



Annual Report 2013



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The company



This is Entra

Entra is one of Norway's leading real estate companies. We develop, let and manage high quality office buildings with good locations. At the end of the year the company owns and manages approximately 1.2 million square metres, divided between more than 100 buildings. Each day more than 30,000 people work in buildings owned by Entra. At the end of year the real estate portfolio had a market value of around NOK 25 billion. Public sector tenants represents approximately 79 % of the customer portfolio.

The company is organised in four regions: Central Oslo, Greater Oslo, Southern and Western Norway and Mid- and Northern Norway. Entra has its head office in Oslo and regional offices in Bergen and Trondheim.

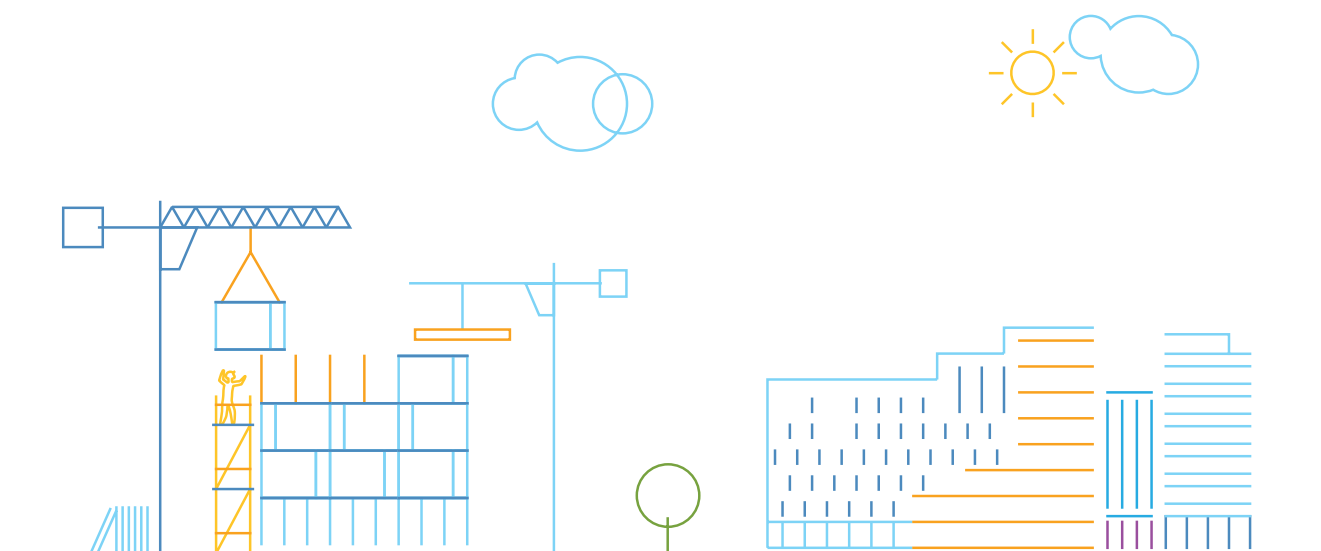
Our vision is to enhance the efficiency and reputation of our customers.

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

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

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

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



Key Figures and Highlights of 2013

Portfolio

- Purchase of 50 % of Hinna Park Eiendom AS in Stavanger
- Purchase of Vahlsgt 1–3 and Schweigaardsgate 16 in Oslo

Projects

- New building at Brattørkaia15 in Trondheim completed (BREEAM-NOR Excellent)
- Refurbishment of Fredrik Selmers vei 4 in Oslo completed (BREEAM-NOR Very Good)

Environment

- Confirmed position as an environmental leader, completed several projects with new, environmentally sustainable solutions
- Average energy consumption in the portfolio reduced by 6 % in 2013

Organisation

- New management, more efficient organisation and clear responsibility for results placed with the regions
- Total customer satisfaction score of 72 points against sector average of 69

Key Figures

All amounts in NOK million	2013	2012	2011	2010	2009
Financial					
Rental income	1 544	1 500	1 435	1 422	1453
Profit from property management	1 107	1 068	1 004	999	1006
Profit before value changes and tax	778	985	472	552	
Profit after tax	467	773	579	699	747
Operational					
Market value property portfolio	24 963	24 265	23 145	21 494	20 249
Net nominal interest-bearing debt	14 350	13 462	12 646	11 966	11 130
Debt ratio (%)	56.6	54.6	54.6	56.2	57.6
Interest coverage ratio	1.9	1.8	1.7		
Equity ratio (%)	30.0	30.9	31.1	31.3	30.6
Net value of assets – EPRA NAV	11 178	11 440	11 115		
Operational					
Total area (Gross)	1 218 040	1 201 237	1 214 181	1 206 178	1 152 127
Occupancy level management portfolio (%)	95.8	95.8	96.3	95.1	96.1
Weighted remaining lease term (years)	9.2	9.5	9.9	10.6	9.8
Energy consumption (kWh per square metre)	188	200	202	208	211
Proportion of public sector tenants (%)	79	81	80	79	80
LTI value*	7.1	3.7	6.3	6.9	7.1

* Number of injuries involving absence from work per million hours worked last 12 months.

Introduction from the CEO

Ready for a new era

2013 has been an exciting year for Entra and represents in many ways the start of a new era in the company's history. Since its demerger from Statsbygg in 2000 Entra has developed into one of the country's leading real estate companies and is today the leader in office property in Norway. We face with humility the challenge of maintaining this position as we begin the process of privatisation. Entra is however well prepared and the company has a set strategy with regard to profitability, customer satisfaction and our commitment to green buildings.

We are particularly proud of our ambition to be our industry's environmental leader. The challenge of climate change is real and our sector accounts for some 40 % of the world's energy consumption. The use of existing technology however can make a significant difference, and the sector can thus become part of the solution instead of being part of the problem. We look upon environmental leadership as a clear competitive advantage for our customers, our shareholders and ourselves. In Entra we are proud of working in a company that develops buildings that are environmentally leading in a global context. One example is Powerhouse at Kjørbo outside Oslo that over its life will produce more energy than it uses. At Fredrik Selmers vei 4 in Oslo in 2013 we have refurbished the first commercial building in Norway that achieves passive building standard and satisfies Energy class A and is certified as BREEAM Very Good.

HSE is our most important priority. Very many people work in our buildings, and we have responsibility for a number of ongoing construction projects. Our first thought must always be to remove the risk of injuries occurring. This is a personal responsibility. Reporting of undesired events, a focus on injury risks, increased training and the ability to promote HSE as a clear management responsibility are areas where we are following a targeted programme.

Entra is also a company that is close to its customers, something that is positively reflected in customer satisfaction surveys. In 2013 the company had a customer satisfaction score of 72 against a sector average of 69 according to

the Norwegian Tenant Index. An experienced operating organisation and the new customer call centre are important reasons for the good feedback from customers.

Entra works actively on portfolio management and has divested non-strategic properties at the same time as strengthening the company's position in core areas. Entra's strategy is to build on our presence in the four main cities in Norway, in central districts close to public transport. The year's largest transaction was the purchase of 50 % of Hinna Park Eiendom AS in Stavanger. We look forward to further developing this exciting area in the coming years. In Oslo, through our partly owned company Oslo S Utvikling, we have developed the Opera quarter to be one of Norway's most attractive office locations.

In spite of global challenges we now see some bright spots in the world economy. Norway has managed very well through the financial crisis and with continued population growth and urbanisation, we believe that demand for office premises in central districts will remain good.

In Entra we are concerned both as to how we work and what we deliver. Through clear result responsibility, good cooperation and a strong team spirit, we wish to continue in the future to be an important partner for our customers. Our vision is to contribute to our customers' efficiency and reputation. The workplace of the future is changing and in Entra we have considerable insight into how businesses can best handle such change processes. We are happy to share our knowledge with our customers to enable them to be as well equipped as possible in attracting and developing the expertise of tomorrow. In Entra, office solutions and office buildings are what we do best.



Klaus-Anders Nysteen

The business

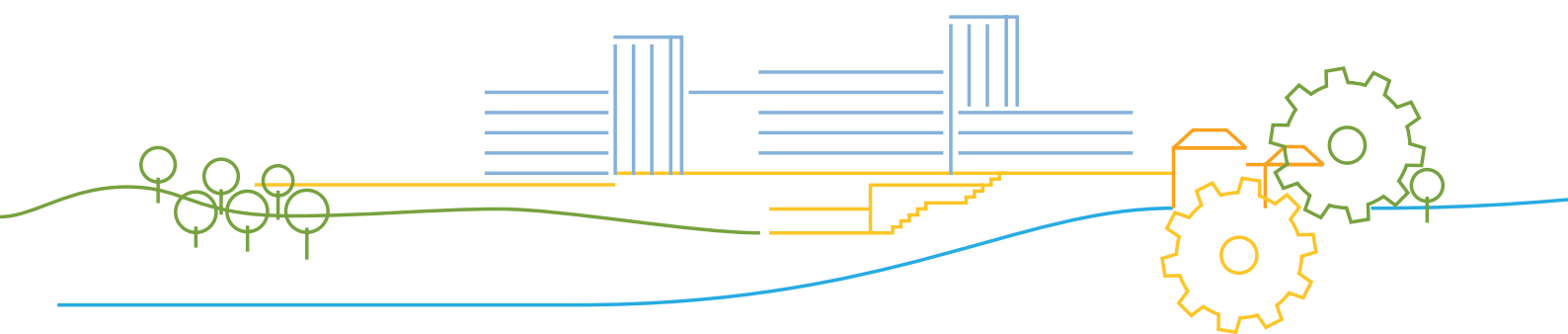
Entra is a leading owner, manager and developer of office property in Norway. The company has a fully integrated property platform with expertise that covers the entire value chain. At the end of 2013 Entra owned 109 buildings, and was the largest owner of office property in Oslo and one of the largest in Norway. The company had 152 employees at the end of the year.

The company is a professional owner and manager of its own property portfolio. Entra has particular expertise on the public sector, which also represents approximately 80 % of Entra's customers and tenants. Entra has a high level of customer satisfaction and has established its own customer centre, which arranges the professional handling of all customer requests with a rapid and efficient response time.

Entra operates all its properties with its own staff. Through a high level of technical competence and an on-the-spot presence the company's operations staff ensure that its buildings function optimally for customers every day.

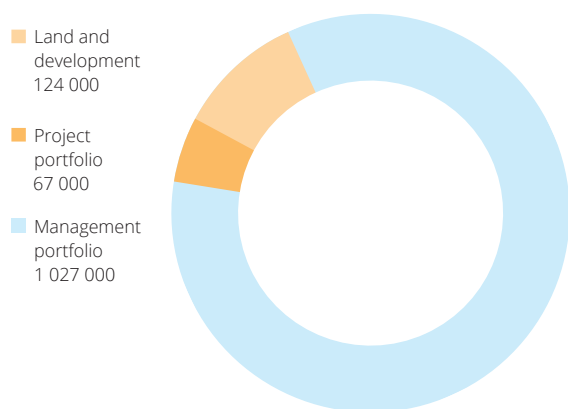
Entra creates value in its portfolio through property and project development. The company has considerable expertise and experience in early phase design, planning and building of new, and renovation of existing, office properties.

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

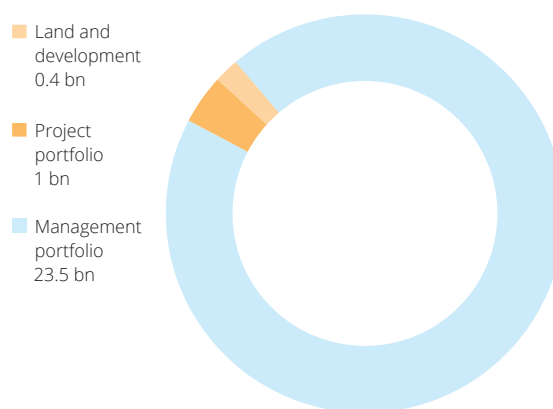


The property portfolio

The property portfolio consisted as at 31.12.13 of approximately 1,200,000 square meters divided by 109 buildings with a total market value of NOK 24.9 billion.



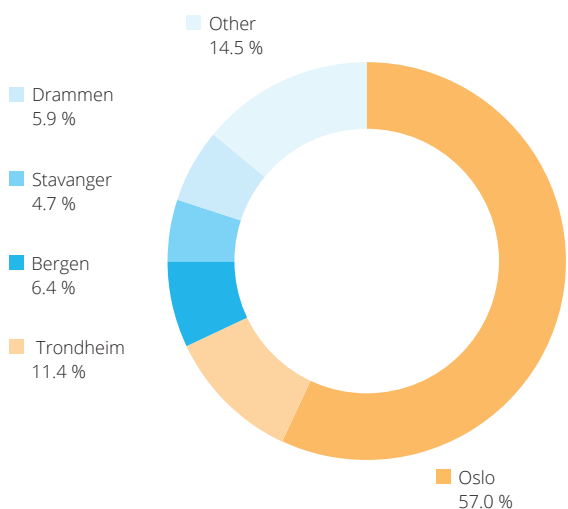
Total square metres as at 31.12.13



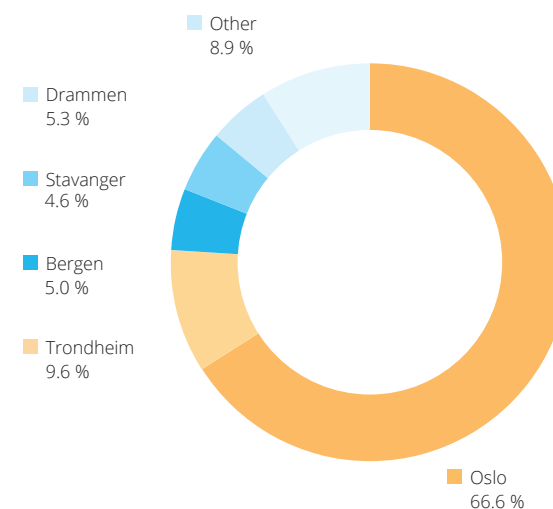
Market value as at 31.12.13 (NOK billion)

The main part of Entra's portfolio is concentrated in and around the four largest cities in Norway. Oslo, Bergen, Stavanger and Trondheim are also defined as the company's strategic growth and concentration areas for the future. Entra works continually to optimise the portfolio and has in this connection, among other things, acquired two properties in Oslo and sold eight smaller, non-strategic properties in 2013.

Since the start of 2014 Entra has completed the purchase of 50% of Hinna Park Eiendom AS, enhancing the company's market position in Stavanger. See comments on Hinna Park Eiendom AS below.



Geographic breakdown of square metres in the management portfolio as at 31.12.13



Geographic breakdown of market value in the management portfolio as at 31.12.13

* Oslo, including Sandvika (7.3 % of sqm, 5.7 % of value)

The regions

The company is organised into four regions around the four largest cities in Norway: Central Oslo, Greater Oslo, Southern and Western, and Central and Northern Norway. The Central Oslo region has responsibility for all the company's properties located in Oslo except for Helsfyr-Bryn. The Greater Oslo region covers the company's properties at Helsfyr-Bryn as

well as Drammen, Bærum, Skedsmo and in Østfold. The Southern and Western region covers Entra's properties in Bergen, Kristiansand and Arendal and the Central and Northern region covers the company's properties in Trondheim, Bodø and Tromsø.

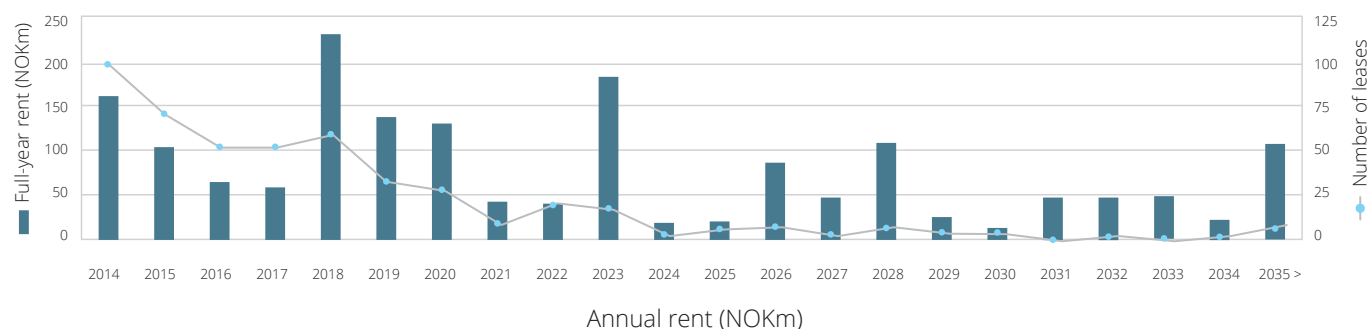
	Number of properties	Area (Thousand sqm.)	Contract rent (NOKm)	Occupancy (%)	Market value (NOKm)
Central Oslo	34	435	893	95.5	12 34
Greater Oslo	36	389	413	96.7	6 933
Southern and Western	23	190	230	93.8	2 989
Central and Northern	16	203	201	97.8	2 700
Total	109	1 218	1 684	95.8	24 963

Entra's property portfolio as at 31.12.13 including IFRIC 12 properties and properties used by the owner.

Tenants

One of Entra's strategic objectives is to be the best in terms of customer-experienced quality. The company seeks to stay close to its customers on a daily basis. Entra aims to achieve efficient and environment friendly operation of its properties and to be predictable so that customers know what they can expect. The company has satisfied customers. Figures from the Norwegian Tenant Index shows that Entra in 2013 achieved an aggregate customer satisfaction score of 72 points against a sector average of 69 points.

Approximately 80 % of Entra's tenants are from the public sector. The management portfolio has an occupancy level of around 96 % and vacancy in the portfolio has remained at a stable low level over time. The weighted remaining term of the company's leases was 9.2 years at the end of 2013. The maturity profile of the company's leases is illustrated in the figure below.



Project development

Entra has extensive experience and expertise in planning, design, renovation and construction of office buildings. The Development and Technology department is responsible for concept studies and development work, as well as management and execution of renovation and new building projects.

Entra has an extensive project portfolio. In 2013 Entra completed the following major projects

- A new office building at Brattørkaia 15 in Trondheim with the Norwegian Environment Agency as tenant was finalised in March 2013. The property totals around 20,000 square metres and achieved passive building standard, BREEAM-NOR Excellent certification and satisfies Energy Class A.
- Total renovation of Fredrik Selmers vei 4 in Oslo (building phase 1). The building consists of 30,800 square metres, which the Norwegian Tax Administration occupied in November 2013. Fredrik Selmersvei 4 is the first refurbished commercial building in Norway that has achieved passive building standard. The building satisfies Energy Class A and achieved a BREEAM Very Good certification. The project was nominated for the City Prize 2014.

