgrading and subsequently maintaining/operating the asset for an agreed period, the infrastructure is deemed a financial asset as defined in IAS 39. If the Group is entitled to charge users of a public asset that it has constructed/upgraded, and it is responsible for maintaining and operating it for an agreed period, the entitlement is deemed an intangible asset as defined in IAS 38. The total amount recognised in income varies depending on the use of the asset. The Group has reclassified three properties from investment property to financial assets in 2010, and has produced comparable figures for 2009. The impact can be seen in the table on the next page.

Property, plant and equipment

All amounts in NOK millions

Income statement	31 Dec.2009	1 Jan. 2009
Rental income	-86.1	-
Other operating revenue		
Adjustment to value of investment property	-72.7	-
Interest and other finance income	100.5	-
Tax expense	14.1	-
Net impact on profit	**-36.2**	**-**
Balance sheet		
Other non-current receivables	1 125.6	1 103.1
Investment properties	-1 296.5	-1 223.8
Deferred tax	-47.9	-33.8
Other equity	**-123.1**	**-86.9**

Property, plant and equipment are recognised at cost, less depreciation. The acquisition cost includes costs directly related to acquisition of the asset. Buildings under construction that do not qualify as investment properties are recognised at historical cost, adjusted for writedowns. The acquisition cost includes costs directly related to the acquisition of the asset.

Subsequent expenditure is added to the asset's carrying amount or recognised separately, when it is probable that future financial benefits attributable to the expenditure will flow to the group and the expense can be measured reliably. Amounts relating to replaced parts are recognised in the income statement. Other repair and maintenance costs are recorded through the income statement in the period in which they are incurred.

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

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

Non-current assets held for sale and discontinued operations

Non-current assets and groups of non-currents assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through their continuing use. This condition is regarded as met if the sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present condition. The management must be intending to sell the asset and must expect the sale to be completed within a year of the balance sheet date.

Non-current assets and groups of non-currents assets and liabilities classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Investment properties classified as held for sale are measured at fair value in the same way as other investment properties.

Housing units being developed by the company for sale

Housing projects involve the development and construction of residential housing, with individual units being handed over to the purchaser when they are completed. During their construction these projects are classified as current assets. When the homes are completed and handed over to the buyer, the sales price and cost of construction are recognised in the income statement.

Buildings under construction

For construction contracts where the design and delivery schedule have been negotiated with the buyer, costs and revenues should be recognised in the income statement in accordance with the percentage of completion method described in IAS 11. The sale of other property projects are measured at cost and presented under stock. The sales price is recognised in the income statement on handover.

Borrowing costs

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

INTANGIBLE ASSETS

Goodwill

Goodwill is the difference between cost and the fair value of the Group's share of net identifiable assets in the entity on the acquisition date. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. For the purposes of impairment testing, goodwill is allocated to the relevant cash flow generating units. Goodwill is allocated to the cash flow generating units or groups of cash flow generating units that are expected to benefit from the acquisition from which the goodwill arose. Goodwill is tested for impairment annually and is carried at cost less any impairment losses. Impairment of goodwill is not reversed. Gains and losses on the sale of an operation include the carrying amount of goodwill relating to the sold operation.

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

Software

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

Impairment of non-financial assets
Intangible assets with an uncertain useful life are not depreciated, and are instead tested annually for impairment. Property, plant and equipment and intangible assets that are depreciated are also tested for impairment if there is any indication to suggest that future cash flows cannot justify the book value of the asset. Writedowns are recorded through the income statement as the difference between the carrying amount and the recoverable amount. The recoverable amount is the utility value or fair value, whichever is the higher, less costs to sell. When testing for impairment, non-current assets are grouped at the lowest possible level at which it is possible to find independent cash flows (cash flow generating units). In conjunction with each financial report, the company assesses whether it is possible to reverse past writedowns of non-financial assets (except goodwill).

FINANCIAL INSTRUMENTS

A financial instrument is defined as being any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity.

Financial assets are classified in the following categories: at fair value through profit or loss, loans and receivables and available for sale. Financial assets at fair value through profit or loss are assets held for trading purposes, and include derivatives. Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments. Available-for-sale financial assets are assets designated as available for sale or assets that do not fit in any of the other categories, including minor shareholdings.

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial liabilities at fair value through profit or loss comprise loans designated at fair value upon initial recognition (fair value option) and derivatives. Financial liabilities at amortised cost consist of liabilities that do not fit in the category at fair value through profit or loss.

Financial assets and liabilities are classified upon initial recognition based on their characteristics and purposes. In order to avoid accounting mismatch, Entra has used the fair value option for the company's long-term debt used to finance the acquisition of investment properties measured at fair value. Liabilities designated at fair value through profit or loss are typically debt incurred to finance the acquisition of investment properties measured at fair value.

Trade receivables and other financial assets
Trade receivables and other financial assets are classified as loans and receivables and are measured at fair value upon initial recognition, and thereafter at amortised cost. Interest is ignored if it is insignificant. A provision for bad debts is recognised if there is objective evidence that the Group will not receive payment in accordance with the original conditions. Any subsequent payments received against accounts for which a provision has previously been made are recognised in the income statement. Trade receivables and other financial assets are classified as current assets, unless they are due more than twelve months after the balance sheet date. If so, they are classified as non-current assets.

Shares
Shares are measured at fair value on the balance sheet date and are classified as available for sale. Changes in the value of shares are recognised under other comprehensive income, unless the asset is written down. Any write-down is recognised in the income statement. Previous write-downs of shares are not subsequently reversed in the income statement. Dividends and other distributions received in relation to shares are recognised under other finance income when the entitlement to receive a dividend arises (normally when the dividend is adopted by the AGM).

Short-term investments
Short-term investments such as investments in money-market funds, bonds and commercial paper, are designated at fair value through profit or loss.

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

Derivatives
The Group uses derivatives to manage its interest rate risk. Derivatives are initially recognised at cost price on the date on which the contract was signed, and subsequently at fair value. Gains or losses on re-measurement at fair value are recognised in the income statement. Regular payments are presented as interest and other finance expenses. Changes in the value of the derivatives are presented under "adjustment to value of financial instruments".

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to redeem the agreements on the balance sheet date. This amount will depend on interest rates and the agreements' remaining term to maturity. The derivatives are classified on the balance sheet as other current liabilities or other non-current liabilities, depending on whether they are expected to be redeemed under or over 12 months from the balance sheet date.

Trade payables and other non-interest-bearing financial liabilities
Trade payables and other non-interest-bearing liabilities are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method. Interest is ignored if it is insignificant.

Interest-bearing liabilities
Interest-bearing liabilities that satisfy the criteria for using the fair value option under IAS 39 are classified in the category at fair value through profit or loss. Entra uses the fair value option for interest-bearing liabilities incurred to finance the acquisition of investment properties. Interest-bearing liabilities are recognised at fair value when the loan is received. Subsequently loans are measured at fair value through the income statement and are presented after management income (profit before changes in the value of investment properties). Ordinary interest expenses are presented on the income statement under net financial items. Interest-bearing liabilities are classified as current liabilities unless there exists an unconditional right to delay repayment of the debt for more than 12 months from the balance sheet date. Accrued interest that is due for payment within 12 months of the balance sheet date is included in the fair value of loans on the balance sheet.

PENSIONS

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

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

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

Actuarial gains/ losses resulting from new information or changes to actuarial assumptions over and above the greater of 10 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 consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised directly in equity. In such cases, the tax is either recognised in comprehensive income or directly in equity.

Deferred tax is calculated using the liability method for all temporary differences between the tax values and consolidated accounting values of assets and liabilities. Any deferred tax arising from the initial reporting of a liability or asset in a transaction which is not a business combination and on which the transaction date does not affect accounting or tax results is not recognised in the balance sheet. Deferred tax is defined using tax rates and laws which are enacted or likely to be enacted on the balance sheet date, and which are expected to be used when the deferred tax asset is realised or when the deferred tax is utilised.

In the event of adjustments to the value of investment properties, deferred tax is calculated and adjusted at the nominal tax rate of 28 percent. For investment properties acquired through the purchase of shares in property companies or not acquired through a business combination, in the event of an adjustment in value, deferred tax is calculated on the property's fiscal value.

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

In principle, deferred tax is not calculated on temporary differences arising from investments in subsidiaries and associates. This does not apply in cases where the Group is not in control of when the temporary differences will be reversed, and it is probable that they will be reversed in the foreseeable future. Nor is a liability for deferred tax calculated upon initial recognition of assets or liabilities obtained through an acquisition of a subsidiary not classified as a business combination.

PROVISIONS

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

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

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

INCOME RECOGNITION

Operating revenue consists of rental income and other operating revenue. Gains on the sale of properties are presented on a separate line. Rental income encompasses the fair value of the payments received for services that fall within the ordinary activities of the company. Rental income is presented net of VAT, rebates and discounts. Shared costs are capitalised alongside payments on account from tenants, and therefore have no impact on the income statement. Shared costs are settled after the balance sheet date.

Rental income is recognised over the duration of the lease. If a rent exemption is agreed, or if the tenant receives an incentive in conjunction with the signing of the lease, the cost or loss of rent is spread over the duration of the lease and the resulting net rent is recognised in equal instalments. The accrued loss of rent or costs are presented under other receivables.

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

NOTE 2 - ACCOUNTING PRINCIPLES (CONT....)

LEASE CONTRACTS

Lease contracts where a significant proportion of the risks and benefits of ownership remain with the lessor are classified as operating leases. Rent payments for operating leases (less any financial incentives given by the lessor) are expensed in a straight line over the duration of the lease.

Lease contracts for property, plant and equipment where the Group has all of the risks and benefits of ownership are classified as finance leases. Finance leases are recognised at the start of the lease term at the lower of fair value and the present value of the minimum lease payments.

DIVIDENDS

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

CHANGES TO CLASSIFICATION

The Group has changed the way in which it classifies accrued interest in relation to the 2009 financial statements. Accrued interest is now classified as part of the fair value of financial instruments. The comparative figures have been restated accordingly.

All amounts in NOK millions

The company's finance strategy shall ensure that the Group has financial flexibility and that it achieves competitive financial terms. The Group is exposed to various types of financial risk. The Group's finance policy, which is adopted by the Board of Entra Eiendom AS, provides a framework for financial management at the Entra Eiendom Group. The parent company has operational responsibility for the Group's financing activities. Entra's exposure to risk is supposed to be limited, balanced and in line with the Group's activities. Entra has established an internal finance committee which is a forum for updates on and discussion of the macroeconomic climate, as well as for discussing the company's financial risks and opportunities.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due. This includes the risk that financing will not be available at a reasonable price. The Group aims to limit liquidity risk by obtaining capital from a wide range of sources, including various capital markets and several different lenders. It also aims to maintain a financial buffer by having committed credit facilities covering 100 percent of the company's capital requirements over the next 12 months. The Group has arranged several long-term credit facilities, as described below. At 31 December 2010, the average weighted remaining term to maturity of the company's loans and credit facilities was 4.7 years (5.6 years).

The Group issues commercial paper in the market as part of the Group's short-term and long-term financing. By definition, commercial paper has a maximum term to maturity of 12 months, and is therefore classified as a current liability. To protect itself against the liquidity risk associated with its use of commercial paper, the company has set up credit facilities 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.

Maturity structure of all financial liabilities

At 31 Dec. 2010	Remaining term								
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans									
- principal	-	1 200.0	505.0	2 030.0	1 200.0	-	-	620.0	5 555.0
- estimated interest	43.5	130.5	127.1	163.8	109.7	35.6	35.6	97.9	743.7
Bonds									
- principal	-	-	670.0	1 425.0	-	500.0	325.0	1 100.0	4 020.0
- estimated interest	3.7	179.2	182.9	310.9	184.7	161.2	119.7	508.2	1 650.4
Commercial paper									
- principal	1 900.0	750.0	-	-	-	-	-	-	2 650.0
- estimated interest	13.4	53.4	-	-	-	-	-	-	66.8
Financial instruments									
- interest rate derivatives - estimated interest	81.9	107.1	176.2	289.9	200.2	117.7	50.4	-52.0	971.5
Trade payables	141.5	-	-	-	-	-	-	-	141.5
Other financial liabilities	71.2	-	-	-	-	-	-	-	71.2
Total	**2 255.1**	**2 420.2**	**1 661.2**	**4 219.6**	**1 694.6**	**814.6**	**530.7**	**2 274.1**	**15 870.1**

All amounts in NOK millions

At 31 Dec. 2009	Remaining term								
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Interest-bearing bank loans									
- principal	-	150.0	500.0	2 600.0	-	1 200.0	-	620.0	5 070.0
- estimated interest	32.4	95.5	125.8	200.5	92.3	60.7	29.2	94.4	730.8
Bonds									
- principal	-	1 108.0	-	670.0	1 425.0	-	325.0	1 100.0	4 628.0
- estimated interest	6.4	180.1	157.4	287.4	198.8	137.7	137.7	559.0	1 664.5
Commercial paper									
- principal	1 135.0	1 050.0	-	-	-	-	-	-	2 185.0
- estimated interest	40.4	31.5	-	-	-	-	-	-	71.9
Financial instruments									
- interest rate derivatives - estimated interest	99.5	117.9	223.3	408.6	290.5	192.5	94.0	-54.2	1 372.1
Trade payables	212.4	-	-	-	-	-	-	-	212.4
Other financial liabilities	90.5	-	-	-	-	-	-	-	90.5
Total	**1 616.5**	**2 733.0**	**1 006.5**	**4 166.5**	**2 006.5**	**1 591.0**	**585.9**	**2 319.3**	**16 025.1**

The table is based on undiscounted contractual cash flows. The maturity analysis is based on the earliest possible redemption for instruments where the counterparty has a choice as to when to redeem the instrument. Estimated interest is based on the interest rate on the individual loan/instrument on the balance sheet date. In order to manage its liquidity risk, the Group has available, undrawn credit facilities with Norwegian and international banks, as well as available liquid assets.