The largest ongoing projects in the portfolio in 2014 are:

- Renovation of an office building at Kjørbo in Sandvika as a positive building (energy positive over its life, Powerhouse Kjørbo) – in total 6,850 square metres which is fully let to Asplan Viak.
- Renovation and new building of a new education centre for Bærum Municipality and Oslo and Akershus University College totalling 11,700 square metres at Øvre Torg 1 in Sandvika.
- New office building (new head office of Statoil Fuel & Retail) of 15,500 square metres at Schweigaardsgate 16 in Oslo.
- Renovation and new building of office building in Akersgaten 34–36. A total of 6,200 square meters, near fully let to Amedia.
- Renovation and refurbishment of old school building at Ringstadbekk in Bærum into residential units for seniors and a municipal service centre.

In addition planning, concept studies and tenant negotiations for new projects are ongoing. The largest relate to the Tullin and Sundt quarters in Oslo as well as Lars Hilles gate 30 in Bergen where work is continuing on developing the concept of MediaCity Bergen in cooperation with Oslo Pensjonsforsikring through Entra OPF.



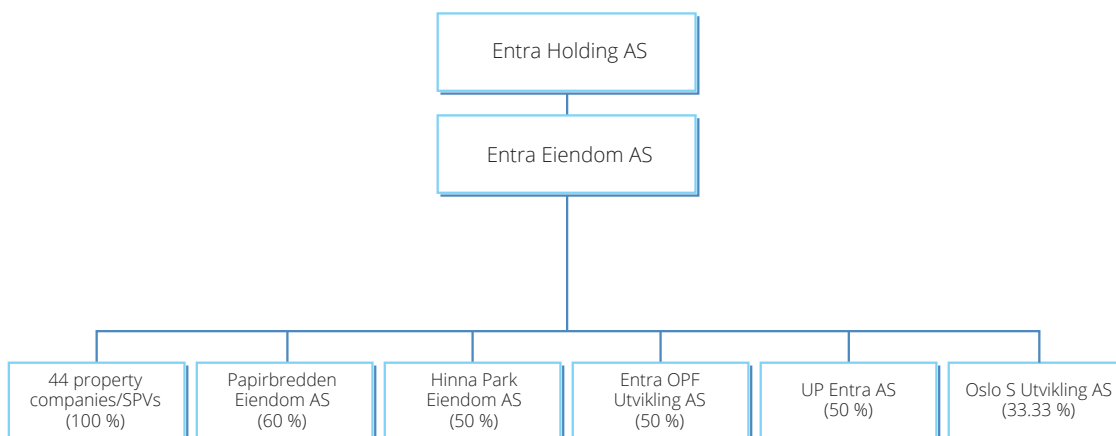
Fredrik Selmers vei 4, Helsefy (left)
Brattørkaia 15, Trondheim



Schweigaardsgate 16 i Oslo (left), Powerhouse Kjørbo, and Otto Sverdrups plass 4 in Sandvika.

Partner strategy and partly owned companies

The overall legal structure is described in the figure below together with a short summary of the companies in which Entra is involved.



Papirbredden Eiendom AS (60 %)

Entra Eiendom AS and Drammen Municipality own Papirbredden Eiendom AS. The company owns the properties Grønland 51, Grønland 56, Grønland 58, Grønland 60 and Kreftingsgate 33 in Drammen. All the properties are 100 per cent let. Marketing work is being carried out in order to prepare for a possible start on Papirbredden 3 and architectural work has been carried out on Kreftingsgate 33 in Drammen as a basis for planned zoning.

Hinna Park Eiendom AS (50 %)

On 1 February 2014 Entra took over 50 % of the shares in the newly established Hinna Park Eiendom AS. The company is owned together with Camar AS and Eføy Investering AS. Hinna Park Eiendom AS owns three fully let office buildings totalling 28,000 square metres, as well as a site with development potential for a further 46,000 square metres zoned for office use. It has recently been decided to commence construction of a new office building of 18,000 square metres following signature of a lease with Wintershall for approximately 80 % of the space. In addition Hinna Park Eiendom AS has its own marketing and operations organisation employing 13 people.

Entra OPF (50 %)

Entra Eiendom AS and Oslo Pensjonsforsikring (OPF) own the jointly controlled company Entra OPF Utvikling AS (50 % each). The company owns the properties Lars Hilles gate 30 and Allehelgens gate 6 in Bergen.

Allehelgens gate 6 is fully let to the police, which recently exercised an option to renew the lease for a further five years. In the case of Lars Hilles gate 30 plans are far advanced to develop the concept Media City Bergen. Currently final negotiations are taking place with the media companies (TV2, NRK, Bergen University, Bergensavisen, Bergens Tidene og Vizrt) for around 65 % of the space.

UP Entra AS (50 %)

UP Entra AS develops and manages some 70,000 square metres in the Hamar region, Kongsvinger and Lillehammer.

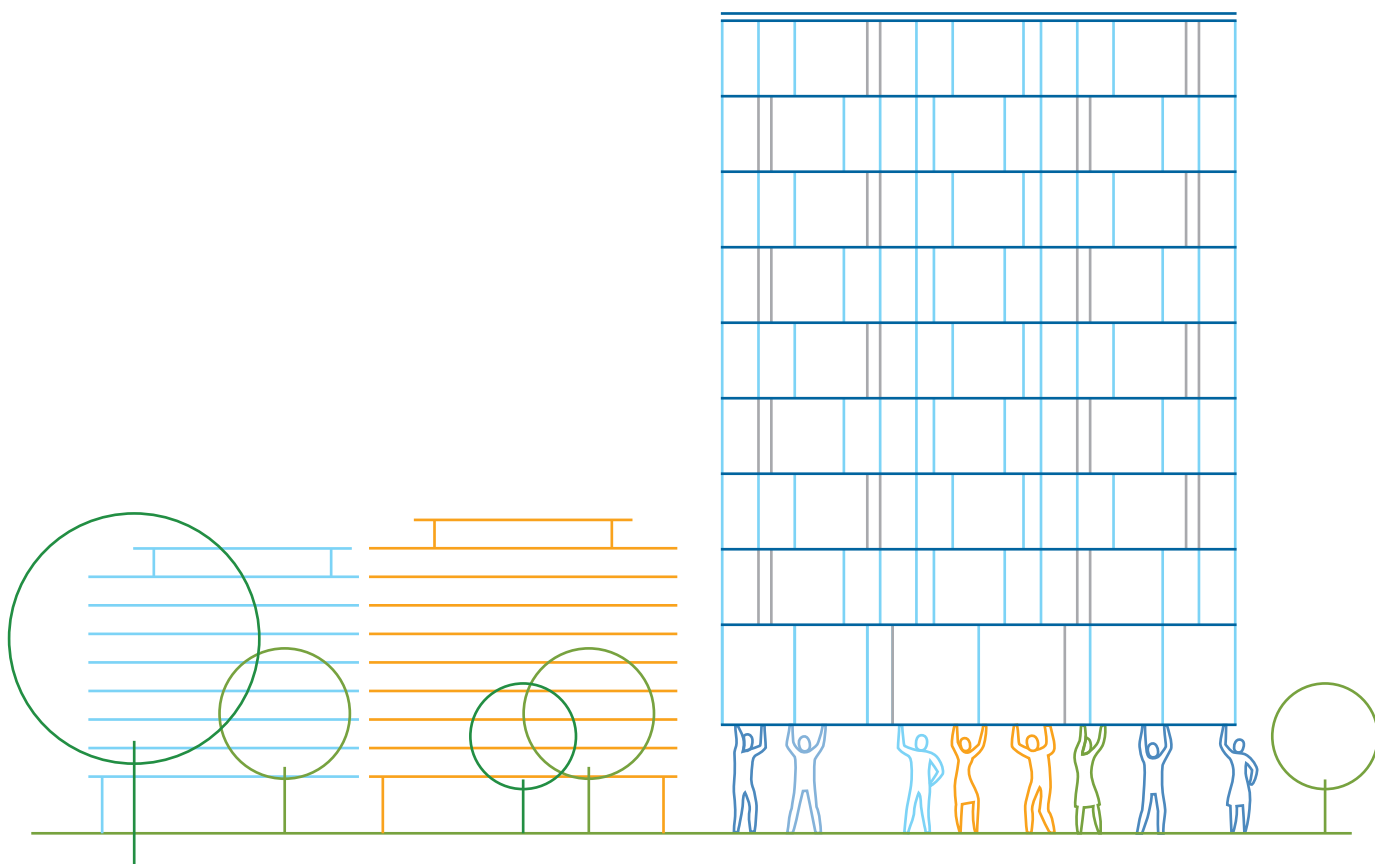
Oslo S Utvikling (33.33 %)

Oslo S Utvikling (OSU) is a property development company that is carrying out the development of parts of the Bjørvika central business district in Oslo. OSU is responsible for the development of around 350,000 square metres above ground and around 105,000 square metres below ground. OSU had completed some 163,000 square metres above ground and around 55,000 square metres below ground at the end of 2013.

Ownership

The Norwegian state, through the Ministry of Trade, Industry and Fisheries, owns 100 per cent of the shares in Entra Eiendom AS through Entra Holding AS. The shares in the company cannot be sold without special authorisation from the Norwegian parliament.

On 9 June 2011 the Norwegian parliament gave the government authorisation to reduce ownership in Entra down to 33.4 per cent in connection with a partial sale and/or listing of the company. In the supplemental proposal to the State Budget for 2014 the government was given an extended authorisation to sell its entire holding in Entra. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that preparations were being made to privatise Entra and that the privatisation process could be implemented without the sale of properties from Entra. On 11 March 2014 it was announced that ABG Sundal Collier, Goldman Sachs and Swedbank had been selected as financial advisors and managers for the privatisation process.



Group Management



Klaus-Anders Nysteen

CEO
Born: 1966
Employed: 2013
Education: Norwegian School of Economics, Naval Academy and Administrative Research Institute / Solheim.



Arve Regland

CFO
Born: 1972
Employed: 2014
Education: Business degree, BI Norwegian Business School, State authorised auditor, Norwegian School of Economics.



Hallgeir Østrem

EVP Legal
Born: 1967
Employed: 2013
Education: Law graduate.



Hege Njå Bjørkmann

EVP Communication
Born: 1977
Employed: 2013
Education: Business degree BI Norwegian Business School.



Sonja Horn

EVP Central Oslo
Born: 1973
Employed: 2013
Education: Business degree, BI Norwegian Business School.



Mona Arebrot

EVP Greater Oslo
Born: 1968
Employed: 2012
Education: Business degree, BI Norwegian Business School.



Jorunn Nerheim

EVP Southern/Western
Born: 1965
Employed: 2004
Education: Law graduate, Bergen University.



Karl Fredrik Torp

EVP Central/Northern
Born: 1958
Employed: 2004
Education: College of Retailing.



Kristin Haug Lund

EVP Development and Technology
Born: 1965
Employed: 2012
Education: Civil engineering degree, Norwegian Institute of Technology, Masters degree, Real Estate Development and Management, Norwegian University of Science and Technology.



Anders Solaas

EVP Sales and Markets
Born: 1963
Employed: 2010
Education: Mannheim University, Germany, Lund University, Sweden.

Corporate social responsibility

For Entra corporate social responsibility involves taking care of our surroundings and integrating social and environmental considerations into our strategic processes, decisions and day-to-day operations. We look to the future in our work with sustainable solutions that are relevant to society.

For Entra this means that we aim to secure long-term profitability and growth through being a responsible member of the community within four different dimensions

- **Environment** – Entra works to be an environmental leader in its sector
- **Urban development** – Entra contributes to shaping and developing cities for the benefit of those who live and work there
- **HSE and working conditions** – It is safe to work in an Entra building
- **Ethics** – Entra is responsible in everything we do



Environment

Entra has an objective to be an environmental leader in its sector and to contribute to reducing the sector's environmental footprint. Buildings account for approximately 40 % of the world's energy consumption. By reducing energy consumption, the sector can go from being a large part of the challenge to becoming part of the solution.

Entra's goal is to be the property company that customers, investors and suppliers consider to be an environmental leader over time. The Group develops expertise and works to raise the level of know-how regarding environmental benefits among customers, suppliers, partners and its own employees. Taking the environment into consideration is an important part of Entra's strategy and practical work, and is expected to give the group a clear competitive advantage. It should be profitable to choose environmentally correct solutions both for Entra and for our customers. Customers who choose environmentally friendly buildings will have lower occupancy costs over time through, among other things, lower total energy costs.

- **World-class environmentally sustainable buildings**
Entra develops environmentally leading buildings – both new buildings and refurbishment of existing properties. Powerhouse at Kjørbo in Sandvika will produce more energy than it uses over the building's lifetime. The building is the first in Norway to be certified as BREEAM-NOR Outstanding and as such is characterised among

the world's most environmentally friendly office buildings. In Fredrik Selmers vei 4 in Oslo Entra has refurbished the first commercial building in Norway to passive building standard. The building satisfies Energy Class A and is certified as BREEAM-NOR Very Good. At Brattørkaia 15 in Trondheim Entra has achieved BREEAM-NOR Excellent and Energy Class A. The office building Papirbredden 2 in Drammen has been built as one of Norway's first passive buildings, and satisfies FutureBuilt's quality criteria.

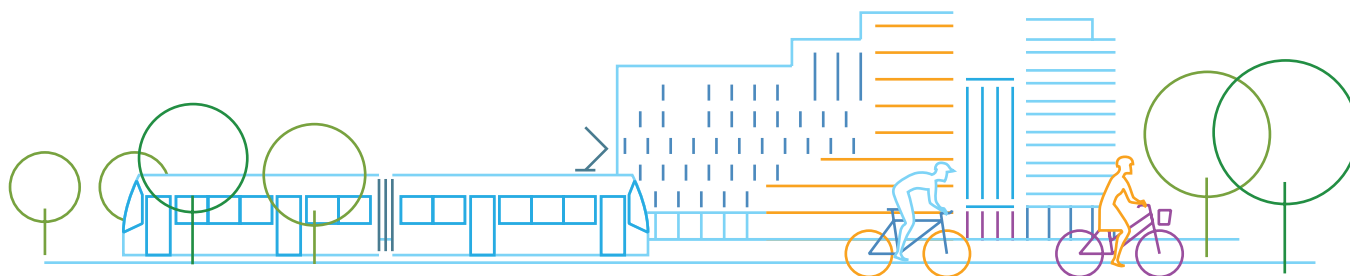
- **Low energy consumption**
In 2013 Entra reduced aggregate energy consumption to 188 kWh per square metre (199 in 2012). In comparison the sector average in 2012 was 220 kWh, according to Enova. In addition the group continues to work to reduce carbon emissions, reduce water consumption and increase waste sorting.
- **Environmental requirements on suppliers**
Entra requires in its contracts that important suppliers are environment certified or have established an environment strategy. Suppliers who do not have this undertake to establish an environment strategy within six months from the beginning of a contract. Entra considers terminating supplier relationships where this requirement is not satisfied.

Urban development

Entra aims to contribute to urban developments for the benefit of those who live and work in them. The objective is to create urban districts in the strategic core areas that are attractive, inclusive and accessible for residents. In the case of new projects urban development, the environment and atmosphere occupy central roles in planning. In the case of refurbishment of existing buildings work is carried out from both a preservation and a renewal perspective. Entra has a good dialogue with partners and competitors in areas where urban development work is carried out. Entra is concerned about the local environment and involves neighbours, local politicians and others who live or work in the Group's urban development areas in connection with new buildings and refurbishments. Examples of activities that are carried out include neighbour meetings, neighbour letters, open meetings, information to the local press and a one-to-one dialogue with selected target groups.

Entra is an important promoter of the view that urban areas should be planned for effective development of public transport and increased provision for cyclists and pedestrians. Cultural monuments in Entra's buildings are protected in accordance with applicable laws and regulations. Examples of urban development areas where Entra is an important contributor include Sandvika, Hølsfyr and Tøyen in Oslo, Brattørkaia in Trondheim and Papirbredden in Drammen.

In 2013 Entra decided to enter into a formal cooperation agreement with the Church City Mission in Norway. The agreement will contribute to positive urban development in the company's strategic areas, Oslo and surrounding region, Bergen and Trondheim. As a part of the agreement Entra is participating in a newly started neighbourhood cooperation initiative to create a safer and better local environment in the centre of Oslo/Bjørvika.



Health, Safety and the Environment

– HSE and employment conditions

HSE is an integrated part of Entra's business operations. All employees, contract workers and suppliers are notified of their HSE responsibility and are engaged in HSE activities in the workplace.

Entra's ambition is that it should be safe to work in and visit an Entra building. The objective is that no one should be exposed to injury or become ill (physically or mentally) as a result of inadequate safety.

Entra has increased its emphasis on HSE notification in 2013 and the LTI-value rose to 7.1 (number of injuries resulting in absence from work per million hours worked). Entra is not satisfied with this level and a number of measures have been implemented to strengthen the HSE programme in Entra.

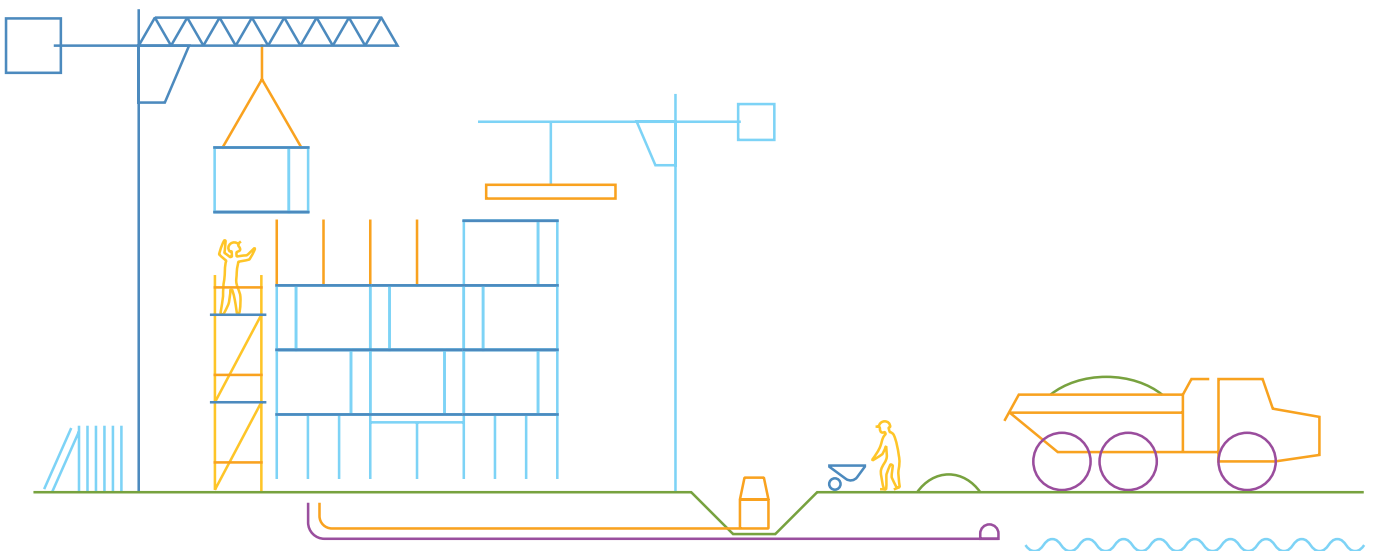
- **Increased emphasis on HSE internally and externally**
Following up HSE has highest priority in Entra. This involves, among other things, having HSE as a topic at all group management meetings, management gatherings, company staff meetings and department meetings. Entra has put HSE on the agenda at important industry gatherings and has contributed to raising the HSE debate. Stronger prioritisation of HSE follow-up has led to an increase in the number of reported undesired events. All events are evaluated and followed up with relevant measures. If necessary the events are followed up with an investigation.
- **Clear requirements on suppliers**
Entra has clear requirements and guidelines for its suppliers and works systematically to ensure that these are observed. The Group has prepared guidelines and requirements that suppliers should work systematically on

HSE and working conditions. In addition suppliers are pre-qualified in order to demonstrate the requirements for following up on HSE matters. Supplier relationships where HSE requirements are not observed are terminated.

- **Condition analysis and risk report on all properties**
In 2013/14 Entra is strengthening its work to secure the facades of the Group's buildings. Annual condition surveys of all buildings in the property portfolio are carried out in accordance with the Norwegian standard. In addition extra reviews are carried out to reduce the risk of fall-out's from facades. In 2013 Entra carried out risk mapping in addition to the normal annual internal control process. Two pilot projects have been completed and Entra is working now on risk mapping all properties.
- **Employee rights and social conditions**
Entra is a member of NHO and tariff agreements have been signed with employee organisations. Entra has clear guidelines on equal treatment irrespective of gender, age, ethnic background or religion.

Entra places requirements on its suppliers to have wage and working conditions that fulfil the statutory requirements in accordance with applicable general resolutions.

Entra is an IA company (Inclusive working life) pursuant to which it undertakes to work systematically to develop an inclusive workplace. This includes, among other things, measures to reduce absence through sickness and increase the employees' well-being in the workplace. Sick leave in Entra was 3.3 % in 2013.



Ethics

Entra's values are built on the idea of equal opportunities for all, care of the environment and a view of society that places emphasis on ethics, openness, honesty and sincerity. The ethical guidelines form the basis for all other company policies and procedures. Entra aims to have a corporate culture based on responsibility, respect, cooperation, feedback and preventive health measures.

- **Ethical guidelines**

Entra has developed ethical guidelines with which all employees are familiar. All employees confirm annually that they are aware of the contents of Entra's ethical guidelines and undertake to observe them. Exercises involving ethical guidelines are regularly carried out.

- **Human rights**

Entra is against all forms of discrimination. The subject of human rights is particularly relevant in relation to the rights of employees of Entra's suppliers and is dealt with in Entra's guidelines for socially responsible procurement.

- **Zero tolerance for corruption among employees and suppliers**

Entra has zero tolerance for corruption in all parts of the Group's business. Entra's employees must never offer, give or receive money or other benefits wrongfully in order to obtain or maintain advantages for Entra or the individual employee.

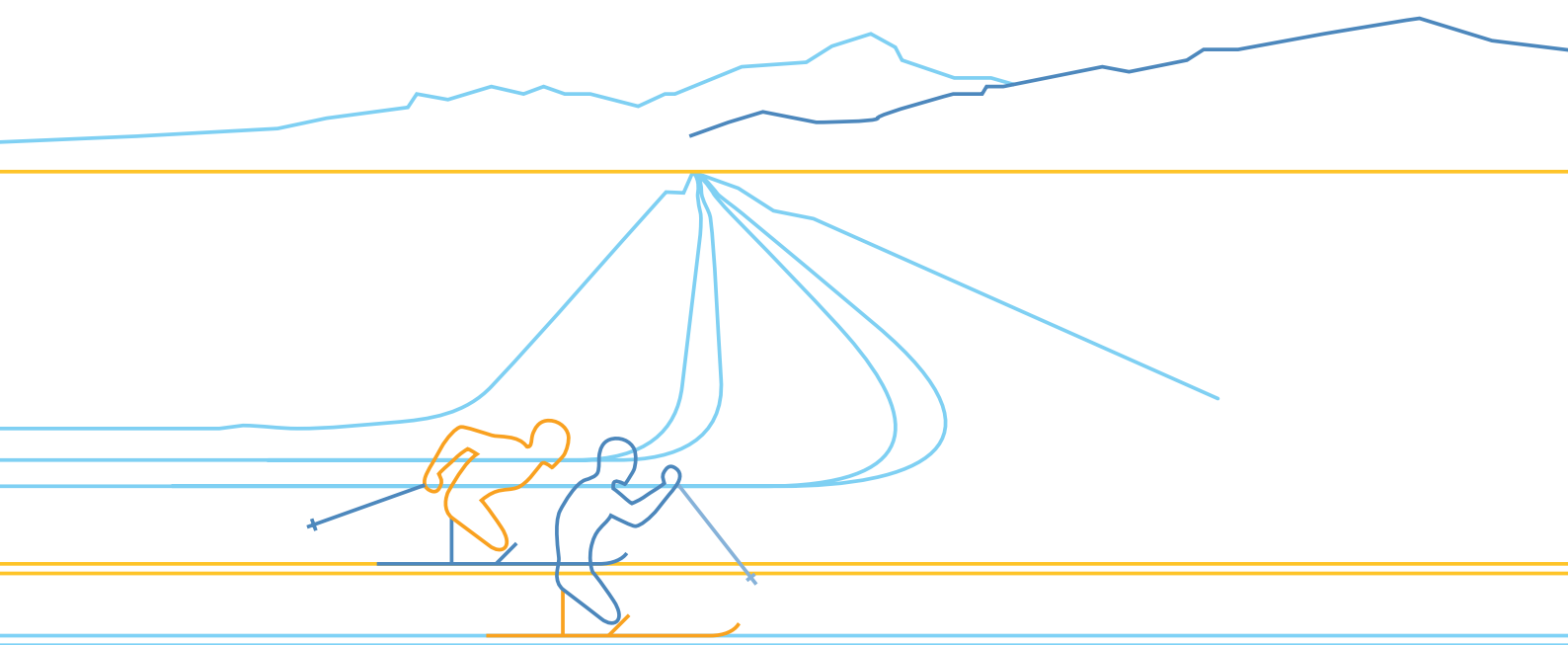
Entra has clear requirements on suppliers with regard to, among other things, corruption, bribes, illegal price cooperation and cartel activities. The requirements are set out in the Group's guidelines for socially responsible procurement and supplier relationships where the requirements are not observed are terminated.

- **Close supplier follow-up**

A condition for entering into an agreement with Entra is that suppliers confirm in writing that they observe Entra's requirements on socially responsible procurement. In 2013 Entra carried out an overall risk assessment on procurement areas that could be most exposed to, among other things, corruption. As a result of the analysis further work is being carried out on specific measures and requirements on suppliers.

- **Principal sponsor of "Ridderrennet"**

For the 14th year running Entra is the main sponsor of Ridderrennet. Each year 500 participants with disabilities come from Norway and abroad to Beitostølen in order to take part in activities and competitions in cross country and downhill skiing, biathlon and snowboarding. The highlight is the Ridderrennet race on the closing Saturday. Ridderrennet enables Entra to learn more about the challenges faced by disabled people every day and Entra's employees obtain useful experience that is directly transferable to the Group's continuous work on universal design. Ridderrennet was awarded the "Honour Prize for 2013" at the 2014 Norwegian Athletics Gala.



Future expectations

Entra will continue its work within the areas HSE, ethics, urban development and the environment. In particular Entra wants to prioritise:

- HSE as an industry challenge, and drive the development further.
- Further development of Entra's environment strategy and strengthening the Group's position as an industry leader on the environment.
- Continuing its efforts on risk mapping and emergency readiness.
- Continuing close follow-up of suppliers and work on zero tolerance of corruption.
- Undertaking development projects that bring value back to the city, acknowledging the fact that the space between buildings is often as important as the buildings themselves.



Tullin quarter, Oslo

The financials



The Board



Siri Hatlen
Chair since 2012



Martin Mæland
Deputy Chair
Board member since 2007



Arthur Sletteberg
Board member since 2012



Ingrid Tjøsvold
Board member since 2012



Kjell Bjordal
Board member since 2012



Tore Benediktsen
Employee representative
Board member since 2008



Birthe Smetsrud Skeid
Employee representative
Board member since 2012

Board Report

Focus on operations, the environment and preparations for privatisation

Entra Eiendom group ("Entra") had operating revenue in 2013 of NOK 1,575.4 (NOK 1,532.7) million. The profit from property management was NOK 1,107.0 (NOK 1,067.8) million. The improvement in the result is due to increased rental income and lower rental costs, partly offset by higher administrative costs as a result of a reorganisation and preparations for privatisation in 2013. Negative value changes in the portfolio and a reduction in the share of the result from partly owned companies contributed to the Group's operating profit being NOK 847.4 (NOK 1,705.5) million. Lower net realised financial costs combined with a positive unrealised value change on financial instruments gave reduced net financial items of NOK -381.3 (NOK -864.0) million. The profit before tax was NOK 466.1 (NOK 841.5) million.

Entra completed several major development projects in 2013. In February the Environment Directorate moved into a newly built office building with a high environmental standard, passive house and BREEAM-NOR certification Excellent. In November the Tax Administration moved into Fredrik Selmers vei 4, the first refurbished commercial building that achieves passive building standard and a BREEAM Very Good classification.

Targeted and innovative environment work has resulted in innovative solutions. At Kjørbo outside Sandvika an office building is being refurbished into an energy positive building, one that produces more energy than it uses over its life-time. The office building is the first in Norway to obtain BREEAM-NOR certification Outstanding. The building will be completed during the first quarter of 2014. In addition, construction of a new head office for Statoil Fuel & Retail in Schweigaardsgate 16 and a education centre for Bærum Municipality at Øvre Torg in Sandvika has proceeded steadily.

In 2013 Entra acquired Vahls gate 1-3 and the project in Schweigaardsgate 16, as well as signed an agreement to acquire 50 % of the shares in Hinna Park Eiendom AS. As part of its adjustment of the portfolio, Entra sold eight properties during 2013, of which six were transferred to new buyers before year-end.

This is Entra Eiendom

Entra is one of Norway's leading real estate companies, focusing on high quality, flexible office buildings with good locations. The property portfolio is characterised by solid tenants, long leases and a high occupancy ratio. The company owns and manages approximately 1.2 million square metres divided between more than 100 buildings. Each day more than 30,000 people work in buildings owned by Entra. At the end of year the real estate portfolio had a market value of around NOK 25 billion. The public sector represents approximately 80 % of the customer portfolio.

Entra is a value-driven group. The values responsible, ambitious and hands-on are to characterise all activities in the Group.

Entra's *business concept* is to develop, let and manage attractive and environmentally leading buildings. The company's *business strategy* has three pillars: customer satisfaction, profitable growth and environmental leadership. Entra is a value-driven group. The values responsibility, proactivity and engagement are to characterise all activities in the Group. Entra's strategic areas of concentration are Oslo and the surrounding districts, Bergen, Stavanger and Trondheim. The group is organised into four regions: Central Oslo, Greater Oslo, Southern and Western Norway and Central and Northern Norway. Entra has its head office in Oslo and regional offices in Bergen and Trondheim. More than 75 % of the properties by value are located in the Oslo area.

The Business in 2013

The Board's work

During 2013 the Board reviewed and adopted Entra's overall strategy, objectives and investment limits. In addition the Board has supervised the management and organisation of the Group's business. In 2013 particular focus was directed to organisational changes in order to strengthen Entra's position

as the leading real estate group in Norway. On 29 January 2013 Klaus-Anders Nysteen was appointed to the position of chief executive of Entra. During the year the Group introduced a regional model with clear result responsibility, after a period with a functional organisation.

In addition focus was directed towards preparations for the forthcoming privatisation of Entra. On 9 June 2011 the Norwegian parliament gave the government authorisation to reduce ownership in Entra Eiendom AS down to 33.4 % in connection with a partial sale and/or listing of the company. In the supplemental proposal to the State Budget for 2014 the government was given an extended authorisation to sell its entire holding in Entra. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that preparations were being made to privatise Entra and that the privatisation process could be implemented without the sale of properties from Entra.

The letting market

Rents in Oslo rose by 5 % in 2013 compared with 7 % in 2012. As with the previous year it was high-quality office premises in central Oslo that achieved the greatest increase. Letting activity was slightly lower in 2013 compared with 2012. At the end of the year office vacancy for the Oslo area was approximately 7.5 %, up from 7 % in 2012. Weaker employment growth, an increased supply of office property and greater uncertainty in the Norwegian economy were all factors behind the rise in office vacancy.

Rents in Bergen were relatively stable again in 2013. There was good demand for modern centrally located office premises. Office vacancy increased slightly and was around 7 % at the end of the year.

In Stavanger office vacancy rose from around 5 % in 2012 to around 7 % in the autumn of 2013. There has been a lot of new building in Stavanger at the same time as the prospects for oil related companies have weakened slightly. Rents have nevertheless remained at a high level.

The rental market in Trondheim has been affected by strong competition from newly completed buildings, which contributed to dampening the increase in rents. Rents were slightly higher for central office buildings and vacancy was stable with a level around 6 % at the end of 2013.

The proportion of vacant premises in Entra's portfolio was unchanged from the previous year and the Group had an occupancy level of 95.8 % as at 31.12.2013. The occupancy level was lowest in the Southern and Western region at

93.8 % and highest with 97.8 % in the Central and Northern region. The Central Oslo and Greater Oslo regions had occupancy levels of 95.8 % and 95.5 % respectively.

At the end of 2013 the Group managed in excess of 1.2 million square metres divided between 109 properties. The average remaining lease period at this date was 9.2 (9.5) years. In 2013 Entra signed leases with aggregate annual rents of NOK 137.9 million, divided between 64,200 square metres, of which the largest contracts were:

- Hordaland County, Kaigaten 9, Bergen, 7,728 square metres
- Amedia, Akersgata 34/36, Oslo, 6,559 square metres
- Steria, Biskop Gunnerus gate 14, Oslo, 4,766 square metres
- Troms County, Strandveien 13, Tromsø, 4,275 square metres

Customer satisfaction

Entra's goal is to be the best in its sector in terms of customer-experienced quality. The Norwegian Tenant Index is used to measure customer satisfaction. Entra achieved an aggregate customer satisfaction score of 72 (71) in 2013 against a national average for the sector of 69 (68). Entra's customers believe that the Group's properties have the sector's best location. On environmental questions in the survey Entra achieved a score of 74 (70), compared with a national average of 62 (62). It is pleasing that customers value Entra's environmental efforts.



Fredrik Selmers vei 4 is the first refurbished commercial building in Norway to achieve passive building standard.

In the autumn of 2012 Entra opened a customer centre, which has been very well received by customers. The score for handling fault reports increased to 76 (69). The national average in the sector is 68 (69) points. The customer centre contributes to increasing customer satisfaction and lays the foundation for more efficient management of Entra's properties.



Entra has worked further on plans for developing the Tullin quarter.

At Kjørbo in Bærum building work continues on the world's most northerly energy positive refurbished office building for completion on 25 April 2014

Project development

The new office building at Brattørkaia 15 in Trondheim was completed in March 2013 and the Environment Directorate moved in. The building has a total of around 20,000 square metres and achieved passive building standard BREEAM-NOR Excellent certification and satisfies Energy Class A. In Fredrik Selmersvei 4 in Oslo building phase 1 consisting of 30,800 square metres was completed in November and the Tax Administration moved in. Fredrik Selmers vei 4 is the first refurbished commercial building in Norway that has achieved passive building standard. The building satisfies Energy Class A and achieved a BREEAM Very Good certification. The project was nominated for the City Prize 2014.

In the first quarter of 2013 Entra signed an agreement on the purchase of Schweigaardsgate 16 AS. Erection of a new office building of 15,000 square metres with Statoil Fuel & Retail as the main tenant has commenced and is scheduled to be completed in June 2015.

At Otto Sverdrups plass 4 in Sandvika refurbishment of an existing and construction of a new building totalling 15,500 square metres is in progress, where a "Know-how Centre" will be established for Bærum Municipality and Oslo and Akershus University College. The project is planned to be completed in August 2014.

At Kjørbo in Bærum building work continues on the world's most northerly energy positive refurbished office building for completion at the end of March 2014. Over its life the building will produce more energy than it uses. A lease has been signed with Asplan Viak for all the space of around 6,850 square metres. Powerhouse Kjørbo was the first building in Norway to receive the BREEAM-NOR certification Outstanding.

At Ringstabekkveien 105 construction has commenced of 72 senior apartments for sale, as well as some 3,000 square metres of commercial premises for letting to Bærum Municipality. The project is planned to be completed in December 2014.

At Havneleret in Oslo work has begun on the renovation of the loading balcony. The project involves upgrading the space on two floors on the seaward side for letting as offices and a restaurant, replacement of the glass facade and establishing a new main entrance to Havneleret. It has also been decided to begin a total refurbishment of around 5,500 square metres on the 9th and 10th floors with an expected construction start in April 2014. A lease contract has been signed with Eniro for around 5,200 square meters.

Building has also started an on a new school in Kongsgård allè 20 in Kristiansand. The building covers 2,000 square metres and is 100 % let to Kristiansand Municipality.

At Akersgaten 34–36 in Oslo work will begin on a new building at Akersgaten 36 combined with a total refurbishment of Akersgaten 34. A lease has been signed with Amedia for almost all the space of 6,500 square metres.

During 2013 Entra in addition worked on a number of projects that are at an early phase where an investment decision has not yet been taken. The most important projects are referred to below.