Undrawn credit facilities

At 31 Dec. 2010	Term to maturity								
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Parent company's undrawn credit facilities	-	700.0	1 000.0	720.0	1 000.0	1 000.0	-	-	4 420.0
Subsidiaries' undrawn credit facilities	-	-	-	-	-	-	-	21.0	21.0
Total undrawn credit facilities	**-**	**700.0**	**1 000.0**	**720.0**	**1 000.0**	**1 000.0**	**-**	**21.0**	**4 441.0**

At 31 Dec. 2009	Term to maturity								
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	Total
Parent company's undrawn credit facilities	-	-	1 400.0	2 035.0	-	500.0	1 000.0	–	4 935.0
Subsidiaries' undrawn credit facilities	-	-	-	-	-	-	-	30.0	30.0
Total undrawn credit facilities	**-**	**-**	**1 400.0**	**2 035.0**	**-**	**500.0**	**1 000.0**	**30.0**	**4 965.0**

At 31 December 2010, the Group had NOK 122.3 (198.7) million of available liquid assets. See Note 15.

All amounts in NOK millions

Interest rate risk

Interest rate risk arises from the value of the portfolio's fixed interest debt being affected by changes in the money market rates. Interest rate risk can affect the company's cash flows and the market value of the company's liabilities. The main purpose of the company's strategy to manage interest rate risk is to ensure stable and predictable interest payments. A large proportion of the Group's liabilities are subject to fixed interest rates (70 percent). The Group uses a variety of derivatives to optimise its portfolio for its interest rate fixing structure. The choice of interest rate structure is based on an evaluation of the company's financial strength and ability to generate long-term, stable cash flow. Entra does not use hedge accounting for this hedging relationship.

At 31 December 2010, the weighted average duration was 3.6 years (4.2 years). The average interest rate on loans in the portfolio was at the same point in time 5.1 percent (5.2 percent).

Maturity structure of the company's exposure to interest rate risk

At 31 Dec. 2010	31 Dec. 2011	31 Dec. 2012	31 Dec. 2014	31 Dec. 2016	31 Dec. 2018	31 Dec. 2020	31 Dec. 2020+	Total
Term to maturity	**Up to 1 year**	**1-2 years**	**2-4 years**	**4-6 years**	**6-8 years**	**8-10 years**	**Over 10 years**	
Percentage	30 %	8 %	15 %	19 %	8 %	11 %	9 %	100 %
Amount	3 715.0	950.0	1 830.0	2 320.0	1 000.0	1 350.0	1 060.0	12 225.0

At 31 Dec. 2009	31 Dec. 2010	31 Dec. 2011	31 Dec. 2013	31 Dec. 12.2015	31 Dec. 2017	31 Dec. 2019	31 Dec. 2019+	Total
Term to maturity	**Up to 1 year**	**1-2 years**	**2-4 years**	**4-6 years**	**6-8 years**	**8-10 years**	**Over 10 years**	
Percentage	31 %	5 %	15 %	14 %	12 %	11 %	11 %	100 %
Amount	3 743.0	620.0	1 790.0	1 700.0	1 370.0	1 300.0	1 360.0	11 883.0

All amounts in NOK millions

Sensitivity analysis for market interest rates

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

31 Dec. 2010	Total change in profit/loss (after tax)*	Change in the Group's interest expense (annualised)	Change in the fair value of debt and derivatives (after tax)
Market rates increase by 1 percentage point	**390.0**	**-26.9**	**416.9**
Interest-bearing debt	94.0	-48.0	142.0
Derivatives	296.0	21.1	274.9
Market rates decline by 1 percentage point	**-432.2**	**26.9**	**-459.1**
Interest-bearing debt	-111.7	48.0	-159.8
Derivatives	-320.5	-21.1	-299.4

31 Dec. 2009	Total change in profit/loss (after tax)*	Change in the Group's interest expense (annualised)	Change in the fair value of debt and derivatives (after tax)
Market rates increase by 1 percentage point	**279.7**	**-24.7**	**304.4**
Interest-bearing debt	90.1	-48.0	138.1
Derivatives	189.6	23.3	166.3
Market rates decline by 1 percentage point	**-309.2**	**24.7**	**-333.9**
Interest-bearing debt	-109.5	48.0	-157.5
Derivatives	-199.7	-23.3	-176.4

* A positive figure signifies an increase in profit after tax.

NOTE 3 - FINANCIAL RISK MANAGEMENT (CONT...)

All amounts in NOK millions

Key figures for the Group's financial instruments	2010	2009
Nominal value of interest rate derivatives on the balance sheet date**	12 910.0	15 550.0
of which		
- Fixed-to-variable swaps**	3 570.0	3 710.0
- Variable-to-variable swaps	700.0	1 500.0
- Variable-to-fixed swaps	6 590.0	7 150.0
- Futures contracts (contracts that start in the future)	-	500.0
- Options or option-related products	2 050.0	2 690.0
Range of fixed interest rates	From 3.284 % to 6.195 %	From 2.710 % to 6.195 %
Index for variable rate instruments	NIBOR	NIBOR
Average fixed rate excl. futures contracts	5.10 %	5.20 %
Average fixed rate incl. futures contracts	5.10 %	5.34 %
Fair value of derivatives on the balance sheet date (NOK million)	701.4	629.1
Change in the fair value of bank loans over the year***	2.2	-147.6
Change in the fair value of bonds over the year	-18.0	101.0
Change in the fair value of interest rate derivatives over the year	-72.3	162.8
Change in the fair value of other items	-	-1.0
Loan arrangement fees	-16.1	-25.2
Total change in fair value of financial instruments	**-104.2**	**89.9**

** NOK 3,570 (3,710) million of swaps linked to the fixed-interest bonds issued by the Group are included in the volume of interest rate swaps. These bonds are swapped to a variable interest rate in order to ensure that the Group is in a position to manage its interest rate fixing independently of the bonds. The real volume used for interest rate fixing is therefore NOK 8,640 (10,340) million. NOK 6,590 million (7,650) of this consists of pure interest rate swaps, whilst NOK 2,050 (2,690) 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 2009 and 2010. The agreed spreads on bank loans are considered to be below the assumed market spreads on bank loans with an equivalent term to maturity and credit risk on the balance sheet date. The difference between the agreed interest rate spreads and market spreads has been discounted over the loan's term to maturity. This reduces the market value of the liability. If the market spread on loans to the Entra Eiendom Group gradually normalises, this will result in the market value of the Group's debt approaching its nominal value. In 2010 the market value of the company's bank loans fell by NOK 2.2 million, which also increased the company's profit by NOK 2.2 million.

Currency risk
Currency risk arises if exchange rate fluctuations would affect the company's cash flow and profit, and the values of its assets and liabilities. The company shall not take on any currency risk. Any foreign currency loans and associated interest payments shall be fully hedged to prevent any potential impact on profit, cash flow and balance sheet values. At 31 December 2010, Entra Eiendom AS had no currency exposure.

Credit and counterparty risk
Credit and counterparty risk arise if there is a risk that a counterparty will be unable to meet his obligations to Entra Eiendom AS, and if this would result in the company suffering a financial loss. Entra is dependent on its most important banks having the intention and ability to establish a long-term business relationship. In order to limit the Group's exposure to counterparty risk, the maximum exposure to any one counterparty is 30 percent. Entra considers that the ability of creditors to behave predictably over the long term is often dependent on their creditworthiness, and Entra has set minimum credit ratings for its creditors, in order to ensure that they are sufficiently creditworthy.

Capital management and solvency
The Group has a cautious finance policy and a relatively high equity ratio. The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximise the value of the shares in the company, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the company. The Group aims to have an average equity ratio of 35 percent over the economic cycle, based on the view that this gives the company sufficient financial flexibility over the economic cycle. There are covenants in the Group's loan agreements that specify requirements in relation to the company's financial strength. At 31 December 2010, the company was not close to breaching any of those covenants.

NOTE 3-1 CATEGORIES OF FINANCIAL INSTRUMENTS

All amounts in NOK millions

31 Dec. 2010

	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total		Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
			Held for trading			Held for trading	Designated upon initial recognition		
Assets					**Liabilities**				
Financial investments									
- shares	-	0.4	-	**0.4**	Interest-bearing non-current liabilities	-	8 565.7	-	**8 565.7**
- money-market funds	-	-	-	**-**	Interest-bearing current liabilities	-	3 410.0	-	**3 410.0**
- other financial assets	1 168.2	-	-	**1 168.2**	Derivatives	701.4	-	-	**701.4**
Trade receivables	24.7	-	-	**24.7**	Trade payables	-	-	141.5	**141.5**
Other current receivables	28.2	-	-	**28.2**	Other current liabilities	-	-	71.2	**71.2**
Cash and cash equivalents	153.4	-	-	**153.4**					
Total financial assets	**1 374.5**	**0.4**	**-**	**1 374.9**	**Total financial liabilities**	**701.4**	**11 975.7**	**212.7**	**12 889.7**

31 Dec. 2009

	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total		Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
			Held for trading			Held for trading	Designated upon initial recognition		
Assets					**Liabilities**				
Financial investments									
- shares	-	0.6	-	**0.6**	Interest-bearing non-current liabilities	-	8 171.6	26.3	**8 197.9**
- money-market funds	-	-	-	**0.0**	Interest-bearing current liabilities	-	3 568.4	-	**3 568.4**
- other financial assets	1 129.5	-	-	**1 129.5**	Derivatives	629.1	-	-	**629.1**
Trade receivables	21.5	-	-	**21.5**	Trade payables	-	-	212.4	**212.4**
Other current receivables	38.4	-	-	**38.4**	Other current liabilities	-	-	98.3	**98.3**
Cash and cash equivalents	229.8	-	-	**229.8**					
Total financial assets	**1 419.1**	**0.6**	**-**	**1 419.7**	**Total financial liabilities**	**629.1**	**11 740.0**	**337.0**	**12 706.0**

NOTE 3-2 FAIR VALUE DISCLOSURES

The fair value of bank loans has been calculated based on the difference between contractual cash flows and cash flows calculated using market credit spreads on the balance sheet date. The estimate of market credit spreads is based on the views of two different banks, and represents their estimate of the price that Entra would have to pay for credit with an equivalent structure to its existing loans.

The fair value of both listed and unlisted bonds is set at the tax value (as determined by a committee appointed by the Norwegian Securities Dealers' Association, www.nfmf.no).

The fair value of commercial paper is estimated as its nominal value, due to the short term to maturity.

The Group uses the following hierarchy to classify financial instruments, based on the valuation methods used to measure and disclose their fair value:
Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: Other techniques where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.
Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

NOTE 3-2 FAIR VALUE DISCLOSURES (CONT...)

All amounts in NOK millions

Financial assets at fair value	31 Dec. 2010	Level 1	Level 2	Level 3
Financial assets available for sale				
- equity instruments	0.4	-	-	0.4
Total	**0.4**	**-**	**-**	**0.4**

Financial liabilities at fair value	31 Dec. 2010	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss				
- Derivatives				
- Bank loans	701.4	-	701.4	-
- Bonds	5 465.4	-	-	5 465.4
- Commercial paper	3 937.1	-	3 937.1	-
	2 677.0	-	2 677.0	-
Total	**12 780.9**	**-**	**7 315.5**	**5 465.4**

Financial assets at fair value	31 Dec. 2009	Level 1	Level 2	Level 3
Financial assets available for sale				
- equity instruments	0.6	-	-	0.6
Total	**0.6**	**-**	**-**	**0.6**

Financial liabilities at fair value	31 Dec. 2009	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss				
- Derivatives				
- Bank loans	621.4	-	621.4	-
- Bonds	4 974.2	-	-	4 974.2
- Commercial paper	4 537.5	-	4 537.5	-
	2 228.3	-	2 228.3	-
Total	**12 361.3**	**-**	**7 387.1**	**4 974.2**

NOTE 3-2 FAIR VALUE DISCLOSURES (CONT...)

All amounts in NOK millions

Reconciliation of opening and closing fair value of level 3 assets and liabilities

2010

	Financial assets available for sale	Financial liabilities at fair value through profit or loss	
		Held for trading	Designated upon initial recognition
Opening balance	0.6	-	4 974.2
Changes in financial liabilities			
- of which changes in the value of financial instruments recognised in the income statement	-	-	-2.2
Purchases/new borrowing	-	-	930.0
Sales/repayments	-0.2	-	-445.0
Change in accrued interest at 31 Dec.	-	-	8.3
Closing balance	**0.4**	**-**	**5 465.4**

2009

	Financial assets available for sale	Financial liabilities at fair value through profit or loss	
		Held for trading	Designated upon initial recognition
Opening balance	6.0	-	6 438.3
Changes in financial liabilities			
- of which changes in the value of financial instruments recognised in the income statement	-	-	147.6
Purchases/new borrowing	-	-	843.0
Sales/repayments	-5.4	-	-2 400.0
Change in accrued interest at 31 Dec.	-	-	-54.8
Closing balance	**0.6**	**-**	**4 974.2**

Level 3 financial liabilities at fair value through profit or loss consist of bank loans. Changes in fair value are mainly due to changes in credit markets over the course of the year. Market credit spreads for the Group's loans increased in 2010. This contributed to a reduction in the Group's liabilities.