Through the jointly controlled company Entra OPF Utvikling Entra has worked on developing the new concept "MediaCity Bergen" at Lars Hilles gate 30. The concept involves a co-location of the main media companies in Bergen. Development of the property includes refurbishment and extensions totalling approximately 45,000 square metres.

Entra has also worked further on plans to develop the Tullin and Sundt quarters in Oslo. In the Tullin quarter Entra is in dialogue with Oslo University in connection with a new building for the law faculty.

At the end of 2013 Entra's project portfolio extended to some 67,000 square metres.

The transaction market

Sales of commercial property in Norway in 2013 totalled approximately NOK 40 billion, down from around NOK 50 billion in 2012 according to Entra's consensus report. The transaction volume in 2013 in office property amounted to around NOK 20 billion.

The Norwegian interest and credit market gradually improved in 2013 even though there is still considerable differentiation in the market and big differences between the various banks. The bond market was strong and active in 2013. All this had a positive impact on the transaction market and the trend is expected to continue in 2014.

Property investors are still looking for quality properties with good locations and secure cash flows, as well as property with development potential. This means that centrally located properties in the main cities are still very attractive, while in the smaller cities and towns it is more difficult to achieve good values. Several sales were put on hold during 2013 in expectation that the market would improve. Slightly rising market rent levels continue to contribute positively to values in the prime segment. The prime yield has since 2011 been flat at around 5.25 % in central Oslo.



During the year Entra purchased a development project in Schweigaardsgate 16, Statoil Fuel & Retail's new head office which will be completed in 2015.

Property transactions in Entra

As part of its portfolio management and in accordance with the Group's strategy, Entra both acquired and sold properties and companies in 2013. All the property purchases were within defined growth areas for the Group.

Based on Entra's focus on the area around Oslo S/Bjørsvika the Group purchased during the year both a development project in Schweigaards gate 16, Statoil Fuel & Retail's new head office which will be completed in 2015, as well as a property in Vahls gate 1-3 where the Planning and Building Agency is tenant. The properties were acquired for respectively NOK 190 million and NOK 416 million.

Towards the end of 2013 Entra entered into an agreement to acquire 50 % of the shares in the newly established holding company Hinna Park Eiendom AS which again owns 100 % of Hinna Park AS. The takeover was completed on 1 February 2014. The price is based on total gross property values of approximately NOK 1.3 billion. Entra will consolidate Hinna Park with effect from 1 February 2014.

During 2013 Entra signed contracts to sell the following eight properties: Wergelandsveien 27 in Oslo, Spelhaugen 12 in Bergen, Entra's 51 % interest in Gimlemoen 19 (Sørlandet Kunnskapspark Eiendom AS) in Kristiansand, Welhavensgate 2 in Moss, Grev Wedels Plass 3/Nedre Storgate 18 in Drammen as well as Torggata 3-5, Nittedalsgata 2B and Storgata 14 in Lillestrøm. At the year-end all the properties had been transferred to new owners with the exception of Wergelandsveien 27 and Storgata 14, which were transferred in January and February 2014 respectively.

Partly owned companies

Oslo S Utvikling AS (OSU) (33.33 % ownership)

OSU is a property development company that is undertaking the development of parts of the central business district Bjørsvika in Oslo. In total around 900,000 square metres are to be developed above ground in Bjørsvika. OSU will be responsible for around 350,000 square metres above ground and around 105,000 square metres below ground. Approximately 163,000 square metres above ground and approximately 55,000 square metres below ground had been developed by OSU by the end of 2013. There was a high level of activity in 2013 and a total of NOK 881 million was invested during the year, and office and residential properties were sold for a total of NOK 1,463 million. The Deloitte building represented the main sale, while the last of the DNB buildings was also delivered towards the end of 2013. Entra's share of the result from OSU in 2013 amounted to NOK 222.8 million.

OSU's strategy of developing properties for sale means that the properties are not recorded in the financial statements at fair value, but at historic cost. In the consolidated financial statements the investment is included using the equity method, and equity after tax is recorded at NOK 617.9 million in the consolidated financial statements as at 31.12.2013.

The market value of the properties and projects in OSU is estimated at approximately NOK 2.9 billion (100 %). Entra's ownership of 33.33 % gives a market value of approximately NOK 1.0 billion. The estimate is based on corresponding



Marketing work is continuing in order to pave the way for the possible commencement of Papirbredden 3 in Drammen.

principles to those used for Entra's other valuations of investment properties. Entra's share of the net asset value as at 31.12.2013 was NOK 0.9 billion after taking into account estimated latent deferred tax of 10 %.

Entra OPF Utvikling AS (50 % ownership)

Entra and Oslo Pensjonsforsikring (OPF) own the jointly controlled enterprise Entra OPF Utvikling AS (50 % each). The company owns the properties Allehelgens gate 6 and Lars Hilles gate 30 in Bergen.

On 7 February 2013 it was announced that the main media companies in Bergen had jointly decided to enter into final negotiations with Entra OPF Utvikling AS on a lease of Lars Hilles gate 30 in Bergen and development of the concept MediaCity Bergen. Since then extensive discussions have been held with regard to the use requirements and at the year-end the company was in final negotiations with the media companies (TV2, NRK, Bergen University, Bergensavisen, Bergens Tidene and Vizrt) for approximately 65 % of the space. Allehelgens gate 6 is fully let to the police, which recently exercised its option to lease the building for a further 5 years.

Under the agreement between Entra and Oslo Pensjonsforsikring, Entra OPF Utvikling AS is not to be financed with debt, and any capital requirements in addition to the company's ongoing profits are to be financed with equity contributions from the owners. In addition the contract provides that the company as a general rule will distribute the previous year's profit after providing for any capital requirements in the year in which the distribution is made.

Papirbredden Eiendom AS (60 % ownership)

Entra Eiendom AS and Drammen Municipality own Papirbredden Eiendom AS. The company owns the properties Grønland 51, Grønland 56, Grønland 58, Grønland 60 and Kreftingsgate 33 in Drammen. All the properties are 100 % let.

Marketing work is continuing in order to pave the way for the possible commencement of Papirbredden 3 and parallel assignments have been carried out by architects for the property Kreftingsgate 33 in Drammen as a basis for planned zoning work.

UP Entra (50 % ownership)

UP Entra AS develops and manages approximately 70,000 square metres in the Hamar region, Kongsvinger and Lillehammer. During 2013 the company disposed of its interest in Storhamargata 42 AS, which owns a site for residential development. Also in 2013 the company improved the letting situation in the portfolio, which resulted in increased income and reduced costs. Refurbishment of the old Nestlé factory is planned to be completed in the second quarter of 2014. The project extends to around 6,200 square metres of which 4,700 square metres were let at the year-end.

Corporate Social Responsibility

Entra's corporate social responsibility work is in line with the goals and expectations which the state, in its capacity as owner, has expressed in the Government's Ownership Report, (Report no. 13 (2010–2011)). It is here declared that "companies with state ownership shall be leading companies in the efforts to promote corporate social responsibility in areas where it is natural for that business".

In Entra corporate social responsibility covers:

Environment – Entra is an environmental leader in its sector

Urban development – Entra contributes to shaping and developing cities for the benefit of those who live and work in them

HSE and working conditions – it is safe to work in an Entra building

Ethics – Entra is honest and responsible in everything we do.

Reference is also made to a separate report on corporate social responsibility.

HSE and organisation

Entra is responsible for ensuring the safety of its customers, suppliers, employees and guests. Entra's goal of being a zero-harm workplace for people, the environment and society underpins all the Group's health, safety and environmental work. The main HSE requirements for the business are specified in the Group's HSE policy.

No serious personal injuries were registered in 2013. Entra's LTI rate (the number of work-related injuries resulting in absence per million work-hours) was 7.1 in 2013, compared with 3.7 in 2012. Entra is not satisfied that the LTI rate has increased over the last year and, among other things, is carrying out audits of security, health and work environment of large ongoing building projects in order to increase awareness as well as making improvements aiming to reduce the number of injuries involving absence from work.

At the close of 2013, the Group had 152 employees in total, corresponding to 150 full-time equivalents. Staff turnover in 2013 was 20 %. Adjusted for retirements, turnover was 15 %, compared with 6.8 % in 2012. The increase is due to the fact that an organisation and development project was carried out that led to a reduction in the overall number of employees in Entra.

The group works systematically to prevent sickness absence, as stipulated in the agreement on an Inclusive Workplace.

Sickness absence at Entra Eiendom AS was 3.3 % in 2013, down by 0.5 percentage points compared with 2012. The group works systematically to prevent sickness absence, as stipulated in the agreement on an Inclusive Workplace, and monitors the progress of staff on sick leave closely. The group has established its own policy for older workers.

Under its new chief executive Entra has implemented the project "Organisation and Development". The background to the project was that the new management saw a need for a more efficient organisation through, among other things, placing greater result responsibility with line managers. As part of the project thorough assessments were made of the optimal line structure and improvements in the organisation, roles and responsibility of the staff. Based on the project a regional model was introduced in the group where the regions are given responsibility for financial results and growth targets. The region directors form part of the new Group management. In addition a reorganisation and clarification of responsibilities and duties in the staff functions was carried out, and a decision taken to establish a separate legal department.

As part of Entra's work to prevent corruption and undesirable incidents, the group has developed ethical guidelines. Irrespective of whether changes are made to the ethical guidelines, it is important to the Group that everyone who works in Entra is familiar with the contents of the guidelines and undertakes to observe them. The ethical guidelines must therefore be signed by all employees annually and on new appointments.

Cooperation with employee organisations was good and constructive during 2013, and made a positive contribution to the operations of Entra.

Equality and diversity

At 31 December 2013, 32 % (32 %) of the Group's employees were women. Entra aims to increase the number of women working in the group, and this goal has been incorporated into the company's recruitment procedures. In 2013, over 40 % of the Board members were women. In the group management there are as many women as men.

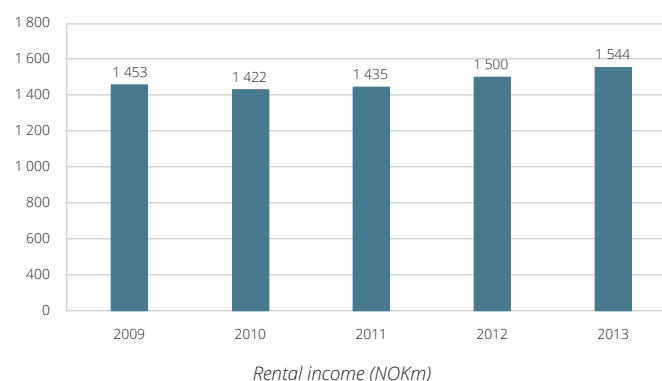
Employee benefits, such as flexible working hours and full pay during illness and parental leave regardless of the National Insurance scheme's limits are regarded as important measures in the efforts to ensure equal opportunity.

Entra believes in the benefits of diversity, and this goal has been incorporated into Entra's recruitment procedures. The group's recruitment processes encourage all qualified candidates to apply, regardless of their age, gender, ethnic background or any disabilities.

Statement of Income, Balance Sheet and Statement of Cash Flows

Income

The Group's rental income amounted to NOK 1,543.9 (NOK 1,500.3) million. Other operating revenues amounted to NOK 31.5 (NOK 32.4) million. The Group's total operating revenues amounted to NOK 1,575.4 (NOK 1,532.7) million.



Total operating expenses were virtually unchanged compared to the previous year at NOK 468.4 (NOK 464.9) million. Other property costs fell to NOK 88.2 (NOK 117.1) million as a result of lower rental costs. At the same time, administrative ownership costs increased to NOK 222.9 (NOK 194.7) million in 2013. The change was mainly due to the organisation project carried out.

The profit from property management was NOK 1,107.0 (NOK 1,067.8) million in 2013.



The Group had a negative value change on investment properties of NOK 495.1 (NOK 129.0) million. The net yield on the management portfolio was 6.6 % at the close of the year. Market conditions were largely unchanged throughout the year. Factors linked to individual properties, including uncertainty regarding the extension of leases and higher cost estimates on building projects, contributed to the negative value change for investment properties. The long weighted remaining term of the lease portfolio helps to minimise the impact of changes in the market rent on property values compared with shorter leases.

The Group's share of profit from associates and jointly controlled entities amounted to NOK 235.5 (NOK 508.7) million. The share of the profit mainly relates to Oslo S Utvikling AS ("OSU") which in 2013 recorded income from the sale of the Deloitte building and the third and last bank building to DNB Life. In 2012 OSU recorded income on the sale of the first two bank buildings to DNB.

The Group's operating profit was NOK 847.4 (NOK 1,705.1) million.

Net financial items were NOK -381.3 (NOK -864.0) million. Net realised financial items were stable at NOK 565.0 (NOK 591.9) million. The average interest rate on financing was reduced to 4.47 (5.13) % in 2013, but at the same time net interest-bearing debt increased by NOK 849.4 million in 2013.

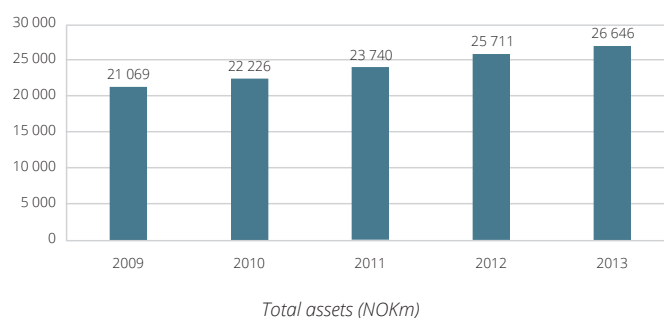
Net unrealised changes in the value of financial instruments amounted to NOK 183.7 (NOK -272.0) million. The positive development is due to the fact that the value change on the Group's borrowings contributed to a reduced market-valued liability in 2013 compared with 2012. In addition the market-valued liability on the Group's interest hedging fell in 2013 compared to 2012. The background to this development is that market interest rates generally rose during 2013 compared with 2012.

The Group's profit before tax in 2013 was NOK 466.1 (NOK 841.5) million. The tax expense for the year totalled NOK 3.9 (NOK -103.8) million. The profit after tax was NOK 470.0 (NOK 737.8) million.

The Group's profit after tax was NOK 467.1 (NOK 772.6) million.

Balance sheet

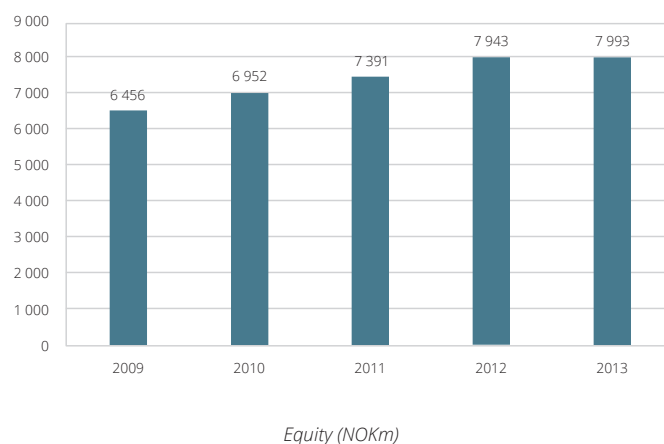
The Group's total book equity at the close of the year was NOK 26,646.1 (NOK 25,710.8) million. The balance sheet value of the Group's investment properties and investment properties held for sale rose by NOK 596.2 million in 2013 to NOK 23,532.9 million. Investment properties are valued at fair value, based on the average of two external, independent valuations. Properties valued in accordance with the IFRIC 12 rules amounted to NOK 1,122.0 (NOK 1,122.6) million.



Investment in associates and jointly controlled entities was stable at NOK 1,128.3 (NOK 1,100.3) million.

In 2013 the Group had an increase in net interest-bearing debt of NOK 849.4 million to NOK 14,431.0 (NOK 13,581.6) million, mainly in order to finance property investments.

The Group's equity capital was NOK 7,993.4 (NOK 7,942.9) million as at 31.12.2013. Deferred tax was NOK 2,463.9 (NOK 2,472.7) million. Deferred tax is calculated as the difference between the tax and market value of the Group's investment properties, with a nominal tax rate of 27 % with effect from 31.12.2013. The Group had an equity ratio of 30.0 (30.9) % at the end of the year. The board considers the Group's financial strength to be satisfactory.



Cash flow

The Group's net cash flow from operating activities was reduced to NOK 508.4 (NOK 656.0) million, mainly as a result of a change in working capital and other accruals. The difference between net cash flow from operations and the operating result is largely explained by the value change on investment property and financial instruments and interest and fees paid on loans to financial institutions.

Net cash flow from investment activities was NOK -999.7 (NOK -1,238.2) million. Net investments in particular relate to refurbishment projects and new buildings in 2013, as the purchase and sale of property was virtually at the same level. Net cash flow from financing activities for 2013 amounted to NOK 603.9 (NOK 598.8) million. The increased financing requirement relates in particular to ongoing projects. The net change in liquid assets for the year amounted to NOK 112.6 (16.5) million.

Going concern

The financial statements have been prepared on the basis of the going concern assumption, and the Board confirms that this assumption is valid. The company is in a healthy financial position, and has good liquidity. The Board confirms that the company had sufficient equity and liquidity as at 31.12.2013. There have been no events since 31 December 2013 that affect the financial statements.

Financial Conditions

Financial markets overall developed positively in 2013. The markets' development has been affected by the expansive monetary policies of the leading central banks with low and falling base rates. In addition the US Federal Reserve Bank further stimulated the world economy with substantial injections of liquidity. This situation has contributed to a good development in stock and credit markets, at the same time as interest rate levels have been kept low. The measures appear to have contributed to an improved macroeconomic situation. The main indicators regarding the outlook for the leading economies signalled positive growth prospects at the end of the year.

The Group has adopted a conservative financial strategy with a sound equity ratio that secures financial flexibility throughout an economic cycle.

Entra is exposed to developments in the financial markets and in 2013 experienced falling prices in the credit markets for new loan agreements. The market for commercial paper remained very liquid throughout the year. Entra is well established as an attractive borrower in the bond market and had a high level of activity in this market during 2013. The proportion of the Group's financing from the bond market increased significantly during the year, and amounted to 55 % of outstanding loans as at 31.12.13.

The Group's average interest cost as at 31.12.13 was 4.47 (5.13) %. As at 31.12.2013, 62 (62) % of the Group's total interest-bearing debt was subject to fixed interest rates. At the same time, the effective term to maturity of the Group's interest rate hedging instruments was 3.0 (3.2) years.

Financing structure

Financing is divided between various bank and capital market instruments. The loans have a diversified maturity structure. The Group's liquid assets amounted to NOK 177.4 (NOK 64.8) million as at 31.12.13. In addition the group had committed, unutilised financing facilities with Norwegian banks totalling NOK 3.4 (NOK 4.1) billion. The Group's aggregate debt as at 31.12.13 was NOK 18,652.7 (NOK 17,767.9) million. Aggregate nominal interest-bearing debt at the same date was NOK 14,528 (NOK 13,527) million, corresponding to 54.5 (52.6) % of total capital.

Corporate Governance

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

In 2013, there were 10 Board meetings. The Board consists of the following members: Siri Hatlen (Chair), Martin Mæland (Deputy Chair), Arthur Sletteberg, Ingrid Tjøsvold, Kjell Bjordal, Birthe Smedsrud Skeid (Employee representative) and Tore Benediktsen (Employee representative).

Entra's overall goals and strategy are set by the Board. Ethical guidelines approved by the Board form the foundation for Entra's business and the basis for good company management. Guidelines, procedures and authorisation structures form part of Entra's governing documents. These integrate strategy, objectives and overall principles with routines and requirements as to documentation for staff and business areas.

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

Shareholder Information

The Norwegian state, through the Ministry of Trade, Industry and Fisheries, owns 100 % of the shares in Entra Eiendom AS through Entra Holding AS. The shares in the company cannot be sold without special authorisation from the Norwegian parliament.

On 9 June 2011 the Norwegian parliament gave the government authorisation to reduce ownership in Entra down to 33.4 % in connection with a partial sale and/or listing of the company. In the supplemental proposal to the State Budget for 2014 the government was given an extended authorisation to sell the state's entire holding in Entra. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that preparations were being made to privatise Entra and that the privatisation process could be implemented without the sale of properties from Entra.

Dividend policy

The shareholder has set a dividend policy for Entra Eiendom AS. The annual dividend shall constitute 50 % of the Group's profit after tax and non-controlling interests as calculated under the Norwegian Accounting Act and generally accepted accounting principles, or be equivalent to at least 2 % of book equity after non-controlling interests under IFRS at the start of the financial year. The expected dividend from Entra

Eiendom AS is presented each year in the State Budget and for the 2013 financial year a figure of NOK 250 million has been proposed. In addition an extraordinary dividend of NOK 650 million has been proposed, subject to a privatisation being implemented in 2013.

Risks Associated with the Business

Entra assesses risk on an ongoing basis and draws up risk maps for the business. The main risks are considered to be commercial risk, operational risk, project risk and business and strategic risk.

Entra's commercial risk includes the risk associated with signing and renegotiating contracts. Economic downturns may lead to changes in market rents. The Group achieves stable and predictable cash flows through long-term leases with a balanced maturity profile. The company aims to reduce rental risks through systematic customer support, by keeping track of when contracts expire and planning how to find new tenants. Some 80 % of the Group's customers are from the public sector and changes in operating parameters and efficiency improvements in the public sector may affect the company's risk exposure. The market value of the Group's property portfolio is affected by cyclical fluctuations in the economy. A decrease in the market value will reduce the Group's equity ratio.

Commercial risk includes the Group's financial risk. The Group is exposed to financial risk through the liabilities on its balance sheet. The management of its financing activities is regulated by the limits set in the Group's finance policy. Changes in interest rate levels will have an impact on the Group's cash flows. The company seeks to manage this risk by actively using various interest rate hedging instruments and by spreading maturities. Liquidity risk and refinancing risk are reduced by entering into long-term loan agreements, as well as by maintaining an adequately diversified maturity structure and using a variety of different credit markets and counterparties. Entra does not expose itself to currency risk. A high proportion of public sector tenants means that credit and counterparty risk is limited. The creditworthiness of other customers is continuously monitored. If a customer does not possess sufficient financial strength, adequate security is required.

The Group is exposed to project risk in conjunction with the construction and renovation of properties. The company takes this type of risk into account in its investment analysis prior to deciding to start work on a project, as well as by continuously monitoring the risk throughout the project period. A risk premium is added to the yield requirement related to, among other things, cost developments during

the construction period, delays and contract matters. When making investment decisions, market risk is also taken into account when determining cash flow and the required rate of return.

Operational risk is managed through procedures for day-to-day operations, compliance and HSE work. Business and strategic risks include the possible impact on the Group's operations of political decisions, regulations and significant unforeseen non-recurring events. The Group has identified strategic risk factors, and considers these to be carefully managed through ongoing work and the measures implemented.

Profit for the Year and Allocations

In 2013, Entra Eiendom AS made a profit after tax of NOK 410.5 (NOK 538.4) million, as set out in the financial statements prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

The Board proposes that Entra Eiendom AS's profit for the year, in accordance with the owner's defined dividend policy, is distributed as follows:

- Proposed dividend is NOK 250.0 million
- Transferred to other equity, NOK 160.5 million

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

Future Developments

General

In 2014 privatisation and new ownership are on the agenda. On 14 January 2014 the Ministry of Trade, Industry and Fisheries announced that preparations were being made to privatise Entra and that the privatisation process could be implemented without properties being sold by Entra. Entra is well prepared to support the Ministry of Trade, Industry and Fisheries in the forthcoming privatisation process.

Market development

A slightly weaker macro-economic development is expected in Norway as a result of a lower growth contribution from the oil sector. Office vacancy is expected to remain roughly unchanged as a result of a low level of new building. Entra expects slightly rising rents for centrally located modern premises.

Property investors are still looking for quality properties with good locations and secure cash flows, as well as property

with development potential. In today's selective transaction market centrally located properties in the main cities are still very attractive, while in the smaller cities and towns it is more difficult to achieve good prices.

The development in Entra's equity ratio is stable and the group has a long term and differentiated debt financing profile. Transactions, in particular in the bond market i 2013, have shown that Entra is an attractive borrower.

Financial development

Entra has, in the opinion of the Board, a solid financial platform and will maintain a balanced financial risk profile. Entra will use its position to continue growing profitably in accordance with the Group's strategy. The Board is of the opinion that the Group has good foundations for further growth and development.

Oslo, 31 March 2014
The Board of Entra Eiendom AS



Siri Hatlen
Chair



Martin Mæland
Deputy Chair



Ingrid Tjøsvold
Board member



Arthur Sletteberg
Board member



Kjetil Bjordal
Board member



Tore Benediktsen
Board member



Birthe Smedsrud Skeid
Board member



Klaus-Anders Nysteen
Chief Executive

Corporate Governance

Entra Eiendom AS ("the Company") is owned by the Norwegian state through Entra Holding AS. The state exercises and manages its ownership through the Ministry of Trade, Industry and Fisheries (MTIF).

Each year, the Board of Directors and management of Entra ("Entra", "the Group") review the Company's corporate governance principles and evaluate how they are working in the Group. Entra reports on corporate governance in accordance with section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of 23 October 2012. Further information about the recommendations published by the Norwegian Corporate Governance Committee is available at www.nues.no.

There are some minor differences from the recommendations. These are referred to under the individual sections below and are due to the fact that the state is the Company's only shareholder.

1. CORPORATE GOVERNANCE STATEMENT

Governance

MTIF's management of the state's ownership is based on generally accepted principles of corporate governance and the distribution of roles among the shareholders, the Board of Directors and the management under Norwegian company law. In addition, the state has drawn up principles for good corporate governance, which essentially harmonise with NUES's requirements relating to transparency and information about the company. The state's ownership policy is summarised in chapter 5 of the Government's Ownership Report, no. 13 (2010–2011) to the Norwegian parliament. The shareholder appoints a Board of Directors to safeguard the interests of the shareholder, as well as to ensure that the company's needs for expertise, capacity and diversity are met. The state is a proactive shareholder with respect to setting clear goals for the Company. It is also important that there are well functioning systems in place for monitoring the Company's financial situation, corporate social responsibility and ethical management.

Board of Directors and management

Entra's overall objectives and strategy are set by the Board. The ethical guidelines adopted by the Board are the foundation on which Entra's activities are built and form the basis for good corporate governance. Guidelines, procedures and authorisation structures can be found in Entra's system of governing documents that integrate strategy, goals and overall principles with routines and documentation requirements for the administration and business areas.

Entra has carried out organisational changes in 2013 in order to strengthen its position as the leading office real estate company in Norway. The Group has introduced a regional model with clear result responsibility, following a period with a functional organisation. Entra is divided into four geographic regions/business areas: Central Oslo region, Greater Oslo region, Southern and Western region and Central and Northern region. The regions are supported by central business functions in Sales and Markets, as well as Projects and Technology, which in addition to acting as support functions for the regions secure a uniform market and growth strategy and provide technical and operational support on projects. Group and support functions have been established within accounting and finance, legal, communications and HR. The CEO has set up an authorisation structure within the Group based on the Board's resolution on authorisations to the CEO. Entra uses the balanced scorecard system as an important tool in managing its business. Based on the Group's strategy, score indicators have been defined that represent the business's balanced scorecard. Scorecards have been established for each business area and for support functions. The targets for the Group's work on corporate social responsibility and the environment are included in the scorecards. The system provides a basis for the management's control of the business and follow-up of the Group, as well as business reporting to the Board.

Corporate social responsibility and the environment

State-owned companies face strict requirements in fulfilling corporate social responsibilities. Entra's ambition is to be an industry leader in implementing environmentally sustainable solutions, and this sets the goals for the Group's environmental work. Entra's environment strategy describes goals and focus areas. The following key areas have also been defined for the Group's corporate social responsibility work:

Urban development, HSE, the environment and ethics. Corporate social responsibility is an integrated part of Entra's corporate governance.

Entra's corporate social responsibility policy also applies to suppliers. The Board has adopted guidelines on socially responsible procurement. The guidelines set out procedures for procurement in the Group in which high ethical standards must be demonstrated, with competitive bidding processes in which all bidders are treated equally. Suppliers must undergo annual supplier verification and accept the Group's guidelines for socially responsible procurement in order to qualify as an Entra supplier. Entra aims to further increase procurement expertise and raise awareness about socially responsible procurement. The requirements in relation to corporate social responsibility and the environment will be clearly communicated to the Group's suppliers. Both manufacturing processes and finished products must meet defined environmental standards, and the fundamental rights of employees must be respected by all the links in Entra's chain of suppliers. The Group's environmental criteria for suppliers and the policy document on socially responsible procurement are available on www.entra.no.

Ethical guidelines

Entra's ethical guidelines set out how the Group's stakeholders shall be treated and the behaviour that is expected of employees, providing guidance and support to employees on decision-making and problem-solving issues. The guidelines support the Company's corporate social responsibility activities and deal with topics such as health, safety and the environment and business ethics, including corruption and bribery. The ethical guidelines were last updated and approved by the Board on 10 November 2011. Compulsory training in the Group's ethical guidelines, including dilemma training, is held regularly, and all Entra's employees are required annually to confirm that they have read and are aware of Entra's ethical guidelines, which are available at www.entra.no.

Non-compliance with the recommendations: None

2. BUSINESS

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

The Company's main purpose is to provide premises to meet government needs, and to operate on commercial principles similar to those of private sector participants in the industry.

1) Report to the Norwegian parliament, no. 29 (2008–2009).

The Group has a clearly defined strategy, values and overall objectives. Entra's business concept is to develop and manage attractive and environmentally leading buildings as well as carrying out active portfolio management through the purchase and sale of properties. Entra's strategy has three pillars: delivering profitability and growth, customer satisfaction and environmental leadership. The geographic growth areas are Oslo and the surrounding region, Bergen, Stavanger and Trondheim. See www.entra.no for a more detailed description of the Group's strategy.

Non-compliance with the recommendations: None

3. EQUITY AND DIVIDENDS

Equity

Entra shall maintain a level of equity that is appropriate by reference to the Group's goals, strategy and desired risk profile. The Group's equity at 31.12.2013 was NOK 7,993.4 (7,942.9) million, equivalent to an equity ratio of 30 (30.8) per cent. The Group's financial strength is considered satisfactory.

Dividend

The Board proposes the dividend to the Annual General Meeting. Section 20–4 (4) of the Companies Act states that the Annual General Meetings of state-owned companies do not have to adopt the dividend allocations proposed by the Board. The Annual General Meeting determines the dividend in accordance with Section 8–1 of the Norwegian Companies Act.

The shareholder has set a dividend policy for Entra under which the annual dividend shall constitute 50 per cent of the Group's profit after tax and non-controlling interests as calculated in accordance with the Accounting Act and generally accepted accounting principles, or be equivalent to at least two per cent of book equity after non-controlling interests in accordance with IFRS at the start of the financial year. The expected dividend from Entra Eiendom AS is presented each year in the State Budget.

In the State Budget for 2014 a dividend of NOK 250 million is proposed for Entra Eiendom AS for the financial year 2013. In addition a dividend of NOK 650 million is proposed on privatisation.

Capital increases and purchases of own shares

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

Non-compliance 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 state through the MTIF via Entra Holding AS, and there is only one class of shares. The section in the recommendations about waiving 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 considered to be a close relationship between the Company and a Board member, key employee or closely related parties of any of these. The guidelines for the Board regulate the Board members' duty to report any other directorships, roles and related parties. The guidelines for the Board state that Board members and the CEO cannot participate in discussions or decisions on issues that affect them personally or affect a related party, where they have a significant personal or financial interest in the matter. The Board has also adopted a policy for transactions with related parties, describing the rules and procedures for these types of transactions.

The Company has a number of public sector tenants. Lease contracts with them have been entered into on market terms.

Non-compliance with the recommendations: None

5. FREE TRANSFERABILITY

According to the recommendations, the company's shares should in principle be freely transferable. However, since Entra Eiendom AS is 100 per cent owned by Entra Holding AS, which is wholly owned by the Norwegian state, this requirement is not relevant.

In the Government's Ownership Report, Report no. 13 (2010–2011) to the Norwegian parliament, the Government indicated that it may permit the company to finance its equity requirements in the private market. This may entail a government sell-down as part of a structural transaction and/or stock exchange listing. The Government therefore requested the Norwegian parliament for an authorisation to be able to list and/or sell up to 2/3 of the shares in Entra / Entra Holding AS.

On 9 June 2011, the Norwegian parliament adopted a resolution to authorise the Government to reduce the ownership in Entra Holding AS down to 33.4 per cent in connection with a sell-down and/ or stock exchange listing of the company.

As part of the consideration of the supplemental proposal to the State Budget 2014 Proposition 1S Supplement 1 and Recommendation 8S (2013–2014) the Government was authorised to sell all its shares in Entra Holding AS.

Non-compliance with the recommendations: None

6. ANNUAL GENERAL MEETING

§ 5-5 of the Companies Act regulates the Annual General Meeting of limited companies.

Notice, agenda and relevant documents

The Board sets the date of the Annual General Meeting. The management of Entra Eiendom AS prepares the agenda and the relevant documentation for the Annual General Meeting in accordance with §§ 8 and 10 of the company's Articles of Association and sends out the notice of meeting. The notice sets out what items are on the agenda. The notice is sent to the shareholder, the Chair of the Board and the company's auditor. In 2013 the deadline for registering for the Annual General Meeting was set as close as practicably possible to the date of the Annual General Meeting.

Chair of meeting

The Chair of the meeting is elected by the Annual General Meeting. The Chair of the Board chaired the Annual General Meeting in 2013.

Meeting attendance

The Board of Entra Holding AS represents the shareholder Entra Holding AS at the Annual General Meeting of Entra. The Board's participation at the meeting is agreed with the shareholder. The company's auditor always attends the Annual General Meeting. The CEO and CFO attend on behalf of the management.

7. ELECTION COMMITTEE

The Company does not have an election committee. Board members are appointed by the shareholder.

Non-compliance 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

The Group does not have a corporate assembly.

Election of the Board

The shareholder elects between five and seven shareholder-elected members, including the Chair, for a period of two years through the Annual General Meeting. The Board of Directors was elected/re-elected at the 2012 Annual General Meeting, with five shareholder-elected members. No new Board members were elected in 2013. The Board also contains two members who are chosen by and from the employees, who sit for the same length of time as the shareholder-elected members.

Composition of the Board

The composition of the Board at the end of 2013 was as follows: Siri Hatlen (Chair), Martin Mæland (Deputy Chair), Arthur Sletteberg, Ingrid Tjøsvold, Kjell Bjordal, Tore Benediktsen and Birthe Smedsrud Skeid. The last two are chosen by and from the employees. The proportion of female members of the Board is around 43 per cent.

Emphasis is placed on the fact that the Board as a whole should have experience of working on boards and of the Group's main business in order to make a positive contribution to the ability of the Group to add value. The Board must also have the capacity required to perform its duties. No participants in the Group management are Board members.

Independence of the Board

All shareholder-elected members are considered to be independent and not connected with the Group management, important business partners and the shareholder. Detailed information about the Board members is provided in the annual report and is also available at www.entra.no.

Non-compliance with the recommendations: The Company is wholly owned by the Norwegian state and it is not possible for Board members to own shares in the Company.

9. THE WORK OF THE BOARD

The functions of the Board

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

The Board is to keep itself informed with regard to the Group's financial situation and ensure that its business, accounts and asset management are subject to adequate controls and in accordance with applicable regulations. The Board is obliged to ensure that the Group has systems for the observance of directives applicable at any time. The Board shall ensure that the Group has good internal controls and appropriate systems for risk management in relation to the extent and nature of the Group's business.

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

Organisation of the Board's work

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

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

Guidelines for the CEO

The Board has adopted guidelines that regulate the CEO's tasks and the relationship with the Board. The CEO is responsible for the day-to-day management of the Company's business and ensuring that the Board's resolutions are implemented, as well as ensuring that the Company's employees and other involved parties receive sufficient information on the Board's resolutions. The CEO is responsible for ensuring that the Board receives all the information that is necessary for it to be able to exercise its functions in accordance with applicable statutory requirements at the relevant time and with established board procedures. Each month, either at a meeting or in writing, the CEO is to provide the Board members with information on the Group's business situation and the development in results.

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

Sub-committees

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

The audit committee acts as a preparatory body and helps the Board to assess issues relating to financial reporting, auditing, internal controls, compliance with ethical guidelines and overall risk management. The Board appoints two or three persons to the audit committee from among its members. The CFO, the Head of Group Accounting and the Company Secretary always attend as representatives of the management. The company's auditor also participates. The CEO and other members of the management attend as required. The audit committee has an established calendar of meetings, and meets at least five times a year. In 2013, the audit committee held seven meetings.

The remuneration committee acts as a preparatory body for the Board's consideration of compensation issues. The remuneration committee's main task is to prepare the Board's consideration of matters relating to the CEO's salary and employment terms, as well as changes to them. In addition it prepares the Board's consideration of principle issues relating to salary levels, profit-related pay schemes, the pension scheme/conditions, employment contracts and similar for the group management of Entra, as well as other matters relating to compensation that are of particular importance for the Company's competitive position, profile, ability to recruit, reputation etc.