NOTE 3-2 FAIR VALUE DISCLOSURES (CONT...)

All amounts in NOK millions

Information about the fair value of financial assets measured at amortised cost	2010		2009	
	Fair value	Carrying amount	Fair value	Carrying amount
Jointly controlled entities	16.4	16.4	19.7	19.7
Associates	119.2	119.2	355.4	355.4
Financial assets – service concession arrangements (IFRIC 12)	1 355.9	1 167.7	1 296.5	1 125.6
Trade receivables	24.7	24.7	21.5	21.5
Closing balance	**1 516.2**	**1 328.0**	**1 693.0**	**1 522.1**

The fair value is the same as the carrying amount for jointly controlled entities and associates, as the interest rate is adjusted continuously and no changes in credit spreads have been identified. Trade receivables have a short anticipated term, so the fair value is the same as the carrying amount. For service concession arrangements, fair value has been set as the average of two external valuers' estimates of the fair values of the properties in question; see Note 4.

NOTE 3-3 FINANCIAL ITEMS

All amounts in NOK millions

	2010	2009
Interest income*	123.0	121.4
Other finance income	0.1	1.3
Total interest and other finance income	**123.1**	**122.7**
Interest expenses	629.1	607.6
- of which capitalised loan arrangement fees	-26.7	-30.9
Other finance expenses	1.5	6.0
Total interest and other finance expenses	**603.8**	**582.7**

* Interest income includes the impact of IFRIC 12 on financial assets where the Group's counterparty is the state. The effective interest rate based on the asset's cash flow is used to calculate the finance income for the period.

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

Each quarter, all of Entra's properties are valued by two independent, external valuers. The valuations at 31 December 2010 were carried out by Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding the estimated residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property is takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenants' financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk of not finding a tenant and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

When carrying out their valuations, the valuers receive comprehensive details of the lease contracts at the properties, floor space and details of any vacant premises, and up-to-date information about all ongoing projects. Any uncertainties relating to the properties/projects and lease contracts are also clarified verbally and in writing as and when required. The Group management performs internal controls to ensure that all relevant information is included in the valuations.

The valuers perform their valuations on the basis of the information they have received, and estimate future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income (contractual rents versus market rents) and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the lease contracts is also assessed for risk, and any special clauses in the contracts are looked at. Each property is also compared with recently sold properties in the same segment (location, type of property, mix of tenants, etc.).

The table below shows to what extent the value of the property portfolio is affected by inflation, market rents, discount rates (interest rates) and exit yields (market yields), assuming that all other factors are equal.

Parameter	Change in %	Change in value (NOK million)*
Inflation	+ 1 %	218.6
Market rents	+ 10 %	1 625.2
Discount rate	+ 0.25 %	-307.0
Exit yield	+ 0.25 %	-281.7

* Estimates by DTZ Realkapital Verdivurdering in conjunction with valuations at 31 December 2010.

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND SUBJECTIVE JUDGEMENTS (CONT...)

Uncertainty surrounding estimates pursuant to IFRIC 12
In conjunction with the implementation of IFRIC 12, the value of non-current receivables has been calculated using estimates to which uncertainty is attached. The uncertainty relates to future rent payments, which have been calculated assuming annual inflation adjustment of 2.5 percent. There is also uncertainty surrounding the property-specific estimates of future ownership costs and investments. The extent to which tenants will choose to exercise their purchase option, renegotiate the lease or terminate the lease is another uncertainty factor.

NOTE 5 SEGMENT INFORMATION

The Group management assesses the business based on geographical regions. The geographical regions share similar characteristics, so the Group considers that under IFRS 8 it only has one reportable segment. The presentation of segment information has been changed in relation to previous periods. NOK 1.020 million of the Group's rental income is generated by leases where the state is the customer, through various Ministries.

NOTE 6 MAJOR TRANSACTIONS

There were no major transactions in 2010.

NOTE 7 INTANGIBLE ASSETS

All amounts in NOK millions

2010	Goodwill	Options	Other intangible assets	Total intangible assets
Opening balance 1 Jan. 2010	15.7	3.5	21.0	40.3
Acquisitions*	-	-	9.5	9.5
Disposals	-	-	-	-
Acquisition cost 31 Dec. 2010	15.7	3.5	30.5	49.8
Opening balance 1 Jan. 2010	-	-	17.6	17.6
Depreciation	-	-	3.9	3.9
Writedowns	15.7	-	-	15.7
Disposals	-	-	-	-
Accumulated depreciation and writedowns, 31 Dec. 2010	15.7	-	21.5	37.2
Carrying amount as of 31 Dec. 2010	**-**	**3.5**	**9.1**	**12.6**
Anticipated useful life			5 years	
Depreciations schedule			Linear	

* Acquisitions in 2010 include a NOK 1.9 million correction in relation to previous years.

2009	Goodwill	Options	Other intangible assets	Total intangible assets
Opening balance 1 Jan. 2009	15.7	3.8	17.8	37.3
Acquisitions	-	-	3.2	3.2
Disposals	-	-0.3	-	-0.3
Acquisition cost 31 Dec. 2009	15.7	3.5	21.0	40.3
Opening balance 1 Jan. 2009	-	-	14.0	14.0
Depreciation	-	-	3.6	3.6
Accumulated depreciation 31 Dec. 2009	-	-	17.6	17.6
Carrying amount as of 31 Dec. 2010	**15.7**	**3.5**	**3.5**	**22.7**
Anticipated useful life			5 years	
Depreciation schedule			Linear	

All of the goodwill relates to the purchase of shares in Ribekk AS (formerly Optimo AS), and the goodwill was impaired in conjunction with the buy-out of the non-controlling interest in the second quarter of 2010. Other intangible assets relate to capitalised IT investments.

NOTE 8 INVESTMENT PROPERTIES

All amounts in NOK millions

Value of investment properties	**2010**	**2009**
Opening balance 1 Jan.	18 859.2	17 532.9
Additions on 1 Jan. 2009 as a result of amendment to IAS 40	-	1 406.9
Removals on 1 Jan. 2010 as a result of implementing IFRIC 12	-	-1 223.8
Adjusted opening balance 1 Jan.	18 859.2	17 716.0
Buildings under construction at fair value	-	113.5
Net change in fair value recognised in the income statement	522.8	219.7
Adjustment to value of investment property	**522.8**	**333.2**
Other movements		
New acquisitions	244.5	-
Improvements*	709.9	891.7
Capitalised loan arrangement fees	26.7	30.9
Disposals	-239.8	-99.0
External expenses for lease contracts	5.9	-
Reclassification**	-	-13.6
Closing balance 31 Dec.**	**20 129.2**	**18 859.2**
Of which investment properties held for sale	68.5	404.7
Investment property	**20 060.7**	**18 454.5**

* Improvements to buildings under construction amounted to NOK 347.8 (345.1) million.
** In 2009 investment properties were reclassified as housing projects being developed by the company for sale (stock).
*** On the balance sheet date, the carrying amount of buildings under construction was NOK 1,422.6 (1,273.3) million.

Investment properties held for sale comprise 4 (17) investment properties for which the sales process had started, but not been completed, on the balance sheet date. Assuming that acceptable offers are received, the properties are expected to be sold within 12 months. In 2010 no further properties were identified as investment properties held for sale.

For information about valuations and fair value calculations for investment properties, see note 4 (Critical accounting estimates and subjective judgements).

NOTE 9 HOUSING UNITS BEING DEVELOPED BY THE COMPANY FOR SALE

Houses developed by the company for sale comprises houses developed by Brekkeveien 8 AS, a subsidiary of Ribekk AS (previously Optimo AS). The company was sold on 30 June 2010, and the Group therefore has no houses currently under development at 31 December 2010.

NOTE 10 OTHER PROPERTY, PLANT AND EQUIPMENT

All amounts in NOK millions

2010	Property used by the company	Other property, plant and equipm.	Total other property, plant and equipment
Acquisition cost 1 Jan. 2010	7.5	44.1	51.7
Aquisitions	-	25.3	25.3
Disposals	-	-0,3	-0,3
Acquisition cost 31 Dec. 2010	7.5	69.2	76.7
Accumulated depreciation and writedowns, 1 Jan. 2010	1.1	22.4	23.5
Depreciation	0.2	6.5	6.8
Accumulated depreciation and writedowns, 31 Dec. 2010	1.3	29.0	30.3
Carrying amount as of 31 Dec. 2010	**6.2**	**40.2**	**46.5**
Anticipated useful life	20-50 years	1-5 years	
Depreciation schedule	Linear	Linear	

2009	Property used by the company	Other property, plant and equipm.	Total other property, plant and equipment
Acquisition cost 1 Jan. 2009	17.4	39.2	56.5
Aquisitions	-	5.3	5.3
Disposals	-9.8	-0.3	-10.1
Acquisition cost 31 Dec. 2009	7.5	44.2	51.8
Accumulated depreciation and writedowns, 1 Jan. 2009	0.8	16.8	17.6
Depreciation	0.3	5.9	6.1
Disposals	-	-0.2	-0.2
Accumulated depreciation and writedowns, 31 Dec. 2009	1.1	22.5	23.6
Carrying amount as of 31 Dec. 2009	**6.5**	**21.7**	**28.2**
Anticipated useful life	20-50 years	1-5 years	
Depreciation schedule	Linear	Linear	

NOTE 11 SUBSIDIARIES

Subsidiary	Acquisition date	Business office	Shareholding/voting rights
Oslo Z AS	20.09.2000	OSLO	100 %
Biskop Gunnerusgt. 14 AS	26.03.2001	OSLO	100 %
Universitetsgaten 2 AS	03.09.2001	OSLO	100 %
Kunnskapsveien 55 AS	17.12.2001	OSLO	100 %
Entra Kultur 1 AS	28.02.2002	OSLO	100 %
Kristian Augustsgate 23 AS	01.02.2003	OSLO	100 %
Nonnen Utbygging AS	10.02.2003	OSLO	100 %
Langkaia 1 AS	21.11.2003	OSLO	100 %
Kjørboparken AS	21.12.2005	OSLO	100 %
Ribekk AS (formerly Optimo AS*)	02.10.2006	OSLO	100 %
Bispen AS	24.10.2007	OSLO	100 %
Pilestredet 28 AS	07.05.2008	OSLO	100 %
Hagegata 24 AS	01.10.2008	OSLO	100 %
Hagegata 23 Eiendom AS	07.07.2010	OSLO	100 %
Stakkevollveien 11 AS	12.03.2010	OSLO	100 %
Holtermanns veg 1-13 AS	22.09.2010	OSLO	100 %
Papirbredden Eiendom AS	10.01.2005	OSLO	60 %
Brattørkaia AS	31.01.2006	OSLO	52 %
Kristiansand Kunnskapspark Eiendom AS	04.07.2005	KRISTIANSAND	51 %

* Until 30 June 2010, Entra Eiendom AS held 51 percent of the shares in Ribekk AS (formerly Optimo AS). On 30 June 2010, Entra Eiendom AS acquired the shares of the non-controlling interest.

NOTE 12 JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

All amounts in NOK millions

31 Dec. 2010	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS
Jointly controlled entities						
UP Entra AS	31.12.2003	HAMAR	50.00 %	105.4	1.8	1.3
Oslo S. Utvikling AS	01.07.2004	OSLO	33.34 %	495.6	36.4	-0.5
Associates						
Ullandhaug Energi AS	07.07.2009	STAVANGER	44.00 %	5.5	-0.9	-
Kunnskapsbyen Eiendom AS	31.12.2004	OSLO	33.75 %	8.5	3.6	2.7
Tverrforbindelsen AS	24.04.2009	TRONDHEIM	33.33 %	0.3	-0.1	-
Youngstorget Parkeringshus AS	16.11.2005	OSLO	21.26 %	0.1	-	-
Total for jointly controlled entities and associates*				**615.4**	**40.8**	**3.5**

31 Dec. 2009	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/loss	Of which changes in value under IFRS
Jointly controlled entities						
UP Entra AS	31.12.2003	HAMAR	50.00 %	103.6	0.1	-1.5
Oslo S. Utvikling AS	01.07.2004	OSLO	33.30 %	164.8	26.5	-2.5
Associates						
Krambugata 3 AS	31.12.2003	TRONDHEIM	45.00 %	29.8	-8.6	-8.5
Ullandhaug Energi AS	07.07.2009	STAVANGER	44.00 %	5.1	-0.1	0.4
Kunnskapsbyen Eiendom AS	31.12.2004	OSLO	33.75 %	4.6	0.4	-
Tverrforbindelsen AS	24.04.2009	TRONDHEIM	33.33 %	0.3	-	-
Youngstorget Parkeringshus AS	16.11.2005	OSLO	21.26 %	-0.1	-0.5	-
Total for jointly controlled entities and associates				**308.1**	**17.8**	**-12.0**

* The Group sold Krambugata 3 AS on 1 December 2010, realising a loss of NOK 14.4 million. Consequently, at 31 December 2010 the Group's share of profit from jointly controlled entities and associates was NOK 26.4 million.

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

Aggregate financial information about associates and jointly controlled entities
Figures stated refer to Entra's ownership interest

	2010	2009
Operating revenue	201.4	207.7
Profit/loss	56.6	17.8
Total assets	1 249.0	1 363.6
Equity	483.8	140.6
Total liabilities	765.1	1 223.0

INFORMATION ABOUT MAJOR PROJECTS THROUGH OSLO S. UTVIKLING AS (OSU)

Oslo S. Utvikling AS (OSU) is a property development company established for the purpose of developing properties at Bjørvika, Oslo. OSU is jointly controlled by the Group, and is accounted for using the equity method. As of 31 December 2010, OSU was on course to develop approximately 300,000 square metres, which is around 1/3 of the total area being developed at Bjørvika. OSU's most important projects are described below.

Completed projects

The PwC building was sold in February 2006 (forward contract), and was completed in December 2007. The gain on the sale has previously been recognised in the income statement. As of 31 December 2010 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). As of 31 December 2010 two thirds 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. Sales contracts have been signed for approximately 9/10 of the project costs. 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 KLP building was completed in spring 2010, and the office premises were handed over to the buyer, KLP. The residential units in the building were also completed in 2010, and were handed over during the year. At the close of the year, two flats remained unsold. The construction of the office premises in 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 2010 the office premises in the Snøhetta building, which represent 90 percent of the project, had been leased. The total size of the development is approximately 16,000 square metres. No major contracts have been signed for the work involved in its construction. The cellar structures underneath the building have been completed. Work above ground will start in summer 2011, and is due for completion at the end of 2013.

Projects for lease

For the three commercial buildings known as the DnB NOR buildings, lease contracts for approx. 80,000 square metres 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. Work on construction has started.

Barcode Basement AS is a separate company that owns, and which is developing and building, all of the underground areas in the Barcode zone (gross volume 70,000 square metres, just over 50 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. In spring 2010 the areas from the western limit (under the PWC building) and east as far as the station area/ down ramp were completed. The remaining areas will be completed over the period 2011-2014.

NOTE 12 JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (CONT...)

All amounts in NOK millions

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 the developers, who pay a fixed amount per square metre of development, as well as by a contribution of NOK 300 million from the City of Oslo. Payments are due at certain milestones, with 30 percent due when work above ground level starts, 50 percent on completion of the buildings' structures and 20 percent on their completion. The infrastructure contributions have been incorporated into the cost estimates for the various buildings. All infrastructure shall 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.

	31 Dec. 2010	31 Dec. 2009
Property, plant and equipment	1 308	1 078
Total obligations contracted	**1 308**	**1 078**

NOTE 13 OTHER NON-CURRENT RECEIVABLES

All amounts in NOK millions

	2010	2009
Financial assets – service concession arrangements (IFRIC 12)	1 167.7	1 125.6
Other non-current receivables	0.5	3.9
Total other non-current receivables	**1 168.2**	**1 129.5**

NOTE 14 OTHER NON-CURRENT RECEIVABLES

All amounts in NOK millions

	2010	2009
Trade receivables	25.7	22.0
Provisions for bad debts	-1.0	-0.5
Net trade receivables	24.7	21.5
Other current receivables	41.8	93.5
Total current receivables	**66.5**	**114.9**

At 31 December 2010, NOK 18.3 (7.7) million in trade receivables were overdue, but had not been written down. One tenant owes a total of NOK 3.3 million. Entra has agreed a repayment plan with this tenant. The remaining trade receivables relate to various customers with good credit histories. The aged analysis of these trade receivables is as follows.

Trade receivables	**2010**	**2009**
Up to 3 months	10.4	3.0
Over 3 months	8.0	4.6
Total overdue	**18.3**	**7.7**

Other current receivables	**2010**	**2009**
Shared costs to be distributed amongst tenants	2.9	9.1
Advance payments and accruals	8.3	29.9
VAT owed	5.3	25.2
Accrued interest	19.6	27.2
Other current receivables	5.7	2.1
Total other current receivables	**41.8**	**93.5**

NOTE 15 BANK DEPOSITS

All amounts in NOK millions

	2010	2009
Bank deposits	122.3	198.7
Tied bank deposits*	31.1	31.1
Total bank deposits	**153.4**	**229.8**

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

NOTE 16 SHARE CAPITAL AND SHAREHOLDER INFORMATION

All amounts in NOK millions

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

The shareholder has indicated that Entra Eiendom AS will pay a dividend of NOK 124.6 million for 2010. No provision is made for dividends in the consolidated balance sheet/accounts until the AGM has been held and the dividend has been decided.

NOTE 17 PENSION LIABILITIES

All amounts in NOK millions

The company has pension schemes that cover a total of 143 current employees and 38 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 Group also has a contractual early-retirement scheme for the public sector (AFP) linked to the Norwegian Public Service Pension Fund. At 31 December 2010, 11 (7) former employees had chosen to make use of the AFP scheme.

The balance sheet liabilities have been calculated as follows	**2010**	**2009**
Present value of accrued pension liabilities in defined benefit schemes in unit trusts	134.8	133.4
Fair value of pension scheme assets	-74.4	-66.5
Unrecognised costs relating to pension liabilities accrued in previous periods	9.7	1.1
Employers' NICs accrued	7.8	9.0
Net pension liabilities on the balance sheet at 31 Dec.	**77.9**	**77.0**

Change in defined benefit pension liabilities over the year	**2010**	**2009**
Pension liabilities at 1 Jan.	133.4	121.4
Present value of pensions earned this year	16.5	15.7
Interest expense	5.6	4.6
Life expectancy adjustment, 1943-1953 cohorts	-0.4	-
Change to indexing of retirement pension	-6.2	-
Actuarial loss/(gains)	-10.3	-5.2
Pension benefits paid	-3.8	-3.0
Pension liabilities at 31 Dec.	**134.8**	**133.4**

All amounts in NOK millions

Change in fair value of pension scheme assets	2010	2009
Pension scheme assets at 1 Jan.	66.5	59.8
Anticipated return on pension scheme assets	3.9	3.6
Actuarial (gains)/losses	-2.7	-3.1
Contributions from employer	10.5	9.2
Pension benefits paid	-3.8	-3.0
Pension scheme funds at 31 Dec.	**74.4**	**66.5**

Total cost recorded through the income statement	2010	2009
Cost of pension benefits accrued during current period	16.5	15.7
Interest expense	5.6	4.6
Anticipated return on pension scheme assets	-3.9	-3.6
Actuarial gains and losses, etc. recognised in income statement	-	-
Life expectancy adjustment, 1943-1953 cohorts, recognised in income statement	-0.5	-
Change to indexing of retirement pension, recognised in income statement	-7.1	-
Administrative expenses	0.3	0.2
Employers' National Insurance Contributions	2.3	2.0
Total	**13.2**	**18.8**
2 percent employee pension contributions	-1.4	-1.4
Expenses related to separate defined contribution scheme for employees at subsidiaries	0.4	0.5
Total expenses, included under personnel costs	**12.2**	**17.9**

The following economic assumptions have been used	2010	2009
Discount rate	4.00 %	4.40 %
Anticipated return on pension scheme assets	5.60 %	5.60 %
Annual wage growth	4.00 %	4.25 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	3.75 %	4.00 %
Annual adjustment of pensions	3.00 %	4.00 %
Mortality rates	K2005	K2005
Disability rates	200 % K1963	200 % K1963
Proportion of entitled employees making use of AFP	40 %	60 %

All amounts in NOK millions

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 percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension). As a result of changes to the way in which pension benefits in state-run pension schemes are indexed, a gain of NOK 7.6 million was recognised in the income statement in 2010.

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. At 31 December 2010, the net pension liabilities associated with the AFP scheme amounted to NOK 13.8 million, which is included under total pension liabilities in the table on the previous page.

Employees are also insured against incapacity and death.

The CEO has a separate pension plan that is discussed in Note 23. The company's liabilities under this unfunded plan total NOK 5.4 million, and are included in the above table.

Distribution of the pension scheme assets by investment category at 31 Dec.

	2010	2009
Government bonds	100 %	100 %
Corporate bonds	0 %	0 %
Shares	0 %	0 %
Property	0 %	0 %
Other	0 %	0 %
Total	**100 %**	**100 %**

Amounts for the current year and for the four previous years

	2010	2009	2008	2007	2006
Gross defined benefit pension scheme liabilities	153.4	133.4	121.4	111.6	96.8
Fair value of pension scheme assets at 31 Dec.	-74.4	-66.5	-59.8	-53.2	-50.4
Net defined benefit pension scheme liabilities	**79.0**	**66.9**	**61.6**	**58.4**	**46.4**

NOTE 17 PENSION LIABILITIES (CONT...)

All amounts in NOK millions

Sensitivity analysis for the assumptions used to calculate pension assets and liabilities

		Impact on liabilities	Impact as a percentage
Discount rate			
0.5 percentage point reduction	3.50 %	11.1	8.6 %
Discount rate at 31 Dec. 2010	4.00 %	-	-
0.5 percentage point increase	4.50 %	-9.8	-7.6 %

		Impact on liabilities	Impact as a percentage
Wage growth			
0.5 percentage point reduction	3.50 %	-5.5	-4.2 %
Discount rate at 31 Dec. 2010	4.00 %	-	-
0.5 percentage point increase	4.50 %	5.0	3.9 %

NOTE 18 PROVISIONS

All amounts in NOK millions

	2010	2009
Provision for rent payments/loss-making contracts	22.7	31.2
Provision for guarantees	-	3.2
Provision for maintenance – service concession arrangements (IFRIC 12)	23.4	-
Other provisions	0.4	0.7
Total other provisions for liabilities	**46.4**	**35.0**

Movements in provisions	2010	2009
Opening balance	35.0	32.7
Additional provisions during the year	23.7	8.5
Provisions used during the year	-12.4	-8.4
Unused provisions reversed during the year	-1.4	-
Discounting of provisions	1.4	2.3
Closing balance	**46.4**	**35.0**

The Group's underfunding of rent payments at 31 Dec.	2010	2009
Rent maturity		
≤ 1 year	8.3	8.5
1 year ≤ 5 years	14.3	20.4
5 year ≤ 10 years	–	2.2
Total	**22.7**	**31.2**

Details of provisions for properties leased by Entra
At 31 December 2010, Entra Eiendom had made provisions for rent payments for the following properties:
Drammensveien 130, Oslo; Akersgata 55, Oslo; Apotekergata 8, Oslo; Kristian Augustsgate 19, Oslo; Dronningensgate 10-14

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

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

More detailed explanation of the provision for maintenance under IFRIC 12
The contracts that the Group has signed with Vøyenenga school, Borgarting Court of Appeal and the National Library specify that the Group undertakes to maintain the buildings. A regular provision is therefore made in accordance with IAS 37 to cover future maintenance requirements.

NOTE 19 LIABILITIES

All amounts in NOK millions

Non-current liabilities	Nominal value 2010	Market value 2010	Nominal value 2009	Market value 2009
Bank loans	4 795.0	4 683.2	4 920.0	4 810.5
Bonds	4 020.0	3 882.5	3 520.0	3 361.1
Other liabilities	48.2	48.2	26.3	26.3
Derivatives	-	701.4	-	621.4
Total non-current liabilities		**9 315.2**		**8 819.3**

Current liabilities	Nominal value 2010	Market value 2010	Nominal value 2009	Market value 2009
Bank loans	760.0	782.2	150.0	163.7
Bonds	-	54.7	1 108.0	1 176.4
Commercial paper	2 650.0	2 677.0	2 185.0	2 228.3
Derivatives	-	-	-	7.8
Total current liabilities		**3 513.9**		**3 576.1**

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

The average risk premium on the Group's loans at 31 December 2010 was 0.5 percent.

Derivatives are included on the balance sheet under non-current liabilities and other current liabilities.

All amounts in NOK millions

The Group's bonds and commercial paper are subject to the following terms

The Group's bonds

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010273386	1 500.0	4.10 %	22.06.2012	670.0	-	670.0
NO0010552441	1 500.0	3M Nibor+0.80%	25.11.2014	450.0	-	450.0
NO0010552458	1 500.0	4.95 %	25.11.2014	975.0	-	975.0
NO0010592363	1 500.0	4.70 %	06.12.2017	500.0	-	500.0
NO0010552466	1 500.0	5.55 %	25.11.2019	325.0	-	325.0
NO0010282031	1 100.0	4.62 %	29.05.2030	1 100.0	-	1 100.0
						4 020.0

The Group's commercial paper

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010564966	400.0	3.05 %	10.01.2011	300.0	-	300.0
NO0010564388	400.0	2.49 %	10.02.2011	150.0	-	150.0
NO0010566730	400.0	3M Nibor+0.35%	10.03.2011	400.0	-	400.0
NO0010583198	400.0	3.15 %	11.04.2011	350.0	-	350.0
NO0010589922	400.0	2.85 %	10.05.2011	400.0	-	400.0
NO0010577190	400.0	3.15 %	10.06.2011	300.0	-	300.0
NO0010591258	500.0	2.70 %	11.08.2011	400.0	-	400.0
NO0010585409	400.0	3.15 %	09.09.2011	350.0	-	350.0
						2 650.0

* Face value

NOTE 19 LIABILITIES (CONT...)

All amounts in NOK millions

Mortgages

In general the Group's financing is based on the parent company borrowing from external parties using negative pledge clauses. Wholly-owned subsidiaries are in general financed using intra-group loans.