The remuneration committee is composed of the Chair of the Board of Directors and a shareholder-elected member of the Board. The CFO and CEO always attend as representatives of the management. The CEO does not participate in discussions on issues that affect the CEO personally. The Company's head of HR attends as required. A calendar of meetings has been established for the remuneration committee, which normally meets between three and four times a year. The remuneration committee held three meetings in 2013.

Non-compliance with the recommendations: None

10. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for ensuring that the business, financial reporting and asset management are subject to adequate control. The Group's risk management shall support the Company's strategic and financial goals and help the Group avoid events that may have an adverse impact on the Group's operations and reputation. Risk management and internal controls at Entra are described in the Group's system of governing documents.

Entra works systematically to ensure continuous improvement of its internal controls linked to financial reporting and efficient operation. The Group has a proactive approach towards

risk management, and potential risks are to be identified, assessed, quantified and managed. The administration has established routines for identifying and managing the exposure to risk entailed by the Group's activities. The Group has drawn up a risk chart, where the main risks are considered to be: commercial risk, operational risk, project risk and business and strategic risk. Commercial risk includes the Group's financial risk and is managed in accordance with the adopted financial strategy, with financial instruments as one of the ways of limiting risk exposure. The Group's commercial risk also includes the risk associated with entering into and renegotiating contracts, which is continuously monitored. Operational risk is managed through procedures for day-to-day operations, compliance and HSE work. Project risk is managed continuously over the course of projects by monitoring progress, financial and contractual issues. Business and strategic risks include the possible impact on the Group of political issues, regulation and external non-recurring events.

Reporting

In conjunction with the management's reviews of the company's operations, risk matrices are drawn up within each business and support area to provide an overall picture of the Group's exposure to risk. The Group's financial status is monitored by reviews of the accounts compared with previous periods, the budget and projections, and performance is reported using balanced scorecards in all the business and support areas. The Group has established systems for managing and monitoring issues related to health, safety and the environment as an integrated part of its management reporting.

The Board performs an annual review of the Group's risk and established internal controls as part of the Company's target and budget process. The Board is also informed of developments in the Group's risk exposure in quarterly business reports. 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 Group's risk management procedures are satisfactory. Risk management and internal controls are also considered by the Board's audit committee.

Monitoring and control of financial reporting

Procedures have been established for financial reporting that involve carrying out a high-level review of significant estimates, provisions and accruals in conjunction with preparing the quarterly and annual financial statements. Separate notes to the accounts are prepared for significant accounting items and non-routine transactions, which are approved by the CFO. The valuation of the 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 Group's actual financial performance is monitored against the budget each month, and projections are updated on an ongoing basis.

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

In connection with quarterly reporting, the Group's external auditor performs audit tasks equivalent to equivalent to review of the quarterly reporting, but without confirmation.

The Group's quarterly and annual financial reports are reviewed by the audit committee before they are approved by the Board. The audit committee reviews annually the external auditor's audit report, as well as the findings and assessments of audits in conjunction with interim and annual reports. Significant issues in the auditor's report are presented to the Board.

Financial management

The Group is managed by means of financial targets linked to, among other things, the return on equity, the management of the debt portfolio and the return on the property portfolio. Risk assessments and profitability calculations are performed in connection with acquiring property and commencement of building projects, using the Group's calculation model and required rate of return. The present value of building projects is monitored throughout the course of the project.

Long-term projections are made of expected financial developments as a component of the Group's risk management, using a model with detailed assumptions concerning the business's results, cash flow and balance sheet. The projections take into account expected cyclical developments in the economy, financial parameters and the property market. Scenarios and simulations are prepared for various developments. The simulations provide good information for the Board and management in their monitoring of developments in central balance sheet figures and cash flow.

Allocation of capital and risk profiles are important parameters for guiding financial operations. Entra's finance policy contains a framework for the day-to-day management of the Group's financial risk. Principles have been defined for borrowing, management of liquidity risk and interest rate risk, and credit and counterparty risk. The Group's model for financial projections provides updated key figures, which are

monitored on a continuous basis. Reports are made to the management monthly in accordance with the management guidelines for the financial operations, and to the Board through the business report.

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

See the description in the annual report for a more detailed presentation of the Group's financial position and risk.

Monitoring of risk management and internal controls

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

Monitoring ethical guidelines and socially responsible procurement

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

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

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

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

Non-compliance with the recommendations: None

11. REMUNERATION OF THE BOARD

Each year, the Annual General Meeting determines the remuneration of the Board. For information about remuneration of the Board in 2013, see Note 25 to the consolidated financial statements of Entra Eiendom AS. 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 8.

Non-compliance with the recommendations: None

12. REMUNERATION OF KEY EMPLOYEES

Guidelines for determining senior management remuneration

With effect from 1 April 2011, the Government's guidelines concerning the state's position on senior management remuneration in state-owned companies from 2006 were replaced by new guidelines, issued in connection with the Report to the Norwegian parliament no. 13 (2010–2011) Active ownership and appendix no. 1 Guidelines for terms of employment for senior management in state-owned enterprises and companies. The primary objective of the guidelines is to ensure that senior management remuneration levels within companies with a state shareholding are competitive, but not above those of other similar companies. The companies shall promote moderation in executive pay. The principal element in the remuneration scheme for senior management should be the fixed basic salary. The guidelines also lay down that the sum total of the individual components in a pay package must be assessed as a whole, including fixed basic salary, any variable pay and other benefits such as pensions and severance pay. It is the responsibility of the entire Board to adopt guidelines for the remuneration of senior management.

The Board's statement concerning senior management remuneration

The Annual General Meeting of 27 June 2011 adopted an amendment to the Articles of Association of Entra Eiendom AS to ensure compliance with the Government's revised guidelines on remuneration of senior management. Effective from the 2012 Annual General Meeting, the Board shall submit a statement on the determination of salaries and other remuneration of senior management. The general meeting dealt with this statement for the first time at the general meeting of 14 May 2012. The statement for 2013 is included in note 25 to the Group's annual financial statements

Determination of salaries and compensation of senior management

The CEO receives a fixed annual salary in accordance with the state's guidelines for senior management remuneration and receives no performance-related pay. A pension agreement for a defined-contribution pension will be entered into for cover over and above 12G, which complies with the state's guidelines on senior management remuneration. It is the view of the Board that the overall conditions comply with the state's guidelines on senior management remuneration.

The Board assesses the CEO's terms and conditions of employment once a year following a recommendation from the Board's remuneration committee.

The CEO consults the remuneration committee in connection with the annual adjustment of the salaries of the Group's senior management group. See the presentation of the remuneration committee in Section 9.

The other members of the senior management group have a performance-related pay scheme, with an upper limit of 25 per cent of their annual salaries. There are no share option schemes for senior management.

The remuneration of the Group's senior management and the Board of Directors is described in more detail in note 25 to the annual financial statements.

Performance-related pay

The general performance-related pay scheme for employees of Entra is linked to defined targets related to the return on equity, owner costs, economic rents, occupancy rates, customer satisfaction and energy consumption, as well as defined individual goals. The extent to which the Group achieves its goals over the course of the year can be seen from the Group's business reporting. Total performance-related pay from the scheme cannot exceed 12.3 percent of the employee's annual salary in any given year.

Non-compliance with the recommendations: None

13. INFORMATION AND COMMUNICATION

Financial reporting and communication

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). Reporting must fulfil statutory requirements and provide sufficient information to allow the Group's stakeholders to form as accurate a picture of the business as possible. Entra Eiendom AS has publicly traded bonds, and its reporting conforms to the rules in the Securities Trading Act, as well as with the requirements specified by the Oslo Stock Exchange for companies with listed bonds.

The Group publishes the interim report for the fourth quarter in February, while the annual financial statements and the Board's annual report are considered by the Board of Directors in March. The annual report is prepared and sent to the shareholder and is also published on Entra's website in April. In addition to this, the Group reports accounting figures every quarter. The quarterly figures and annual results are published through stock exchange notices and press releases. The Group's report on corporate social responsibility will be integrated in the annual report for 2013. The financial calendar is published on Entra's website and is also stated in the Group's annual report.

Dialogue with shareholders

The Group considers it very important to inform the shareholder about the Group's performance and its financial position. Regular meetings are held between representatives of the shareholder and Company at which the annual and interim financial statements are presented. The CEO and CFO always attend on behalf of the Company. In addition, there are regular meetings between shareholder representatives, the Chair of the Board and the CEO.

Non-compliance with the recommendations: None

14. TAKEOVER

Entra Holding AS is wholly owned by the Norwegian state through the MTIF. The owner cannot sell shares in the Company without special authorisation from the Norwegian parliament.

Non-compliance with the recommendations: Section 14 of the recommendations is not considered to be relevant to the Company.

15. AUDITOR

The annual general meeting elects the Group's auditor. Deloitte AS has been the Group's auditor since 2012.

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 the meetings of the audit committee, as well as Board meetings to review and adopt the annual report and financial statements. There is one annual meeting between the audit committee and the auditor, and one meeting between the whole Board and the auditor, which is not attended by representatives of the Group management.

Auditor's review of the Group's internal controls and financial reporting

When presenting the results of the interim audit to the audit committee, the auditor focuses on the Group's internal controls, identified weaknesses and proposals for improvements. The auditor summarises the findings and assessments of the annual audit for the Group management and audit committee. Significant issues are summarised for the Board.

Auditor's independence

On submitting the auditor's report for 2013, the auditor provided a written declaration of compliance with the specified independence requirements; cf. the Auditing and Auditors Act. Each year the auditor's independence is also assessed by the audit committee. The Board has drawn up guidelines on the engagement of the external auditor, governing what work the auditor can do for the Group 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 informs the audit committee of additional services supplied by the external auditor under a fixed item on the agenda at meetings.

Annual General Meeting

The auditor attends the Annual General Meeting for consideration of the annual report and financial statements. The auditor's fee for statutory auditing and other services is approved by the Annual General Meeting.

Non-compliance with the recommendations: None

Entra Eiendom Consolidated Financial Statements 2013

STATEMENT OF TOTAL COMPREHENSIVE INCOME 1.1–31.12.

All amounts in NOK million

	Note	2013	2012
Rental income	23	1 543.9	1 500.3
Other operating revenue	24	31.5	32.4
Total operating revenue		1 575.4	1 532.7
Maintenance		65.9	66.2
Operating expenses	26	91.5	86.9
Other property costs	7, 10, 27	88.2	117.1
Administrative owner costs	25, 28	222.9	194.7
Total operating expenses		468.4	464.9
Net income from property management		1 107.0	1 067.8
Adjustment to value of investment property	8	-495.1	129.0
Share of profit from associates and jointly controlled entities	12, 13	235.5	508.7
Operating profit		847.4	1 705.5
Interest and other finance income	4-3	109.9	98.2
Interest and other finance expense	4-3	-674.9	-690.2
Net realised financial items		-565.0	-591.9
Unrealised changes in value of financial instruments	4	183.7	-272.0
Net financial items		-381.3	-864.0
Profit before tax		466.1	841.5
Tax expense	29	3.9	-103.8
Profit/loss for the year		470.0	737.8
Pension estimate difference	18	4.0	-48.3
Tax adjustment on comprehensive income	29	1.1	-13.5
Total comprehensive income for the year		467.1	772.6
Profit for the year allocated to:			
Shareholders in the parent company		453.4	703.3
Non-controlling interests		16.6	34.5
Total comprehensive income for the period allocated to			
Shareholders in the parent company		450.5	738.1
Non-controlling interests		16.6	34.5
Earnings per share (NOK)			
Continuing operations			
Ordinary = Diluted	32	453 395.1	4.9

Notes 1 through to 33 form an integral part of the consolidated financial statements

BALANCE SHEET AT 31 DECEMBER – ASSETS

All amounts in NOK million

	Note	31.12.2013	31.12.2012	01.01.2012
Non-current Assets				
Other intangible assets	7	30.9	36.3	16.5
Total intangible assets		30.9	36.3	16.5
Investment properties	3, 8	23 144.8	22 202.5	21 843.9
Property used by owner	10	6.7	5.8	6.0
Other property, plant and equipment	10	30.5	26.2	25.4
Total property, plant and equipment		23 182.0	22 234.5	21 875.3
Investments in associates and jointly controlled entities	12, 13	1 128.3	1 100.3	502.0
Loans to associates and jointly controlled entities	31	–	6.7	14.2
Financial derivatives	4-2	203.5	214.3	–
Other non-current receivables	14	742.8	1 129.5	1 107.5
Total non-current financial assets		2 074.6	2 450.8	1 623.6
Total non-current assets		25 287.5	24 721.5	23 515.4
Current Assets				
Housing units for sale	9	227.0	120.2	–
Trade receivables	15	27.9	20.1	34.5
Other receivables	15	538.1	49.9	105.6
Total current receivables		793.0	190.2	140.1
Cash and bank deposits	16	177.4	64.8	48.3
Total current assets		970.4	255.0	188.4
Investment properties held for sale	8	388.2	734.2	36.5
Total Assets		26 646.1	25 710.8	23 740.3

Notes 1 through to 33 form an integral part of the consolidated financial statements.

BALANCE SHEET AT 31 DECEMBER – EQUITY AND LIABILITIES

All amounts in NOK million

	Note	31.12.2013	31.12.2012	01.01.2012
Equity				
Paid-in equity	17	1 414.2	1 414.2	1 414.2
Other equity		6 464.6	6 430.7	5 845.6
Non-controlling interests		114.6	98.0	119.2
Total equity		7 993.4	7 942.9	7 379.0
Liabilities				
Interest-bearing liabilities	20	11 799.4	9 736.5	9 086.3
Pension liabilities	18	53.1	58.0	102.1
Deferred tax	29	2 463.9	2 472.7	2 347.6
Financial derivatives	4-2	848.0	1 005.2	769.5
Other liabilities	19	126.6	126.5	63.8
Total non-current liabilities		15 291.0	13 398.9	12 369.3
Trade payables and other payables	21	457.6	378.9	374.4
Interest-bearing liabilities	20	2 809.1	3 910.0	3 492.7
Prepayments and provisions	22	95.0	80.1	124.9
Total current liabilities		3 361.7	4 369.0	3 992.0
Total liabilities		18 652.7	17 767.9	16 361.3
Total Equity And Liabilities		26 646.1	25 710.8	23 740.3

Notes 1 through to 33 form an integral part of the consolidated financial statements

Oslo, 31 March 2014
The Board of Entra Eiendom AS



Siri Hatlen
Chair



Martin Mæland
Deputy Chair



Ingrid Tjøsvold
Board member



Arthur Sletteberg
Board member



Kjetil Bjordal
Board member



Tore Benediktsen
Board member



Birthe Smedsrud Skeid
Board member



Klaus-Anders Nysteen
Chief Executive

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in NOK million

	Paid-in equity	Retained earnings	Total majority	Non-controlling interests	Total equity
Equity at 31.12.2011	1 414.2	5 858.0	7 272.2	119.2	7 391.4
Change in accounting principle, see note 2		-12.4	-12.4		-12.4
Equity at 01.01.2012	1 414.2	5 845.6	7 259.7	119.2	7 379.0
Total comprehensive income		738.1	738.1	34.5	772.6
Dividend paid		-137.0	-137.0		-137.0
Change in non-controlling interests		-15.9	-15.9	-55.7	-71.7
Equity at 31.12.2012	1 414.2	6 430.7	7 844.9	98.0	7 942.9
Total comprehensive income		450.5	450.5	16.6	467.1
Dividend paid		-416.6	-416.6		-416.6
Equity at 31.12.2013	1 414.2	6 464.6	7 878.8	114.6	7 993.4

Notes 1 through to 33 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts in NOK million

	Note	2013	2012
Cash flows from operating activities	33	1 213.8	1 366.1
Interest paid on loans from financial institutions		-694.6	-679.0
Payment of loan fees		-10.8	-31.1
Net cash flows from operating activities		508.4	656.0
Proceeds from sales of property, plant and equipment		596.3	185.7
Sales of operations, net liquidity	11	0.1	28.0
Purchase of investment properties	8	-592.1	-396.0
Cost of upgrades of investment properties	8	-998.0	-1 067.1
Purchase of intangible assets and other property, plant and equipment	7, 10	-101.8	-103.6
Investment in housing units for sale		-106.8	-24.2
Repayment of loans to associates and jointly controlled entities	31	-5.2	7.7
Investments in associates and jointly controlled entities		-	-191.0
Dividends from associates and jointly controlled entities	12, 13	207.4	322.3
Net cash flows from investing activities		999.7	1 238.2
New non-current liabilities	20	7 770.0	4 380.0
Repayment of non-current liabilities	20	-6 509.5	-2 662.6
New current liabilities	20	2 642.0	3 200.0
Repayment of current liabilities	20	-2 882.0	-4110.0
Purchase of non-controlling interests		-	-71.7
Dividends paid	17	-416.6	-137.0
Net cash flows from financing activities		603.9	598.8
Net change in cash and cash equivalents		112.6	16.5
Cash and cash equivalents at the start of the period		64.8	48.3
Cash and cash equivalents at the end of the period	16	177.4	64.8

Notes 1 through to 33 form an integral part of the consolidated financial statements.

Notes

NOTE 1 – GENERAL INFORMATION

Entra Eiendom AS was established on 01.07.2000. Entra is engaged in the development, letting, management, operation, purchase and sale of real estate in Norway. Entra is one of Norway's largest property companies, with a total property portfolio of 1,218,040 square metres and 1,018,143 square metres under management. The management portfolio's economic occupancy level was 95.8 % at the year-end. Entra's head office is situated in Oslo. Regional offices are located in Oslo, Bergen and Trondheim.

All of the shares in the company are owned through Entra Holding AS by the Norwegian state, represented by the Ministry of Trade, Industry and Fisheries. The Board consists of five shareholder-elected members and two employee representatives. Entra operates in direct competition with private sector companies on a commercial basis.

The Group has 81(81) per cent public sector tenants as of 31.12.2013.

The consolidated financial statements were adopted by the company's Board on 31.03.2014.

NOTE 2 – ACCOUNTING PRINCIPLES

BASIC PRINCIPLES

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

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

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

Estimates and underlying assumptions are continuously reassessed. Changes in accounting estimates are recognised in the period in which the changes occur if they apply only to that period. If the changes also apply to future periods, the impact is distributed over the current and future periods. Note 3 details items in the accounts that are based on a significant amount of subjective judgement.