For projects/properties with special characteristics, separate mortgage-based financing can be arranged. At 31 December 2010, a long-term bond of NOK 1,100 million is secured against the National Library and associated buildings, located at Henrik Ibsens gate 110 in Oslo. The lender also has a mortgage on the rental income from the property.

For subsidiaries that are not wholly-owned by Entra Eiendom AS, in general separate financing is arranged without any guarantee from the shareholders. This kind of financing is generally secured with a mortgage.

	2010	2009
Market value of liabilities secured through mortgages	2 043.2	2 066.1
Carrying amount of mortgaged assets		
Buildings and sites	2 798.7	2 832.9
Total	**2 798.7**	**2 832.9**

NOTE 20 OTHER CURRENT LIABILITIES

All amounts in NOK millions

	2010	2009
Shared costs for buildings, owed to tenants	4.5	-
Advance payments by customers, etc.	67.6	9.5
Accrued expenses	29.6	66.1
Wages and holiday pay owed	25.0	16.8
Provision for Board fees	0.9	1.9
Other current liabilities	11.2	5.7
Current liabilities, derivatives	-	7.8
Total other current liabilities	**138.7**	**107.8**

NOTE 21 LEASE CONTRACTS

All amounts in NOK millions

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

Remaining term	**No. contracts**	**At 31 Dec. 2010**	**%**	**No. contracts**	**At 31 Dec. 2009**	**%**
≤ 1 year	96	78.1	5 %	124	139.0	9 %
1 year ≤ 5 years	221	413.6	28 %	247	432.8	29 %
5 years ≤ 10 years	114	490.8	33 %	111	456.2	31 %
≥ 10 years	60	511.8	34 %	58	453.5	31 %
Total	**491**	**1 494.3**	**100 %**	**540**	**1 481.4**	**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 Dec. 2010**	**31 Dec. 2009**
Occupancy rate**	95.1 %	96.1 %
Share of public sector tenants	79 %	80 %
Weighted average remaining contract term	10.6 years	9.8 years

** Excluding buildings under construction 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 low.

NOTE 22 OTHER OPERATING REVENUE

All amounts in NOK millions

	2010	**2009**
Internal maintenance	12.5	13.0
Administrative mark-ups	7.8	6.7
Sale of services*	29.5	83.4
Sale of residential property**	14.0	218.3
Service concession arrangements (IFRIC 12) recognised in the income statement	8.1	8.1
Compensation paid to tenants on vacating premises	6.0	-
Other operating revenue	2.5	1.0
Total operating revenues	**80.4**	**330.4**

* The sale of services relates to Ribekk AS (formerly Optimo AS), which is involved in property development and project management.

** The residential project Brekkeveien 8 AS has been sold by Ribekk AS (formerly Optimo AS), and so this relates to revenues obtained up until the sale, which was completed on 30 June 2010.

NOTE 23 PERSONELL COSTS

Personnel costs All amounts in NOK millions	**2010**	**2009**
Wages, performance-related pay and other taxable benefits*	130.6	112.9
Employers' National Insurance Contributions	13.5	12.5
Pension expenses	12.2	17.9
Other personnel costs	8.2	8.6
Total personnel costs	**164.5**	**151.9**
Of which capitalised as buildings under construction	-6.4	-6.2
Of which shared costs to be distributed amongst tenants	-32.9	-30.5
Of which related to the ongoing operation of properties	-9.9	-9.9
Total payroll and personnel costs	**115.3**	**105.3**

Number of employees/full-time equivalents	**2010**	**2009**
Number of employees at 31 Dec.	166	167
Number of full-time equivalents at 31 Dec.	164	166
Average number of employees	167	164

* Wages, performance-related pay and other taxable benefits includes a NOK 15.3 (8.1) million provision for performance-related pay for all employees in 2010, which has not yet been paid out.

Payments to leading employees All amounts in NOK thousands	**Salary**	**Performance-related pay**	**Benefits in kind**	**Estimated pension expense**	**Total compensation 2010**	**Total compensation 2009**
Key employees						
Kyrre Olaf Johansen, CEO	2 878	570	239	2 315	6 003	5 907
Rune Olsø, Deputy CEO since 10 May 2010	2 266	293	108	114	2 781	2 189
Anne Harris, CFO, joined the company 1 Oct. 2010	600	-	29	29	658	-
Sverre Vågan, Director of Human Resources	1 092	117	135	114	1 458	1 334
Nils Fredrik Skau, Technical Director	1 346	164	113	114	1 737	1 567
Bjørn Holm, Director of Projects and Development	1 415	186	133	114	1 847	1 608
Ingrid Schiefloe, Director of Communication and Corporate Social Responsibility	1 050	-	140	114	1 305	-
Anders Solaas, Director of Marketing, joined the company 16 Aug. 2010	512	-	53	46	612	-
Former employees	-	-	-	-	-	8 049
Total	**11 160**	**1 330**	**950**	**2 961**	**16 401**	**20 655**

All amounts in NOK thousands	Board fees	Committee fees	Total compen-sation 2010	Total compen-sation 2009
The Board of Directors**				
Grace Reksten Skaugen, Chair	352	40	392	392
Martin Mæland, Board member	173	25	198	198
Finn Berg Jacobsen, Board member	173	55	228	228
Gerd Kjellaug Berge, Board member	173	25	198	198
Ottar Brage Guttelvik, Board member	173	40	213	213
Tore Bendiktsen, employee representative***	173	-	173	173
Mari Fjærbu Åmdal, employee representative***	173	-	173	173
Total	**1 390**	**185**	**1 575**	**1 575**

** The Board and committee members received no other compensation than what is set out in the table.

*** Does not include ordinary salary.

The Group has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the Group, customer satisfaction and individual goals.

The CEO has an individual bonus scheme that is based on an assessment of goal achievement. Any bonus for 2010 is determined by the Board in 2011. 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 or associates.

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.

Auditor's fee All amounts in NOK thousands	2010	2009
Statutory audit	1 800	1 800
Tax advice	170	430
Other services not related to auditing	513	337
Other auditing services	98	140
Total auditor's fee (excl. VAT)	**2 582**	**2 708**

NOTE 24 OTHER OPERATING EXPENSES

All amounts in NOK millions

	2010	2009
Management, operation and development of properties that generate rental income	152.2	172.9
Management, operation and development of properties that do not generate rental income*	49.4	55.2
Cost of sold residential properties**	14.3	203.5
Payroll and personnel costs	115.3	105.3
Other administrative costs	77.2	84.1
Total other operating expenses	**408.5**	**620.9**

* These are property ownership costs for properties that have not generated any rental income over the year and costs for buildings under construction that generate other operating revenue, which mainly relates to the project-related activities of Ribekk AS (formerly Optimo AS).

** The residential project Brekkeveien 8 AS has been sold by Ribekk AS (formerly Optimo AS), and so this relates to costs accrued up until the sale, which was completed on 30 June 2010.

NOTE 25 TAX

All amounts in NOK millions

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

	2010	2009
Deferred tax	2 492.9	2 189.9
Deferred tax assets	407.9	353.2
Net deferred tax	**2 085.0**	**1 836.7**

Change in deferred tax on balance sheet	2010	2009
Carrying amount at 1 Jan.	1 836.7	1 572.2
Recognised in income statement for the period	246.9	258.9
Loss carryforwards	0.5	5.6
Acquisition of subsidiaries	0.8	-
Carrying amount at 31 December.	**2 085.0**	**1 836.7**

NOTE 25 TAX (CONT...)

All amounts in NOK millions

Change in deferred tax/deferred tax assets (not offset)	Non-current assets	Gains/ losses	Total
31 Dec. 2008	**1 885.4**	**33.2**	**1 918.6**
Recognised in income statement for the period	263.3	8.0	271.3
31 Dec. 2009	**2 148.7**	**41.2**	**2 189.9**
Recognised in income statement for the period	293.3	8.8	302.1
Acquired at subsidiaries	0.8	-	0.8
31 Dec. 2010	**2 442.8**	**50.0**	**2 492.9**

Deferred tax assets	Provision for liabilities	Financial instruments	Receivables	Loss carryforwards/ corrections	Total
31 Dec. 2008	**30.6**	**123.3**	**4.7**	**187.9**	**346.4**
Recognised in income statement for the period	3.6	-31.8	-4.5	45.1	12.4
Loss carryforwards	-	-	-	-5.6	-5.6
31 Dec. 2009	**34.2**	**91.5**	**0.1**	**227.4**	**353.2**
Recognised in income statement for the period	-5.8	32.0	0.2	28.9	55.2
Loss carryforwards				-0.5	-0.5
31 Dec. 2010	**28.4**	**123.5**	**0.3**	**255.7**	**407.9**

NOTE 25 TAX (CONT...)

All amounts in NOK millions

Tax payable is calculated as follows	2010	2009
Profit before tax	951.5	987.3
Share of profit/loss at associates	-40.8	-17.5
Other permanent differences	12.7	16.7
Corrections to previous years	-25.3	4.0
Changes in temporary differences	-886.8	-924.7
Profit for tax purposes	**11.3**	**65.7**
Tax payable on income statement	3.2	18.4
Tax payable on the balance sheet	**3.2**	**18.4**

The tax expense for the year is calculated as follows	2010	2009
Tax payable	3.2	18.9
Change in deferred tax	246.9	257.8
Tax expense for the year	**250.1**	**276.7**

Tax rate of 28% applied

Reconciliation of tax expense with profit multiplied by nominal tax rate	2010	%	2009	%
Profit for accounting purposes multiplied by nominal tax rate	266.4	28.0 %	276.4	28.0 %
Tax on share of profit/loss at associates	-11.4	-1.2 %	-4.9	-0.5 %
Tax on permanent differences	3.6	0.4 %	4.9	0.5 %
Corrections to previous years	-7.1	-0.7 %	0.3	0.0 %
Tax on other changes	-1.4	-0.1 %	-	0.0 %
Tax expense for accounting purposes	**250.1**	**26.3 %**	**276.7**	**28.1 %**

NOTE 26 RELATED PARTIES

All amounts in NOK millions

Entra Eiendom AS is owned by the Norwegian government through the Ministry of Trade and Industry. Most of the company's premises are leased to public sector tenants, see Note 5. Lease contracts are signed on commercial terms.

In 2010, the Group's transactions and balances with jointly controlled entities and associates mainly related to loans and interest payments on loans. The aggregate figures are shown in the table below.

Other interest received	**2010**	**2009**
Jointly controlled entities	0.9	1.1
Associates	13.8	9.2
Total rental income	**14.7**	**10.3**
Receivables		
Jointly controlled entities	16.4	19.7
Associates	119.2	355.4
Total receivables	**135.6**	**375.1**

On 15 June 2010 Entra Eiendom AS agreed to buy the remaining 49 percent of the shares in Ribekk AS (formerly Optimo AS) that it did not already own. The acquisition cost for the shares was NOK 87.9 million, which can however be adjusted once actual figures are known for the estimated profit used to determine the sales price.

The agreement also include a clause on the property at Ringstabekkveien 105. The clause deals with any sale of the property within 5 years of the zoning plan being adopted. If this happens, the sales price stated above shall be corrected to take into account any gain in relation to the valuation at the time the contract was signed. The gain will be calculated based on the shareholdings prior to the signing of the sales contract. If the property is sold at a lower price than the valuation at the time the contract was signed, the vendors have a pre-emption right.

At the same time as the abovementioned transaction, Brekkeveien 8 was disposed of by the Ribekk Group. The sales price was NOK 47.0 million.

NOTE 27 EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are favourable or unfavourable events that take place between the balance sheet date and the date of the presentation of the financial statements. These events include events that provide information about situations that existed on the balance sheet date, and therefore have an impact on the accounts on the balance sheet date, or situations that have arisen after the balance sheet date, and therefore have no such accounting implications.

There have been no such events or situations after the balance sheet date.

NOTE 28 NON-CONTROLLING INTERESTS

All amounts in NOK millions

Company	Non-controlling interest's shareholding	Non-controlling interest's share of profit/loss in 2010*	Non-controlling interest's share of equity at 31 Dec. 2010	Non-controlling interest's share of profit in 2009	Non-controlling interest's share of equity at 31. Dec. 2009
Papirbredden Eiendom AS	40 %	22.0	94.9	34.4	72.9
Kristiansand Kunnskapspark Eiendom AS	49 %	4.7	9.4	-0.9	-4.5
Konsernet Brattørkaia AS*	48 %	-64.2	12.5	66.3	76.7
Konsernet Ribekk AS (formerly Optimo AS) **		3.7	12.7	15.7	109.4
Total non-controlling interests		**-33.9**	**129.4**	**115.5**	**254.5**

* Brattørkaia AS's performance was affected by costs running over from 2009.

** Entra Eiendom AS owns 100 percent of Ribekk AS (formerly Optimo AS) after buying out the non-controlling interests for NOK 87.9 million. Ribekk AS (formerly Optimo AS) owns 58.3 percent of Optimo Prosjekt AS.

NOTE 29 EARNINGS PER SHARE

Earnings per share are calculated as the profit for the year attributable to the shareholder of NOK 735.3 (631.2) million divided by the weighted average number of outstanding shares over the course of the financial year, which was 142,194 (142,194).

There are no dilution effects, so the diluted earnings per share are the same as the earnings per share.