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

The Group has started using the following new and amended standards in 2013:

No new or amended IFRS or IFRIC interpretations came into effect for the 2013 financial year that have a significant impact on the consolidated financial statements.

The following amendments to standards with an impact on Entra's consolidated financial statements have been implemented with effect for 2013:

IAS 19 Employee Benefits

This standard was amended in June 2011. The amendments entail that all actuarial gains and losses are recognised in comprehensive income as they arise (no corridor), an immediate recognition of all costs relating to pension liabilities accrued in previous periods, and the replacement of interest expenses and anticipated return on pension assets with a net interest amount, calculated by applying the discount rate to the net pension liability (asset). The Group has applied the amended standard with effect from 01.01.2013 with a restatement of comparable figures with implementation effect as at 01.01. 2012. Implementation of the new standard involved an increase in the pension liability of NOK 17.3 million, a reduction in deferred tax of NOK 4.8 million

and a net effect on equity of NOK 12.4 million. Application of the new standard involved reduced administrative owner costs for 2012 of NOK 0.4 million, increased interest costs of NOK 1.9 million and an estimate difference after tax included in comprehensive income of NOK 34.8 million.

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

IFRS 10 Consolidated Financial Statements

The standard is based on the existing principles defining control as the decisive factor in determining whether a company is to be included in the consolidated accounts of the parent company. The standard provides extensive guidance on determining whether control exists in difficult cases. The standard is not expected to have any significant consequences for the Group. The Group is applying the standard to accounting periods beginning on 01.01.2013, although the EU does not require its application until 01.01.2014.

IFRS 11 Joint Arrangements

The standard replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers". IFRS 11 has two main categories of joint arrangements: joint operations and joint ventures. Proportional consolidation is no longer permissible (the gross method). The equity method of accounting must be used for interests in jointly controlled entities. For arrangements classified as joint operations, the parties recognise their share of the assets and liabilities in the collaboration. The classification of joint arrangements is determined by the nature and terms of the arrangement, as opposed to its formal structure. The standard is not expected to entail any significant changes for the Group. The Group is applying the standard to accounting periods beginning on 01.01.2013, although the EU does not require its application until 01.01.2014.

IFRS 12 Disclosure of Interests in Other Entities

The standard contains the disclosure requirements for financial interests in subsidiaries, jointly controlled entities, associates, special purpose entities (SPE) and other unconsolidated entities. The Group is applying the standard to accounting periods beginning on 01.01.2013, although the EU does not require its application until 01.01.2014.

IFRS 13 Fair Value Measurement

The standard provides a precise definition of fair value for use in IFRS, provides a single framework describing how to measure fair value in IFRS, and defines what additional information must be disclosed when fair value is used. The standard does not expand the area of application for the use of fair value; rather it provides guidance on how it should be applied when fair value measurement is already required or permitted by other IFRSs. The Group measures certain assets and liabilities at fair value. The Group is applying the

standard to accounting periods beginning on 01.01.2013. The standard has no consequences for balance sheet amounts as at 31.12.2013.

Standards, amendments and interpretations of existing standards that have not come into force and where the Group has not chosen early implementation.

The following standards, changes and interpretations of existing standards have been published and will be mandatory for the Group's financial statements that begin on or after 01.01.2014, but the Group has not chosen early implementation with effect for the 2013 financial year.

IAS 1 Presentation of Financial Statements

This standard has been amended with the result that items in comprehensive income are to be divided into two groups: those which are potentially re-classifiable to profit or loss subsequently and those which are not. This amendment does not affect which items are to be included in comprehensive income.

IFRS 9 Financial Instruments

IFRS 9 was published in November 2009 and October 2010, replacing the rules in IAS 39 on recognition, classification and measurement of financial instruments. Under IFRS 9, financial assets are divided into two categories depending on how they are measured: those measured at fair value and those measured at amortised cost. Classification is made on initial recognition. Classification will depend on the business model the Group uses to handle its financial instruments and the contractual cash flow characteristics of the instrument. The rules for financial liabilities are largely the same as under IAS 39. The most significant change in cases where financial liabilities are measured at fair value is that part of gains or losses in the fair value of these instruments attributable to changes in the Group's own credit risk are to be presented in other comprehensive income, as opposed to in the income statement, as long as this does not result in accrual errors in the measurement of profit or loss. The Group intends to adopt IFRS 9 once the standard comes into force and has been approved by the EU. The standard comes into force for accounting periods starting on or after 1 January 2018. The Group will also examine the consequences of the remaining stages of IFRS 9 once these have been completed by the IASB. The Group has not yet assessed the full impact of IFRS 9.

IFRIC 21 Special levies

IFRIC 21 regulates the accounting of liabilities to pay special levies. The interpretation does not apply to tax on income. The interpretation sets out what events give rise to an accounting liability. The Group is not obliged to pay significant special levies, so the impact on the accounts will be insignificant.

There are no other IFRS standards or IFRIC interpretations that have not yet come into effect that are expected to have a significant impact on the consolidated financial statements.

CONSOLIDATION PRINCIPLES

Subsidiaries

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

The Group also assesses whether there is control in entities over which it does not have more than 50 % of the voting rights, but in which it is nevertheless able to influence financial and operational guidelines in practice ("actual control"). Actual control can exist in situations where the other voting rights are spread over a large number of shareholders who are not realistically capable of organising their voting. In the assessment of whether the Group has actual control over a subsidiary, decisive importance is attached to whether the Group can choose the Board it wants.

Subsidiaries are consolidated from the date on which control is transferred to the Group, and are deconsolidated when control ceases.

The acquisition method is used to account for purchases of subsidiaries that constitute a business. The consideration given is measured at the fair value of the transferred assets, the equity instruments that have been issued, liabilities assumed on the transfer of control and direct costs relating to the actual purchase. The cost of acquisition also includes the fair value of all assets or liabilities that are the result of an agreement on contingent consideration.

Identifiable purchased assets, assumed liabilities and contingent liabilities are recognised at fair value on the date of acquisition. The costs associated with the business combination are expensed when they are incurred.

If the aggregate of the consideration, the carrying amount of non-controlling interests and the fair value on the acquisition date of any previously held ownership interests exceeds the fair value of the acquired entity's identifiable net assets, the difference is capitalised as goodwill. If the aggregate is less than the company's net assets, the difference is immediately recognised in profit or loss.

Contingent consideration is recognised at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss or recognised as a change in other comprehensive income, if the contingent consideration is classified as an asset or a liability. Contingent consideration classified as equity is not re-measured, and subsequent settlement is recognised in equity.

For accounting purposes, acquisitions of subsidiaries that do not constitute a business as defined in IFRS 3, such as

subsidiaries that only consist of a building, are treated as asset acquisitions. The cost of acquisition is then attributed to the individual identifiable assets and liabilities based on their relative fair values on the acquisition date. Expenses associated with the transaction are capitalised under the property. In such cases no provision is made for deferred tax (cf. exceptions in IAS 12).

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

Transactions with non-controlling interests

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

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

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 % of the capital with voting rights. Investments in associates are initially recognised on the acquisition date at the acquisition cost, and thereafter using the equity method. Investments in associates include any excess values and goodwill identified at the time of acquisition, less any subsequent impairment losses.

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

The Group's share of unrealised gains on transactions between the Group and its associates is eliminated. This also applies to unrealised losses, unless there is a permanent loss of value. Where necessary, the accounts of associates have been brought into line with the Group's accounting 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 re-measured at fair value through profit or loss. Thereafter, the fair value is used as the acquisition cost for accounting purposes, and the holding is treated as a financial asset. Amounts relating to the company that were previously recognised in comprehensive income are treated as if the associate had disposed of the underlying assets and liabilities. This may result in amounts that were previously included in comprehensive income being reclassified to profit or loss. If the Group reduces its shareholding but retains significant influence, a proportionate share of the amounts previously recognised in comprehensive income is reclassified to profit or loss.

CURRENCY

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

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured

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

SEGMENT INFORMATION

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

INVESTMENT PROPERTY

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

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

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

Investment properties are valued at each reporting date. The values are estimated by independent valuers. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return.

The required rate of return for each property is defined as being a long-term risk-free interest rate plus a property-specific risk supplement. The latter is defined on the basis of the property segment to which the property belongs, its

location, standard, occupancy rate, tenants' financial reliability and remaining lease term. Known market transactions with similar properties in the same geographical area are also taken into consideration.

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

For properties where the Group is involved in constructing and/or upgrading public infrastructure, and where the Group operates and maintains the infrastructure for an agreed period of time, the infrastructure itself is not included in the Group's accounts, but is instead treated as a financial or intangible asset, depending on whether the Group has a public liability to pay/guarantee cash flows. In those cases where the Group has a contractual right to receive a specific amount or other financial asset from the public sector, in return for constructing or upgrading and subsequently maintaining/operating the asset for an agreed period, the infrastructure is deemed a financial asset as defined in IAS 39. If the Group is entitled to charge users of a public asset that it has constructed/upgraded, and it is responsible for maintaining and operating it for an agreed period, the entitlement is deemed an intangible asset as defined in IAS 38. The total amount recognised in income varies depending on the use of the asset. The Group has three properties classified as financial assets under IFRIC 12.

Property, plant and equipment

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

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

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

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

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

Non-current assets held for sale and discontinued operations

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

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

Housing projects being developed by the company for sale

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

Buildings under construction

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

Borrowing costs

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

INTANGIBLE ASSETS

Goodwill

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

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

Software

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

Development projects

Activities related to the application of knowledge to a plan or in relation to a concept or project prior to being taken into use/production, are classified as development activities that are capitalised as intangible assets when the Group considers it likely that the skills developed will generate net financial benefits. Expenses that are capitalised as development projects are directly attributable expenses relating to the development of the new skills.

Impairment of non-financial assets

Intangible assets with an uncertain useful life are not depreciated and are instead tested annually for impairment. Property, plant and equipment and intangible assets that are depreciated are also tested for impairment if there is any indication to suggest that future cash flows cannot justify the carrying amount of the asset. Write-downs are recorded through the income statement as the difference between the carrying amount and the recoverable amount. The recoverable amount is the utility value or fair value, whichever is the higher, less selling costs. When testing for impairment, non-current assets are grouped at the lowest possible level

at which it is possible to identify independent cash flows (cash flow generating units). In conjunction with each financial report, the company assesses whether it is possible to reverse past write-downs of non-financial assets (except goodwill).

FINANCIAL INSTRUMENTS

A financial instrument is defined as being any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity. Financial instruments are recognised on the transaction date, i.e. the date on which the Group commits to buying or selling the asset.

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

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

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

Trade receivables and other financial assets

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

Cash and cash equivalents

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

Financial derivatives

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

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

Trade payables and other non-interest-bearing financial liabilities

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

Interest-bearing liabilities

Interest-bearing liabilities that satisfy the criteria for using the fair value option under IAS 39 are classified in the category at fair value through profit or loss. Entra uses the fair value option for interest-bearing liabilities at fixed interest rates incurred to finance the acquisition of investment properties. Interest-bearing liabilities are recognised at fair value when the loan is received. Subsequently loans are measured at fair value through the income statement and are presented under net financial items. Ordinary interest expenses are presented on the income statement under net financial items.

Interest-bearing liabilities with variable interest rates are classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method.

Interest-bearing liabilities are classified as current liabilities where the debt is due for repayment less than 12 months from the balance sheet date.

PENSIONS

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

The recognised pension obligation relating to defined-benefit plans is the present value of the defined-benefit on the balance sheet date less the fair value of the plan assets. The gross pension obligation is calculated annually by an independent actuary using the projected unit credit method. The gross obligation is discounted using a discount rate based on bonds with preference rights, which mature around the same time as the related pension obligations.

Changes to benefits payable under the pension plan are recognised in the income statement as they arise.

Actuarial gains/losses resulting from new information or changes to actuarial assumptions are recognised against equity via comprehensive income in the period they arise.

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

TAX

The tax expense consists of tax payable and deferred tax. Tax is charged to the income statement, except where it relates to items that are recognised directly in equity. In such cases, the tax is either recognised in comprehensive income or directly in equity.

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

Deferred tax is calculated and provided or reduced in the event of adjustments to the value of investment properties at a nominal tax rate of 27 per cent from 31 December 2013. For investment properties acquired through the purchase of shares in property companies or not acquired through a business combination, in the event of an adjustment in value, deferred tax is calculated on the property's fiscal value.

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

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

PROVISIONS

The Group recognises provisions for lease agreements and legal claims when a legal or self-imposed obligation exists as a result of past events, it is likely on a balance of probabilities that an outflow of resources will be required to settle the obligation and its amount can be estimated with a sufficient degree of reliability. There is no provision for future bad debts.

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

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

INCOME RECOGNITION

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

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

Lease contracts that are terminated are valued on an individual basis. Payments relating to the termination of contracts are recognised in the period from the contract being entered into until the date of its termination.

LEASE CONTRACTS

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

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

STATEMENT OF CASH FLOWS

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

DIVIDENDS

Dividend payments to the company's shareholders are classified as debt from the date on which a resolution regarding the dividend is passed by the Annual General Meeting.

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES AND SUBJECTIVE JUDGEMENTS

Fair value of investment properties

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

Each quarter, all the properties are valued by two independent, external valuers. The valuations at 31 December 2013 were obtained from Akershus Eiendom AS and DTZ Realkapital Verdivurdering AS. The valuations are mainly based on the discounted cash flow method, which involves discounting future cash flows over a specified period using an estimated discount rate and then adding a residual value at the end of the period. Future cash flows are calculated on the basis of cash flows from signed leases, as well as future cash flows based on an expected market rent at the end of the lease terms. The fair value of investment properties is therefore mainly affected by expected market rents, discount rates and inflation. The market rent for each property takes into account the property's situation, standard and leases signed for comparable properties in the area. For the duration of existing lease terms, the discount rate is mainly based on an assessment of the individual tenants' financial solidity and classification. After the end of the lease term, cash flows are discounted using a discount rate that takes into account the risk relating to letting and location. Inflation is estimated using the consensus of a selection of banks and official statistics.

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

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

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

Change variable	Change in %	Value change (NOKm)*
Inflation	+ 1.00 %	258.2
Market rent	+ 10.00 %	1 911.0
Discount rates	+ 0.25 %	-654.4
Exit yield	+ 0.25 %	-439.9

* Estimates by DTZ Realkapital Verdivurdering AS in conjunction with valuations at 31 Desember 2013

Fair value of financial liabilities

The Group values liabilities with fixed interest rates and financial derivatives at fair value in the Group's balance sheet. The Group's interest-bearing debt is measured at fair value using valuation methods where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.

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

The fair value of commercial paper is estimated as its nominal value, due to the short term to maturity. For more information on how the Group values its financial assets and liabilities see note 4–2.

The carrying amount of financial liabilities classified at fair value through profit or loss will increase by NOK 300.3 million or decrease by NOK 301.1 million in the event of a parallel shift in market interest rates of +/- 1 percentage point.

Pensions

The present value of pension obligations is dependent on several different factors that are determined by a number of actuarial assumptions. The assumptions used to calculate net pension costs (revenue) include the discount rate. Any changes to these assumptions will affect the carrying amount of the pension obligations.

The Group determines the relevant discount rate at the end of each year. This is the interest rate used to calculate the present value of the future estimated outgoing cash flows required to fulfil the pension obligations. When determining the relevant discount rate, the Group looks at the interest rate for high-quality corporate bonds or bonds with preference rights, which mature around the same time as the related pension obligations. At 31 December 2013, the discount rate was determined on the basis of bonds with preference rights.

If a discount rate is used which deviates from the management estimates by +/- 0.5 per cent, the carrying amount of the pension obligations will be NOK 11.1 million lower or NOK 11.2 million higher.

See Note 18 for more details on pensions and estimates.

Uncertainty surrounding estimates pursuant to IFRIC 12

IFRIC 12 regulates the building of public infrastructure by private operators commissioned by public authorities. The infrastructure is also to be operated by the private sector for a period, although the public sector retains control of the residual value. Entra has three properties regulated by these rules.

The value of the receivable has been calculated using estimates to which uncertainty is attached. The uncertainty relates to future rent payments. There is also uncertainty surrounding the property-specific estimates of future ownership costs, investments and purchase options.

NOTE 4 – FINANCIAL RISK MANAGEMENT

All amounts in NOK million

Governance structure, exposure and reporting

The Board of Entra Eiendom AS has defined limits for the financial exposure of the Group through the financial directive. The financial directive regulates the following:

- Allocation of responsibility for financial management
- Overall limits for financial exposure, as well as principles for handling these
- Principles for borrowing
- Definition of how financial risk is to be calculated and key controls that must be in place to ensure adequate risk management.
- Requirements for reporting and monitoring. The Group's overall financial risk exposure is reported regularly to the Board.

There is a responsibility and authority matrix for the Finance area, which defines authority for the day-to-day management of financial transactions within the overall framework of financial management.

The Group must ensure that there is adequate operational risk management and internal control through clear areas of responsibility and segregation of duties. The procedures relate in particular to the management of financial exposure and the division of responsibility between the various roles in the treasury department and the department's financial systems. There are guidelines for managing financial exposure, which include checklists related to the control of current transactions.

Entra has established an internal finance committee, which is a forum for updates on and discussion of the macroeconomic climate, as well as for discussing the company's financial risks and opportunities. Long-term projections are made of financial developments as a component of the Group's risk management, using a model with detailed assumptions concern-

ing the Group's financial performance, cash flow and balance sheet. The projections take into account expected cyclical developments in the economy, financial parameters and the property market. Scenarios and simulations are developed for various development life cycles. The simulations are intended to provide good information for the Board and management in their monitoring of developments in central key figures and cash flow.

The Group's finance strategy shall ensure that the Group has financial flexibility and that it achieves competitive financial terms. The Group is exposed to financial risk and has defined the following relevant risk areas:

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

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due and that financing will not be available at a reasonable price. The Group seeks to limit liquidity risk through:

- requirements for committed capital to cover refinancing requirements
- average credit period requirements
- the use of various credit markets and counterparties
- spread maturity structure for the Group's financing

Capital management and solvency

The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximise the value of the shares in the company, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the company. The Group has defined a target range for its equity ratio of 25–35 per cent over the economic cycle. This means that the Group will normally aim for the median value of the target range, i.e. an equity ratio of 30 per cent. There are covenants in the Group's loan agreements that specify requirements in relation to the company's financial strength.