	2010	2009
Comprehensive income for the year attributable to shareholder (NOK million)	735.3	595.1
Average number of outstanding shares (Note 16)	142 194	142 194
Earnings per share (NOK)	5 171	4 185

NOTE 30 THE GROUP'S INCOME STATEMENT AND BALANCE SHEET UNDER THE NORWEGIAN ACCOUNTING ACT AND NORWEGIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

All amounts in NOK millions

Consolidated income statement 1 Jan. - 31 Dec.	**2010**	**2009**
Rental income	1 513.8	1 452.6
Other operating revenue	72.3	230.1
Profit on the sale of property	68.9	57.9
Total operating revenue	**1 654.9**	**1 740.5**
Maintenance	66.1	59.4
Refurbishment costs	21.6	17.7
Other operating expenses	409.1	546.6
Depreciation	275.8	268.8
Writedowns	25.8	-
Total operating expenses	**798.4**	**892.5**
Operating profit	**856.5**	**848.0**
Interest and other finance income	70.0	22.2
Interest and other finance expenses	-624.1	-564.7
Net financial items	**-554.2**	**-542.5**
Profit before tax	**302.3**	**305.6**
Tax expense	67.6	82.3
Profit before non-controlling interests	**234.7**	**223.3**
Non-controlling interest's share of profit/loss	-9.3	19.0
Profit after non-controlling interests	**244.0**	**204.3**

NOTE 30 THE GROUP'S INCOME STATEMENT AND BALANCE SHEET UNDER THE NORWEGIAN ACCOUNTING ACT AND NORWEGIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONT...)

All amounts in NOK millions

Consolidated balance sheet 31 Dec.	2010	2009
Assets		
NON-CURRENT ASSETS		
Intangible assets		
Goodwill	-	5.5
Deferred tax assets	-	-
Other intangible assets	3.5	3.5
Total intangible assets	**3.5**	**9.0**
Property, plant and equipment		
Sites, buildings and other real property	12 995.5	12 397.0
Machinery, fixtures and fittings	46.3	44.3
Buildings under construction	1 015.0	1 070.3
Total property, plant and equipment	**14 056.8**	**13 511.6**
Non-current financial assets		
Investments in associates	542.3	216.7
Investments in shares/stakes	0.4	0.6
Other non-current receivables	153.3	401.6
Total non-current financial assets	**696.0**	**618.9**
Total non-current assets	**14 756.2**	**14 139.5**
CURRENT ASSETS		
Receivables		
Trade receivables	24.7	21.5
Other current receivables	56.4	208.9
Total current receivables	**81.1**	**230.4**
Bonds and commercial paper	-	-
Cash and cash equivalents	153.4	229.8
Total current assets	**234.5**	**460.2**
Total assets	**14 990.8**	**14 599.7**

NOTE 30 THE GROUP'S INCOME STATEMENT AND BALANCE SHEET UNDER THE NORWEGIAN ACCOUNTING ACT AND NORWEGIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONT...)

All amounts in NOK millions

Consolidated balance sheet 31 Dec.	2010	2009
Equity and liabilities		
EQUITY		
Paid-in capital		
Share capital	142.2	142.2
Share premium reserve	1 272.0	1 272.0
Total paid-in equity	**1 414.2**	**1 414.2**
Retained earnings		
Other equity	436.7	298.9
Total retained earnings	**436.7**	**298.9**
Non-controlling interest's share of equity	75.3	181.7
Total equity	**1 926.2**	**1 894.8**
LIABILITIES		
Provisions		
Pension liabilities	43.1	42.1
Deferred tax	195.8	130.3
Other provisions	23.0	35.0
Total provisions	**261.9**	**207.4**
Other non-current liabilities		
Bonds	4 020.0	3 520.0
Liabilities to financial institutions	5 555.0	5 070.0
Other non-current liabilities	53.5	35.3
Total other non-current liabilities	**9 628.5**	**8 625.3**
Current liabilities		
Commercial paper	2 650.0	2 185.0
Bonds	-	1 108.0
Current liabilities to financial institutions		-
Trade payables	141.5	212.4
Tax payable	3.2	18.9
Unpaid government taxes and duties	12.2	11.4
Dividend	124.6	114.5
Other current liabilities	242.6	222.1
Total current liabilities	**3 174.1**	**3 872.3**
Total liabilities	**13 064.5**	**12 704.9**
Total equity and liabilities	**14 990.8**	**14 599.7**

Financial statements Entra Eiendom AS

2010

Entra Eiendom AS 2010

Income statement
1 Jan.-31 Dec.

All amounts in NOK millions

	Note	2010	2009
Operating revenue			
Rental income	10	828 853 027	824 518 593
Gain on the sale of non-current assets	2	93 476 534	53 006 706
Other operating revenue		17 440 275	17 407 515
Total operating revenue		**939 769 835**	**894 932 815**
Operating expenses			
Maintenance costs	3	52 550 517	48 012 029
Refurbishment costs		21 627 065	17 533 821
Ordinary depreciation	2	132 348 938	133 782 122
Other operating expense	8,11,12	294 553 809	297 770 766
Total operating expenses		**501 080 328**	**497 098 739**
Operating profit		**438 689 507**	**397 834 076**
Financial income and expenses			
Income from investments in subsidiaries		-	83 960 353
Interest income from Group companies		219 665 655	211 424 058
Other interest income		16 958 591	18 192 548
Other finance income		12 562	1 692 348
Write-down of financial assets	4	-13 746 853	-67 989 000
Interest expense		-505 017 481	-506 342 199
Other finance expenses		-41 347 605	-17 821 414
Net financial items		**-323 475 130**	**-276 883 306**
Profit before tax		**115 214 377**	**120 950 770**
Tax on profit	9	43 164 096	52 553 149
Profit for the year		**72 050 281**	**68 397 621**
Distribution of the profit for the year			
Dividend		124 600 000	114 500 000
Other equity		-52 549 719	-46 102 379

Balance sheet
At 31 Dec.

All amounts in NOK millions

	Note	2010	2009
Assets			
NON-CURRENT ASSETS			
Property, plant and equipment			
Sites, buildings and other real property	2	5 637 636 261	5 741 219 377
Machinery, fixtures and fittings	2	25 941 600	24 668 710
Buildings under construction	2	847 994 072	481 539 939
Total property, plant and equipment		**6 511 571 933**	**6 247 428 026**
Non-current financial assets			
Loans to Group companies	5	26 546 224	23 094 382
Investments in subsidiaries	4	1 282 903 369	997 610 504
Investments in associates and jointly controlled entities	4	448 781 317	190 180 916
Loans to associates and jointly controlled entities	5	133 190 407	372 937 321
Investments in shares/stakes		50 000	290 000
Receivables from Group companies	5,6	4 152 719 409	-
Other non-current receivables	5	20 303 676	26 299 598
Total non-current financial assets		**6 064 494 402**	**1 610 412 721**
Total non-current assets		**12 576 066 335**	**7 857 840 747**
CURRENT ASSETS			
Receivables			
Trade receivables	6	19 253 946	6 777 212
Receivables from Group companies	6	110 030 322	4 302 336 154
Other current receivables		21 693 206	66 412 718
Total receivables		**150 977 475**	**4 375 526 084**
Cash and cash equivalents	7	36 017 453	17 458 940
Total current assets		**186 994 928**	**4 392 985 024**
Total assets		**12 763 061 263**	**12 250 825 771**

Balance sheet
At 31 Dec.

All amounts in NOK millions

	Note	2010	2009
EQUITY			
Paid-in capital			
Share capital	1	142 194 000	142 194 000
Share premium reserve	1	1 271 983 762	1 271 983 762
Total paid-in equity		**1 414 177 762**	**1 414 177 762**
Retained earnings			
Other equity	1	500 661 946	553 211 665
Total retained earnings		**500 661 946**	**553 211 665**
Total equity	1	**1 914 839 707**	**1 967 389 426**
LIABILITIES			
Provisions			
Pension liabilities	8	43 099 428	42 053 003
Deferred tax	9	158 776 499	114 598 377
Other provisions	13	22 325 324	31 514 141
Total provisions		**224 201 251**	**188 165 521**
Other non-current liabilities			
Bonds	5	2 920 000 000	3 528 000 000
Liabilities to financial institutions	5	4 430 000 000	3 915 000 000
Other non-current liabilities	5	25 352 317	29 396 264
Total other non-current liabilities		**7 375 352 317**	**7 472 396 264**
Current liabilities			
Trade payables	6	95 005 353	146 460 852
Liabilities to group companies	6	191 707 253	-
Taxes due		8 152 729	7 373 652
Dividend		124 600 000	114 500 000
Commercial paper	5	2 650 000 000	2 185 000 000
Other current liabilities		179 202 651	169 540 056
Total current liabilities		**3 248 667 987**	**2 622 874 560**
Total liabilities		**10 848 221 555**	**10 283 436 345**
Total equity and liabilities		**12 763 061 263**	**12 250 825 771**

Oslo, 17 March 2011
The Board of Directors of Entra Eiendom AS

Grace Reksten Skaugen
Chair of the Board

Martin Mæland
Vice-chair

Finn Berg Jacobsen
Board member

Åse Koll Lunde
Board member

Ottar Brage Guttelvik
Board member

Tore Benediktsen
Board member

Mari Fjærbu Åmdal
Board member

Kyrre Olaf Johansen
Chief Executive Officer

Statement of cash flows

All amounts in NOK millions

	Note	2010	2009
Cash flow from operating activities			
Profit before tax		115 214 377	120 950 770
Tax paid for the year		525 336	5 600 000
Gain/loss on the sale of non-current assets	2	-93 476 534	-53 006 706
Gain/loss on the sale of shares		22 387 688	-1 353 800
Expensed interest on loans from financial institutions		526 388 414	513 414 303
Paid interest on loans from financial institutions		-537 943 124	-500 068 211
Writedowns of shares	4	4 158 853	67 989 000
Ordinary depreciation	2	132 348 938	133 782 122
Changes in trade receivables		-12 476 734	9 391 880
Changes in trade payables		-51 455 499	73 663 048
Difference between pension expense and payments into/out of pension schemes	8	1 046 425	9 862 916
Accrued interest income		-18 646 809	-
Change in other accruals		49 402 420	-18 841 415
Net cash flow from operating activities		**137 473 750**	**361 383 906**
Cash flow from investment activities			
Sales of property, plant and equipment	2	260 610 796	89 980 000
Purchase of investment properties	2	-8 178	-173 130
Cost of upgrades to investment properties	2	-536 946 768	-446 408 768
Purchases of moveables, machinery and equipment	2	-12 072 161	-9 500 261
Sales of shares and stakes in other enterprises		20 080 958	6 533 000
Purchase of shares		-209 451 718	-22 892 226
Investments in associates and jointly controlled entities		-1 320 000	-
Loans to associates and jointly controlled entities	5	-45 150 000	-185 137 038
Net change in cash pool balance of subsidiaries	7	151 293 676	-586 459 263
Repayment of loans to subsidiaries		-	391 476 118
New loans to subsidiaries		-3 451 842	-18 487 534
Net cash flow from investment activities		**-376 415 237**	**-781 069 101**
Cash flow from financing activities			
New non-current liabilities		2 540 500 000	2 556 453 618
New current liabilities		3 515 000 000	2 800 000 000
Repayment of non-current liabilities		-2 633 500 000	-1 996 043 946
Repayment of current liabilities		-3 050 000 000	-2 985 000 000
Dividends paid		-114 500 000	-
Net cash flow from financing activities		**257 500 000**	**375 409 671**
Net change in cash and cash equivalents		18 558 513	-44 275 524
Cash and cash equivalents at the start of the year		17 458 940	61 734 464
Cash and cash equivalents at the end of the year		**36 017 453**	**17 458 940**

ACCOUNTING POLICIES

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

GENERAL PRINCIPLES FOR MEASUREMENT AND CLASSIFICATION OF ASSETS AND LIABIITIES

Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that are repayable within a year are classified as current assets. When classifying current and non-current liabilities, equivalent criteria have been applied. Current assets are measured at the lower of cost and fair value.

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

Other non-current liabilities and current liabilities are measured at their face value.

SUBSIDIARIES/ASSOCIATES/JOINTLY CONTOLLED ENTITIES

Investments in subsidiaries and jointly controlled entities are included in the company accounts using the cost method. Investments are written down to their fair value if the reduction in value is other-than-temporary and the write-down appears to be necessary in accordance with generally accepted accounting principles. The same applies to investments in associates.

Dividends and Group contributions from subsidiaries are recognised as income from the investment in the subsidiary in the year that the allocation is made by the subsidiary. Dividends and Group contributions from subsidiaries that exceed the retained earnings over the period of ownership are considered repayments of the acquisition cost.

FOREIGN CURRENCY

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

RENTAL INCOME

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

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

PENSIONS

Pension costs and pension liabilities are calculated using a linear accumulation model based on assumptions relating to discount rates, projected salaries, the level of benefits from the National Insurance Scheme and future returns on pension scheme assets, as well as actuarial calculations of mortality, voluntary early retirement, etc. The net pension liability is the difference between the present value of pension obligations and the value of pension scheme assets allocated to pay for those benefits. Pension scheme assets are measured at fair value. Changes in liabilities due to changes in pension plans are allocated over the expected remaining contribution period. Actuarial gains and losses, and the impact of changes to actuarial assumptions, are amortised over the remaining expected contribution period if they exceed 10 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 in 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).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised on the balance sheet and are depreciated to a schedule over the anticipated useful life of the assets. Direct maintenance of property, plant and equipment is recognised in the income statement on an arising basis. Additions or improvements are added to the asset’s cost price and are depreciated in line with the asset.

Maintenance costs for large rehabilitation projects are described as rehabilitation costs in the accounts. This is done to distinguish them from ongoing, ordinary maintenance of the general management portfolio. The portion of the rehabilitation costs for these projects that represents additions or improvements is recognised on the balance sheet, whilst the remainder is charged as an expense. The accounting implications of this are described in note 2.

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

RECEIVABLES

Trade receivables and other receivables are shown at nominal value after provisions for anticipated bad debts. Provisions for bad debts are made on the basis of individual assessments of the individual receivables.

SHORT-TERM INVESTMENTS

Short-term investments (bonds which are considered current assets) are 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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank deposits and other short-term, highly liquid investments with an original term to maturity of no more than three months.

The company has an account in a Group cash pooling arrangement and finances its subsidiaries' liquidity requirements.

CONTINGENT LIABILITIES

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

NON-CURRENT LIABILITIES

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

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

The company has chosen to apply accounting principles which mean that changes in the value of the company's interest rate swaps are not recognised in the income statement. Hedged items are carried at their nominal value.

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

Entra Eiendom AS is the parent company of a group of companies.

The consolidated financial statements are published at www.entra.no

NOTE 1 EQUITY

All amounts in NOK thousands

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.

	Share capital	Share premium reserve	Other equity	Total
Equity at 1 Jan. 2010	142 194	1 271 984	553 212	1 967 389
Profit/loss for the year			72 050	72 050
Dividend appropriation			-124 600	-124 600
Equity at 31 Dec. 2010	**142 194**	**1 271 984**	**500 662**	**1 914 840**

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

All amounts in NOK thousands

	Sites*	Buildings	Machinery and moveables	Art*	Buildings under construction*	Total property, plant and equipment
Acquisition cost 1 Jan. 2010	546 079	6 009 423	68 704	5 732	481 540	7 111 477
Acquisitions	8	168 148	11 935	175	536 669	716 934
Disposals	-5 175	-160 183	-186	-	-170 215	-335 759
Acquisition cost 31 Dec. 2010	540 912	6 017 387	80 453	5 906	847 994	7 492 653
Accumulated depreciation 1 Jan. 2010	-	814 282	49 767	-	-	864 049
Depreciation for the year **		122 960	10 727	-	-	133 688
Disposals	-	-16 580	-77	-	-	-16 657
Accumulated depreciation 31 Dec. 2010	-	920 662	60 418	-	-	981 080
Carrying amount as of 31 Dec. 2010	**540 912**	**5 096 725**	**20 035**	**5 906**	**847 994**	**6 511 571**
Anticipated economic life		50 years	3, 4, 10 years			
Depreciation schedule		Linear	Linear			

Acquisitions of buildings includes NOK 11,828,346 of interest on capitalised construction loans. Gains on the sale of non-current assets totalled NOK 94,822,405.

Losses on the sale of non-current assets totalled NOK 1,345,871. The net gain amounted to NOK 93,476,534. In 2010 we sold 12 properties. This year's capitalised refurbishment costs total NOK 73,788,971.

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

** The difference between this year's depreciation set out in the note and the total depreciation on the income statement is NOK 1,338,824. Moveables have been included on the balance sheet if the depreciation is charged to joint tenant expenses on the balance sheet.

NOTE 3 MAINTENANCE COSTS

The NOK 52,550,517 of maintenance costs for the year are in line with the long-term maintenance plan for the buildings.

NOTE 4 SUBSIDIARIES AND ASSOCIATES, ETC.

All amounts in NOK thousands

Entra Eiendom AS

Investments in subsidiaries, associates and jointly controlled entities are recognised using the cost method.

	Acquisition date	Business office	Shareholding and voting rights	Carrying amount
Subsidiary				
Oslo Z AS	20.09.2000	OSLO	100 %	80 000
Biskop Gunnerusgt. 14 AS	26.03.2001	OSLO	100 %	262 919
Universitetsgaten 2 AS	03.09.2001	OSLO	100 %	215 096
Kunnskapsveien 55 AS	17.12.2001	OSLO	100 %	58 714
Entra Kultur 1 AS	28.02.2002	OSLO	100 %	1 275
Kristian Augustsgate 23 AS	01.02.2003	OSLO	100 %	68 963
Nonnen Utbygging AS	10.02.2003	OSLO	100 %	7 601
Langkaia 1 AS	21.11.2003	OSLO	100 %	20 060
Kjørboparken AS	21.12.2005	OSLO	100 %	62 025
Ribekk AS (formerly Optimo AS) **	02.10.2006	OSLO	100 %	182 256
Bispen AS	24.10.2007	OSLO	100 %	100 967
Pilestredet 28 AS	07.05.2008	OSLO	100 %	359
Hagegata 24 AS	01.10.2008	OSLO	100 %	14 563
Stakkevollveien 11 AS	12.03.2010	OSLO	100 %	15 907
Hagegata 23 Eiendom AS	29.03.2010	OSLO	100 %	94 643
Holtermanns veg 1-13 AS	24.09.2010	OSLO	100 %	10 303
Papirbredden Eiendom AS	10.01.2005	OSLO	60 %	60 446
Brattørkaia AS	31.01.2006	OSLO	52 %	24 087
Kristiansand Kunnskapspark Eiendom AS *	04.07.2005	KRISTIANSAND	51 %	2 721
				1 282 903

* Shares in Kristiansand Kunnskapspark Eiendom AS have been written down by NOK 13,746,853.

** The company's ownership interest in Ribekk AS (formerly Optimo AS) was increased from 51 percent to 100 percent in 2010.

NOTE 4 SUBSIDIARIES AND ASSOCIATES, ETC. (CONT...)

All amounts in NOK thousands

	Acquisition date	Business office	Shareholding and voting rights	Carrying amount	Carrying amount 31.12.2010	Profit after tax 2010
Jointly controlled entities						
UP Entra AS Group	31.12.2003	HAMAR	50.00 %	31 297	113 800	32 129
Oslo S. Utvikling AS	01.07.2004	OSLO	33.33 %	406 621	1 246 471	121 891
Associates						
Ullandhaug Energi AS	07.07.2009	STAVANGER	44.00 %	6 490	12 473	-658
Kunnskapsbyen Eiendom AS	31.12.2004	OSLO	33.75 %	3 746	16 721	1 041
Youngstorget Parkeringshus AS	16.11.2005	OSLO	21.26 %	463	490	-44
Tverrforbindelsen AS	24.04.2009	TRONDHEIM	16.67 %	165	646	-197
				448 781		

NOTE 5 RECEIVABLES, LIABILITIES AND FINANCIAL INSTRUMENTS

Proportion of receivables which fall due after more than one year	2010 (NOK thousands)	2009 (NOK thousands)
Loans to Group companies	27	23
Loans to Group companies (group cash pooling arrangement, non-current)	4 153	-
Options	4	4
Loans to associates	133	373
Loans to tenants	-	-
Accrual of fees on financial instruments	17	23
Total non-current receivables	**4 333**	**422**

Proportion of non-current liabilities with a term to maturity of more than 5 years	2010 (NOK millions)	2009 (NOK millions)
Bonds	825	325
Other non-current liabilities	1 200	1 200
Total	**2 025**	**1 525**

Maturity structure of non-current liabilities	Year	2010 Loan value (NOK millions)	2009 Loan value (NOK millions)
	2010	-	1 137
	2011	1 204	500
	2012	691	670
	2013	2 030	2 215
	2014	1 425	1 425
	2015	-	-
	Later than 5 years	2 025	1 525
Totalt		**7 375**	**7 472**

Undrawn credit facilities

At 31/12/2010, the maturity structure of the company's new undrawn credit facilities was as follows

Maturity structure of committed, undrawn credit facilities	Year	2010 Loan value (NOK millions)	2009 Loan value (NOK millions)
	2011	700	1 400
	2012	1 000	1 500
	2013	720	535
	2015	1 000	-
	2017	-	500
	2018	1 000	1 000
Total		**4 420**	**4 935**

Special terms and conditions in Entra Eiendom AS's loan agreements
In general the Group's financing is based on negative pledge clauses.

Loans and interest rate hedges
Interest rate hedging at Entra Eiendom AS is part of the Group's overall risk management, and must be viewed in that context. 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 Group's guidelines on managing interest rate risk are expressed as a preferred interest rate structure (standard portfolio). The standard portfolio specifies the Group's requirements with respect to the weighted term and time segments.

At 31 December 2010, the average remaining term of Entra Eiendom AS's interest bearing liabilities was 3.5 years. The average interest rate on Entra Eiendom AS's portfolio of loans and interest-rate hedges was 5.28 percent at 31 December 2010.

Entra Eiendom AS's portfolio of loans and interest rate hedges has the following interest rate structure

		2010 Loan value (NOK millions)	2009 Loan value (NOK millions)
Up to one year	43 %	4 250	3 293
1-2 years	3 %	300	500
2-4 years	15 %	1 500	2 885
4-6 years	17 %	1 650	1 425
6-8 years	7 %	700	1 200
over 8 years	16 %	1 600	325
Total	**100 %**	**10 000**	**9 628**

The effect of the company's interest rate hedges is shown under financial items/interest expenses in the income statement. The fair value of the company's portfolio of interest rate hedges is not shown on the balance sheet.

Interest-bearing liabilities associated with hedging activities
Entra Eiendom AS uses interest rate derivatives to manage the interest rate risk arising from its interest-bearing liabilities. The company's debt financing consists of bank loans, as well as commercial paper and bonds. The bank loans are subject to variable interest rates. Commercial paper is subject to variable interest rates. The company has issued both fixed-rate and variable-rate bonds. Outstanding fixed-rate bonds are hedged using fixed-to-variable interest rate swaps. As a result, the hedged bonds are classified as part of the company's portfolio of variable rate loans. The company's exposure to variable interest rates is hedged for cash flow risk using variable-to-fixed interest rate swaps.

Cash flow hedging

Entra Eiendom AS's liabilities are directly or indirectly subject to variable interest rates. Entra Eiendom AS uses variable-to-fixed interest rate derivatives to manage the company's interest rate risk. Cash flows are hedged by matching the terms and volumes of the interest rate derivatives with the expected maturity profile of the company's interest-bearing liabilities. The expected maturity profile of Entra's interest-bearing liabilities is based on an assessment of the need to refinance existing liabilities and to obtain additional financing.

The table below shows that after taking into account cash flow hedges, 73 percent of the company's interest-bearing liabilities are effectively subject to fixed interest rates. Changes in NIBOR rates will therefore affect the interest expense on 27 percent of the company's interest-bearing liabilities.

Cash flow hedging	**2010 (NOK millions)**	**2009 (NOK millions)**
Hedged item		
Variable interest rate debt	10 000	9 628
Hedge		
Interest rate swaps (variable-to-fixed))	7 300	8 500
Interest rate swaps (fixed-to-variable)	-	36
Hedge ratio (unhedged position)	**2 700**	**1 164**
Hedge ratio (% hedged)	**73 %**	**88 %**

Changes in the cash flow hedges over the financial year

Change in value	**2010 (NOK millions)**	**2009 (NOK millions)**
Opening balance – market value of liability	507	719
Change in value	114	-212
Closing balance – market value of liability	**621**	**507**

The fair value of the company's interest rate swaps used as cash flow hedges specifies the present value of the contractual fixed-interest rate agreements. The present value represents the market value of the company's liabilities to the counterparty of the interest rate swaps. The change in value over the financial year represents the change in the market value of liabilities. The reason for the increase in the market value of the company's liabilities for the financial year 2010 was falling market interest rates.

Fair value hedging
Entra Eiendom AS has the following fair value hedges for the company's outstanding fixed-rate bonds

Fair value hedging 2010 (All amounts in NOK millions)	**Total**	**Maturity structure** Up to 1 year	1-5 years	> 5 years
Hedged item				
Fixed interest rate debt	**2 470**	-	1 645	825
Hedge				
Interest rate swaps (fixed-to-variable)	**2 470**	-	1 645	825
Hedge ratio (unhedged position)	**-**	**-**	**-**	**-**
Hedge ratio (% hedged)	**100 %**			

Fair value hedging 2009 (All amounts in NOK millions)	**Total**	**Maturity structure** Up to 1 year	1-5 years	> 5 years
Hedged item				
Fixed interest rate debt	**2 574**	604	1 645	325
Hedge				
Interest rate swaps (fixed-to-variable)	**2 574**	604	1 645	325
Hedge ratio (unhedged position)	**-**	**-**	**-**	**-**
Hedge ratio (% hedged)	**100 %**			

Changes in the value of fair value hedges over the financial year

Change in value (All amounts in NOK millions)	**2010**	**2009**
Opening balance – market value of liabilities (+) /receivables (-)	19	44
Change in value	-43	-26
Closing balance – market value of liabilities (+) /receivables (-)	**-24**	**19**

At 31 December 2010, the market value of the company's fair value hedges amounts to a receivable.

NOTE 6 INTERGROUP BALANCES

All amounts in NOK thousands

Receivables	2010	2009
Trade receivables	2 015	1 480
Current receivables from, and loans to, Group companies	110 030	4 302 336
Non-current receivables from, and loans to, Group companies	4 179 266	23 094
Total	**4 291 311**	**4 326 910**

Liabilities	2010	2009
Trade payables	7 814	36 629
Current liabilities to Group companies	191 707	-
Total	**199 522**	**36 629**

The company has established a Group cash pooling arrangement. It is the net bank deposits that are presented as Entra Eiendom AS's cash at bank. In 2010 the company signed long-term loan agreements with its subsidiaries. Loans to subsidiaries are classified as current financial assets (short-term) and non-current financial assets (long-term).

NOTE 7 RESTRICTED ASSETS

All amounts in NOK thousands

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

	2010	2009
Tax withholding account	**6 135**	**6 092**

NOTE 8 PENSIONS

All amounts in NOK thousands

The company has pension schemes that cover a total of 140 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 percentage of full-time equivalents 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.

All amounts in NOK thousands

	31 Dec. 2010	31 Dec. 2009
Present value of pensions earned this year	11 951	12 834
Interest expenses on the pension liability	5 806	5 174
- Return on pension scheme assets	-3 900	-3 461
Change in estimate recognised in income statement	142	2 160
Administrative expenses of SPK	255	204
Employer's NICs	1 990	2 080
Net pension expense SPK	**16 242**	**18 991**
Life expectancy adjustment, 1943-1953 cohorts, recognised in income statement	-392	-
Change to indexing of retirement pension, recognised in income statement	-5 558	-
- 2 percent employee pension contributions	-1 453	-1 473
+ Year's change in liability for CEO's unfunded pension scheme	3 000	1 577
Pension expense for the year	**11 838**	**19 096**

	31 Dec. 2010	31 Dec. 2009
Estimated pension liabilities at 31 Dec.	133 730	112 024
Pension scheme funds at 31 Dec.	-74 356	-66 315
Effect of actuarial gains/losses not charged to income	-26 313	-10 936
Net pension liabilities on balance sheet before employer's NICs	33 061	34 773
Employers' National Insurance Contributions	4 662	4 903
Net pension liabilities after employer's NICs	**37 722**	**39 676**
Liability for CEO's unfunded pension scheme	5 377	2 377
Total net pension liabilities after employer's NICs	**43 099**	**42 053**

Assumptions	**2010**	**2009**
Discount rate	3.80 %	5.40 %
Anticipated salary increases	4.00 %	4.25 %
Anticipated pension increase	3.00 %	4.00 %
Anticipated adjustment to the National Insurance Scheme's basic amount ("G")	3.75 %	4.00 %
Anticipated return on pension scheme assets	5.60 %	5.60 %
Anticipated take-up percentage for early retirement scheme (AFP)	40.00 %	60.00 %
Disability table used	200 % K63	200 % K63
Mortality table used	K2005	K2005

The actuarial assumptions are based on generally accepted assumptions in the insurance industry with regard to demographic factors.
The CEO has a separate pension plan that is discussed in Note 11. The scheme covers salary over and above 12G in addition to the scheme with the Norwegian Public Service Pension Fund.

NOTE 9 TAX

All amounts in NOK thousands

Tax for the year breaks down as follows	2010	2009
Tax payable	-	-
Excess provision in previous year (government stimulus package)	-525	-5 600
Correction of deferred tax for last year	-490	-
Correction of permanent differences for last year	1	-
Change in deferred tax	44 178	58 153
Total tax	**43 164**	**52 553**

Calculation of the tax base for the year	2010	2009
Profit before tax	115 214	36 990
Group contributions received	1 745	83 960
Corrections to previous years not recognised in income statement	-3	-
Permanent differences*	38 946	66 739
Basis for tax for the year	155 903	187 690
Correction to deferred tax 2009 (government stimulus package)	1 876	20 000
Change in differences included in the calculation of deferred tax	-157 779	-207 690
Tax base for the year	**-**	**-**

Overview of temporary differences	Change	2010	2009
Receivables	486	-700	-214
Non-current assets	-249 148	869 093	619 945
Provisions in accordance with generally accepted accounting principles	-16 971	-22 325	-39 296
Pensions	1 046	-43 099	-42 053
Gains and losses	-25 782	175 108	149 326
Net temporary differences	-290 368	978 076	687 708
Correction income carried forward	-	-	-
Loss carried forward	132 589	-411 017	-278 428
Basis for deferred tax on the balance sheet	**-157 779**	**567 059**	**409 280**
28 % deferred tax	-44 178	158 776	114 598
Deferred tax/Deferred tax assets on the balance sheet	**-44 178**	**158 776**	**114 598**

Explanation of why tax for the year does not equal 28 % of profit before tax	2010	2009
28 % tax on profit before tax	32 260	33 866
Permanent differences (28 %)*	10 904	18 687
Calculated tax	**43 164**	**52 553**
Nominal tax rate	28 %	28 %

* Includes: Non-deductible expenses, such as representation, gains on the sale of shares and write-downs of shares.

NOTE 10 RENTAL INCOME

All amounts in NOK thousands

Geographical distribution	2010	2009
Eastern Norway	554 301	547 105
Southern Norway	73 208	83 096
Western Norway	119 084	113 265
Central and Northern Norway	82 260	81 053
Total	**828 853**	**824 519**

NOTE 11 PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATION ETC.

All amounts in NOK thousands

Payroll and personnel costs	2010	2009
Salaries, fees, etc.	97 321	83 238
Employers' National Insurance Contributions	13 341	12 050
Pension expenses	11 639	19 096
Other expenses	784	555
Other personnel costs	8 843	8 495
Total	**131 928**	**123 432**
Personnel costs reclassified as development costs for buildings	-5 551	-4 421
Personnel costs reclassified as shared costs for buildings	-33 205	-30 455
Personnel costs reclassified as owner costs for buildings	-8 998	-9 224
Total payroll and personnel costs	**84 174**	**79 332**

Over the year, on average 139.8 full-time equivalent staff worked at the company.

Payments to leading employees and the Board of Directors	Salary	Performance-related pay	Benefits in kind	Estimated pension expense	Total compensation 2010	Total compensation 2009
Key employees						
Kyrre Olaf Johansen, CEO	2 878	570	239	2 315	6 003	5 907
Rune Olsø, Deputy CEO since 10 May 2010	2 266	293	108	114	2 781	2 189
Anne Harris, CFO, joined the company 1 Oct. 2010	600	-	29	29	658	-
Sverre Vågan, Director of Human Resources	1 092	117	135	114	1 458	1 334
Nils Fredrik Skau, Technical Director	1 346	164	113	114	1 737	1 567
Bjørn Holm, Director of Projects and Development	1 415	186	133	114	1 847	1 608
Ingrid Schiefloe, Director of Communication and Corporate Social Responsibility	1 050	-	140	114	1 305	-
Anders Solaas, Director of Marketing, joined the company 16 Aug. 2010	512	-	53	46	612	-
Former employees	-	-	-	-	-	8 049
Total	**11 160**	**1 330**	**950**	**2 961**	**16 401**	**20 655**

All amounts in NOK thousands

	Board fees	Committee fees	Total compensation 2010	Total compensation 2009
The Board of Directors*				
Grace Reksten Skaugen, Chair	352	40	392	392
Martin Mæland, Vice-chair	173	25	198	198
Finn Berg Jacobsen, Board member	173	55	228	228
Gerd Kjellaug Berge, Board member	173	25	198	198
Ottar Brage Guttelvik, Board member	173	40	213	213
Tore Bendiktsen, employee representative**	173	-	173	173
Mari Fjærbu Åmdal, employee representative**	173	-	173	173
Total	**1 390**	**185**	**1 575**	**1 575**

* The Board and committee members received no other compensation than what is set out in the table.
** Does not include ordinary salary.

The company has a performance-related pay scheme that covers all employees. Payments are based on the results achieved by the company (IPD), customer satisfaction and individual goals.

The CEO has an individual bonus scheme that is based on an assessment of goal achievement. Any bonus for 2010 is determined by the Board in 2011. 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.

Auditor's fee	**2010**	**2009**
Statutory audit	1 095	1 110
Other auditing services	78	-
Tax advice	85	430
Other services not related to auditing	336	332
Total auditor's fee (excl. VAT)	**1 593**	**1 873**

NOTE 12 OTHER OPERATING EXPENSES

All amounts in NOK thousands

	2010	2009
Management, operation and development of properties	138 973	124 573
Payroll and personnel costs	84 173	79 332
Other administrative costs	71 406	93 866
Total other operating expenses	**294 554**	**297 771**

NOTE 13 OTHER PROVISIONS

All amounts in NOK thousands

	2010	2009
Provision for rent payments	22 325	31 169
Other provisions	-	345
Total other provisions	**22 325**	**31 514**

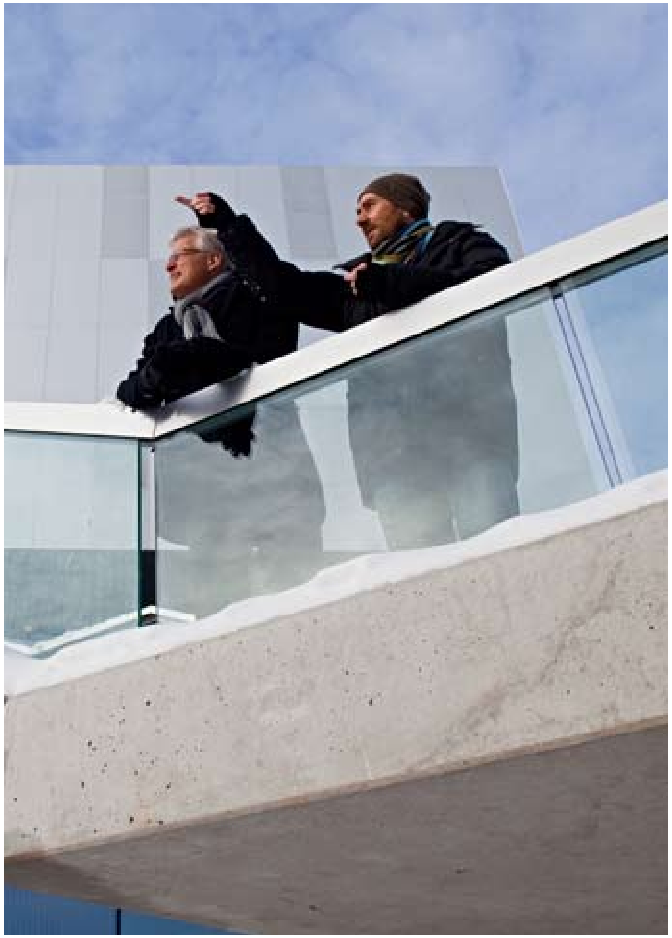
NOTE 14 RELATED PARTY TRANSACTIONS

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

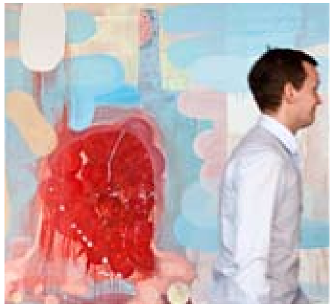
On 15 June 2010 Entra Eiendom AS agreed to buy the remaining 49 percent of the shares in Ribekk AS (formerly Optimo AS). The acquisition cost for the shares was NOK 87.9 million, which can however be adjusted once actual figures are known for the estimated profit used to determine the sales price.

The agreement also includes a clause on the property at Ringstabekkveien 105. The clause deals with any sale of the property within five years of the zoning plan being adopted. If this happens, the sales price stated above shall be corrected to take into account any gain in relation to the valuation at the time the contract was signed. The gain will be calculated based on the shareholdings prior to the signing of the sales contract.
If the property is sold at a lower price than the valuation at the time the contract was signed, the vendors have a pre-emption right.

At the same time as the above mentioned transaction, Brekkeveien 8 was disposed of by the Ribekk (formerly Optimo) Group. The sales price was NOK 47.0 million.



Auditor's report



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PricewaterhouseCoopers AS
Postboks 748 Sentrum
NO-0106 Oslo
Telefon 02316

To the Annual Shareholders' Meeting of Entra Eiendom AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Entra Eiendom AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2010, and the income statement and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2010, income statement, changes in equity, cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company give a true and fair view of the financial position for Entra Eiendom AS as at 31 December 2010, and of its financial performance and its cash

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flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group give a true and fair view of the financial position of the group Entra Eiendom AS as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 17 March 2011
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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Financial calendar

Q4 2010	*18 February 2011*
Q1 2011	*12 May 2011*
H1 2011	*25 August 2011*
Q3 2011	*11 November 2011*

Our offices

HEAD OFFICE

Entra Eiendom
Biskop Gunnerus gate 14 a
0185 Oslo

Postboks 52, Økern
0508 Oslo

Invoicing address:
Entra Eiendom AS
Fakturamottak
Boks 373 Økern
0513 Oslo
E-mail: faktura@entraeiendom.no

Telephone +47 21 60 51 00
Telefax +47 21 60 51 01

E-mail: post@entraeiendom.no
www.entra.no

REGIONAL OFFICES

Eastern Norway Region
Regional Director Jon Tallberg

Biskop Gunnerus gate 14 a
0185 Oslo

Postboks 52, Økern
0508 Oslo

Telephone +47 21 60 51 00
Telefax +47 21 60 51 01

Central and Northern Norway Region
Regional Director Karl Fredrik Torp

Brattørkaia 17 b
7010 Trondheim

Telephone +47 73 99 13 50
Telefax +47 73 99 13 51

Southern Norway Region
Regional Director Solveig Solbakken

Tordenskioldsgate 67
4614 Kristiansand

Postboks 524
4605 Kristiansand S

Telephone +47 38 70 11 00
Telefax +47 38 70 11 01

Region Vestlandet
Regional Director Jorunn Nerheim

Nonnesetergaten 4
5015 Bergen

Telephone +47 55 56 83 00