Interest rate risk

Interest rate risk arises from the loan portfolio's exposure in debt instruments being affected by changes in market rates. Interest rate risk affects the company's cash flows and the market value of the company's liabilities. The main purpose of the company's strategy to manage interest rate risk is to ensure that the company achieves a balance between the desired interest expense and interest rate risk. The Group's interest rate risk is managed through the requirements for fixed interest rates for at least 60 per cent of the debt portfolio, an average duration in the range of 2–5 years and diversification of the maturity structure for fixed interest rates.

Credit and counterparty risk

Stable, predictable and long-term access to capital is critical for Entra. Entra considers that the ability of creditors to behave predictably over the long term is often dependent on their creditworthiness. For this reason, the Group wants the company's creditors to be of a good credit quality and has established credit rating limits for the Group's creditors. The credit ratings of the company's financial counterparties are continuously monitored.

Currency risk

The Group shall not incur any currency risk and at 31.12.2013 the Group had no currency exposure.

Financial covenants

There are covenants in the Group's bank loan agreements relating to the value-adjusted equity ratio (VEK), interest cover ratio (ICR) and the loan-to-value of property (LTV). At 31.12.2013, the Group was not in breach of any covenants.

There are no covenants in relation to the Group's bond or commercial paper loans.

Maturity profile financial obligations

31.12.2013	Remaining Term								Total
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Interest-bearing bank loans – principal	-	-	1 215.0	2 790.0	240.0	195.0	-	495.0	4 935.0
Interest-bearing bank loans – estimated interest	33.7	100.9	130.2	114.6	37.0	31.1	20.1	30.9	498.5
Bonds – principal	-	1 142.5	1 200.0	1 600.0	1 700.0	700.0	500.0	1 100.0	7 942.5
Bonds – estimated interest	50.7	251.6	259.5	432.8	292.2	181.4	151.6	355.7	1 975.6
Commercial paper – principal	800.0	850.0	-	-	-	-	-	-	1 650.0
Commercial paper – estimated interest	18.0	19.2	-	-	-	-	-	-	37.2
Financial instruments - interest rate derivatives	54.3	110.2	151.8	229.3	119.2	23.6	-33.1	-95.5	559.8
Trade payables	290.0	-	-	-	-	-	-	-	290.0
Other financial liabilities	58.3	-	-	-	-	-	-	-	58.3
Total	1 304.9	2 474.5	2 956.6	5 166.7	2 388.4	1 131.0	638.6	1 886.1	17 946.9

31.12.2012	Remaining Term								Total
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Interest-bearing bank loans – principal	-	2 000.0	-	2 795.0	295.0	-	195.0	507.0	5 792.0
Interest-bearing bank loans – estimated interest	41.6	125.9	116.8	184.3	50.7	38.4	27.9	47.2	632.8
Bonds – principal	-	-	1 425.0	1 200.0	1 600.0	500.0	-	1 100.0	5 825.0
Bonds – estimated interest	21.6	209.4	226.8	294.8	191.7	127.9	101.6	406.6	1 580.5
Commercial paper – principal	982.0	908.0	-	-	-	-	-	-	1 890.0
Commercial paper – estimated interest	31.6	27.0	-	-	-	-	-	-	58.7
Financial instrument – interest rate derivatives	27.5	178.5	160.9	292.8	197.3	98.3	11.2	-89.7	876.8
Trade payables	191.4	-	-	-	-	-	-	-	191.4
Other financial liabilities	79.8	-	-	-	-	-	-	-	79.8
Total	1 375.4	3 448.9	1 929.5	4 766.9	2 334.7	764.6	335.8	1 971.1	16 926.9

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

Unused credit facilities

31.12.2013	Term to Maturity								Total
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Parent company's unused credit facilities	-	-	250.0	2 410.0	700.0	-	-	-	3 360.0
Subsidiaries' unused credit facilities	-	-	-	-	-	65.0	-	-	65.0
Total unused credit facilities	-	-	250.0	2 410.0	700.0	65.0	-	-	3 425.0

31.12.2012	Term to Maturity								Total
	Under 3 months	4-12 months	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Parent company's unused credit facilities	-	-	-	1 500.0	2 455.0	-	-	-	3 955.0
Subsidiaries' unused credit facilities	-	-	-	60.0	-	-	65.0	-	125.0
Total unused credit facilities	-	-	-	1 560.0	2 455.0	-	65.0	-	4 080.0

At 31.12.2013, the Group had NOK 142.2 (NOK 31.7) million of available liquid assets. See Note 16.

Interest rate risk

The Group's liabilities are subject to fixed interest rates (62 per cent of liabilities). The Group uses a variety of derivatives to adapt its portfolio to the chosen fixed rate structure. The choice of fixed interest profile is based on an evaluation of the Group's financial strength and ability to generate long-term, stable cash flow.

At 31 December 2013, the weighted average duration was 3.0 (3.2) years. The average credit interest rate was 4.47 (5.13) per cent at 31 December 2013.

The table below shows the nominal value of outstanding current and non-current interest-bearing debt including derivatives.

Maturity structure of the Group's exposure to nominal interest rate risk

As at 31.12.2013	31.12.2014	31.12.2015	31.12.2017	31.12.2019	31.12.2021	31.12.2023	31.12.2023+	Total
Term to maturity	Up to 1 year	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Percentage	38 %	5 %	13 %	22 %	15 %	2 %	4 %	100 %
Amount	5 565.5	750.0	1 852.0	3 250.0	2 250.0	350.0	510.0	14 527.5

As at 31.12.2012	31.12.2013	31.12.2014	31.12.2016	31.12.2018	31.12.2020	31.12.2022	31.12.2022+	Total
Term to maturity	Up to 1 year	1-2 years	2-4 years	4-6 years	6-8 years	8-10 years	Over 10 years	
Percentage	39 %	4 %	15 %	14 %	18 %	5 %	6 %	100 %
Amount	5 215.0	600.0	2 020.0	1 832.0	2 450.0	650.0	760.0	13 527.0

Sensitivity analysis for market interest rates

The table below shows the overall impact on the Group's financing costs of a parallel shift in market rates for NOK of +/- 1 percentage point, based on the Group's debt portfolio and interest rate derivatives on the balance sheet date. The figure

quoted for the change in the fair value of debt and derivatives reflects what the market value of the portfolio would be on the balance sheet date if the yield curve were 1 per cent higher or lower, based on discounted future cash flows from the various instruments.

31.12.2013	Total change in profit/loss (after tax) *	Change in the Group's interest expense (annualised)	Change in the fair value of bonds and derivatives (after tax)
Market rates increase by 1 percentage point	269.6	-30.8	300.3
Interest-bearing debt	123.3	-60.3	183.6
Derivatives	146.3	29.6	116.7
Market rates fall by 1 percentage point	-270.4	30.8	-301.1
Interest-bearing debt	-123.3	60.3	-183.6
Derivatives	-147.1	-29.6	-117.5

31.12.2012	Total change in profit/loss (after tax)	Change in the Group's interest expense (annualised)	Change in the fair value of bonds and derivatives (after tax)
Market rates increase by 1 percentage point	283.0	-33.1	316.1
Interest-bearing debt	81.3	-62.0	143.4
Derivatives	201.7	29.0	172.7
Market rates fall by 1 percentage point	-303.4	33.1	-336.5
Interest-bearing debt	-81.3	62.0	-143.4
Derivatives	-222.1	-29.0	-193.2

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

Key figures for the Group's financial instruments	2013	2012
Nominal value of interest rate derivatives on the balance sheet date**	13 554.5	14 087.0
of which		
- Fixed-to-variable swaps**	3 992.5	3 075.0
- Variable-to-variable swaps	0.0	700.0
- Variable-to-Fixed swaps	9 512.0	8 612.0
- Options or option-related products	50.0	1 700.0
Range of fixed interest rates	From 2.377 % to 5.950 %	From 2.94% to 5.950 %
Variable rate basis	NIBOR	NIBOR
Average fixed rate excl. futures contracts	4.67 %	4.92 %
Average fixed rate incl. futures contracts	4.49 %	4.66 %
Fair value of derivatives on the balance sheet date (NOKm)	644.5	790.8
Change in fair value of bank loans over the year	0.0	-136.2
Change in fair value of bonds over the year	38.5	-98.2
Change in fair value of interest rate derivatives over the year	146.4	-21.4
Premiums/discounts, loan drawings	-1.2	-16.1
Total change in fair value of financial instruments	183.7	-272.0

** NOK 3 993 (NOK 3 075) million of swaps linked to the fixed-interest bonds issued by the Group are included in the volume of interest rate swaps. These bonds are swapped to a variable rate in order to ensure that the Group is in a position to manage its interest rate fixing independently of the bonds. The real volume used for interest rate fixing is therefore NOK 9 562 (NOK 10 312) million. NOK 9 512 (NOK 10 312) million of this consists of pure interest rate swaps, whilst NOK 50 (NOK 1,700) million is interest rate options or option-related products. Option-related products are used either to put a ceiling on parts of the Group's future interest rate expenses, or to reduce the current interest rate on the portfolio by issuing options that expose the company to a limited amount of risk. The majority of the Group's option-related agreements are standard interest rate swaps where the bank has an option to extend the maturity date of the contracts.

NOTE 4-1 – CATEGORIES OF FINANCIAL INSTRUMENTS

All amounts in NOK million

31.12.2013	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit and loss	Total		Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
						Held for sale	Designated upon initial recognition		
Assets					Liabilities				
Financial investments									
- shares	-	0.6	-	0.6	Interest-bearing non-current liabilities	-	3 365.7	8 435.0	11 800.7
- other financial assets	742.3	-	-	742.3	Interest-bearing current liabilities	-	2 357.7	450.0	2 807.7
Financial derivatives	-	-	203.5	203.5	Financial derivatives	848.0	-	-	848.0
Trade receivables	27.9	-	-	27.9	Trade payables	-	-	290.0	290.0
Other current receivables	538.1	-	-	538.1	Other current liabilities	-	-	58.3	58.3
Cash and cash equivalents	177.4	-	-	177.4					
Total financial assets	1 485.7	0.6	203.5	1 689.7	Total financial liabilities	848.0	5 723.5	9 233.3	15 804.8

31.12.2012	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit and loss	Total		Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
						Held for sale	Designated upon initial recognition		
Assets					Liabilities				
Financial investments									
- shares	-	0.4	-	0.4	Interest-bearing non-current liabilities	-	3 194.5	6 542.0	9 736.5
- other financial assets	1 129.1	-	-	1 129.1	Interest-bearing current liabilities	-	1 910.0	2 000.0	3 910.0
Financial derivatives	-	-	214.3	214.3					
Trade receivables	20.1	-	-	20.1	Financial derivatives	1 005.2	-	-	1 005.2
Other current receivables	49.9	-	-	49.9	Trade payables	-	-	191.4	191.4
Cash and cash equivalents	64.8	-	-	64.8	Other current liabilities	-	-	79.8	79.8
Total financial assets	1 263.9	0.4	214.3	1 478.6	Total financial liabilities	1 005.2	5 104.5	8 813.1	14 922.8

NOTE 4-2 – INFORMATION ABOUT FAIR VALUE

All amounts in NOK million

Bank and bond loans with variable interest rates are valued at amortised cost.

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

The fair value of commercial paper is estimated as its amortised cost, due to the short term to maturity. Financial derivatives are measured at fair value using valuation methods where the significant parameters are obtained from quoted market data.

The Group uses the following hierarchy to classify financial instruments, based on the valuation methods used to measure and disclose their fair value.

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: Other techniques where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.

Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

Financial assets at fair value	31.12.2013	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
– Derivatives	203.5	–	203.5	–
Financial assets available for sale				
– Equity instruments	0.6	–	–	0.6
Total	204.0	–	203.5	0.6

Financial liabilities at fair value	31.12.2013	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss				
– Derivatives	848.0	–	848.0	–
– Bank loans	–	–	–	–
– Bonds	4 073.5	–	4 073.5	–
– Commercial paper	1 650.0	–	1 650.0	–
– Other	–	–	–	–
Total	6 571.5	–	6 571.5	–

Financial assets at fair value	31.12.2012	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
– Derivatives	214.3	–	214.3	–
Financial assets available for sale				
– Equity instruments	0.4	–	–	0.4
Total	214.6	–	214.3	0.4

Financial liabilities at fair value	31.12.2012	Level 1	Level 2	Level 3
Financial liabilities at fair value through profit or loss				
– Derivatives	1 005.2	–	1 005.2	–
– Bank loans	–	–	–	–
– Bonds	3 194.5	–	3 194.5	–
– Commercial paper	1 890.0	–	1 890.0	–
– Other	20.0	–	–	20.0
Total	6 109.7	–	6 089.7	20.0

Information about the fair value of financial assets measured at amortised cost

	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
Loans to associates	-	-	6.7	6.7
Financial assets – service concession arrangements (IFRIC 12)	1 285.0	1 122.0	1 296.7	1 122.6
Trade receivables	27.9	27.9	20.1	20.1
Closing balance	1 312.9	1 149.9	1 323.5	1 149.5

The fair value is the same as the carrying amount for loans to jointly controlled entities and associates, as the interest rate is adjusted continuously and no changes in credit margins have been identified. Trade receivables have a short anticipated term, so the fair value is the same as the carrying amount. For service concession arrangements, fair value has been set as the average of two external valuers' estimates of the fair values of the properties in question; see Note 3.

Information about the fair value of financial liabilities measured at amortised cost

The difference between the fair value and the amortised cost of interest-bearing liabilities with variable interest rates is described in note 20. Other financial liabilities are short term and the difference between the fair value and the amortised cost is marginal.

NOTE 4-3 – FINANCIAL ITEMS

All amounts in NOK million

	2013	2012
Interest income*	108.5	98.2
Other finance income	1.4	0.0
Total interest and other finance income	109.9	98.2
Interest expenses	686.9	690.7
– of which capitalised loan arrangement fees	-45.3	-43.9
Other finance expenses	33.2	43.4
Total interest and other finance expense	674.9	690.2
Average interest on capitalised loan arrangement fees	4.9 %	5.5 %

Interest income consists mainly of the impact of IFRIC 12 on financial assets where the Group's counterparty is the state. Accrued interest from IFRIC 12 is NOK 95.4 million (NOK 96.1 million). The effective interest rate based on the asset's cash flow is used to calculate the finance income for the period.

NOTE 5 – SEGMENT INFORMATION

All amounts in NOK million

The Group established a regional model at the end of the second quarter of 2013. With effect from the fourth quarter of 2013 the business reports under four geographic operating segments in line with IFRS 8: Central Oslo, Greater Oslo, Southern and Western Norway and Central and Northern Norway. Each of the operating segments has its own profit responsibility.

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

Expenses related to staff and support functions for the operating segments and group eliminations are included in the segment Group. Finance expenses, finance income and tax are handled at Group level.

31.12.2013	Central Oslo	Greater Oslo	South & West	Central & North	Group	Consolidated
Rental income	667.3	453.0	222.4	201.2	(0.1)	1 543.9
Other operating revenue	18.2	5.3	3.5	3.7	-	30.7
Total operating revenue	685.5	458.3	226.0	204.9	(0.1)	1 574.6
Maintenance	33.2	10.6	13.6	8.5	(0.0)	65.9
Operating costs	34.3	25.6	16.6	15.1	(0.1)	91.5
Other property costs	27.5	28.9	3.4	2.3	26.0	88.2
Administrative owner costs	13.2	12.6	11.0	13.6	171.6	222.1
Total operating costs	108.2	77.7	44.7	39.5	197.5	467.6
Profit from property management	577.3	380.6	181.3	165.4	(197.6)	1 107.0

31.12.2012	Central Oslo	Greater Oslo	South & West	Central & North	Group	Consolidated
Rental income	691.9	445.8	201.9	161.2	(0.6)	1 500.2
Other operating revenue	17.7	6.0	4.6	4.1	-	32.4
Total operating revenue	709.6	451.9	206.5	165.3	(0.6)	1 532.7
Maintenance	33.4	17.2	9.0	8.0	(1.3)	66.2
Operating costs	29.1	22.1	13.6	16.7	5.4	86.8
Other property costs	75.6	21.8	10.2	2.6	6.9	117.1
Administrative owner costs	7.3	10.3	10.9	10.5	155.6	194.7
Total operating costs	145.4	71.5	43.7	37.7	166.5	464.9
Profit from property management	564.1	380.4	162.9	127.6	(167.1)	1 067.8

NOTE 6 – MAJOR TRANSACTIONS

There were no major transactions in 2013 or 2012.

NOTE 7 – INTANGIBLE ASSETS

All amounts in NOK million

2013	Concept development	Options	Other intangible assets*	Total intangible assets
Acquisition cost at 01.01.2013	15.5	3.5	43.2	62.2
Acquisitions	10.6	-	5.9	16.5
Disposals	-14.0	-	-	-14.0
Acquisition cost at 31.12.2013	12.1	3.5	49.2	64.7
Accumulated depreciation and write-downs at 01.01.2013	-	-	25.9	25.9
Depreciation and write-downs	14.0	0.5	7.5	22.0
Disposals	-14.0	-	-	-14.0
Accumulated depreciation and write-downs at 31.12.2013	-	0.5	33.4	33.9
Carrying amount at 31.12.2013	12.1	3.0	15.8	30.9
Anticipated useful life			5 years	
Depreciation schedule			Linear	
2012	Concept development	Options	Other intangible assets*	Total intangible assets
Acquisition cost at 01.01.2012	-	3.5	40.1	43.6
Acquisitions	79.1	-	12.2	91.3
Disposals	-63.6	-	-9.1	-72.7
Acquisition cost at 31.12.2012	15.5	3.5	43.2	62.2
Accumulated depreciation and write-downs at 01.01.2012	-	-	27.1	27.1
Depreciation and write-downs	25.4	-	7.8	33.2
Disposals	-25.4	-	-9.1	-34.5
Accumulated depreciation and write-downs at 31.12.2012	-	-	25.9	25.9
Carrying amount at 31.12.2012	15.5	3.5	17.3	36.3
Anticipated useful life			5 years	
Depreciation schedule			Linear	

* Other intangible assets relate to software.

NOTE 8 – INVESTMENT PROPERTIES

All amounts in NOK million

Value of investment properties	2013	2012
Opening balance at 1.1	22 936.7	21 880.4
Other movements		
New acquisitions	591.2	412.8
Improvements	1 045.4	984.0
Capitalised loan arrangement fees	45.3	43.9
Disposals	-590.5	-420.7
Reclassified as housing units for sale	-	-92.8
Value change operational leases	-39.8	-25.4
Value change investment property	-455.2	154.3
Closing balance 31.12	23 533.0	22 936.7
Of which investment properties held for sale	388.2	734.2
Investment properties	23 144.8	22 202.5

Investment properties held for sale comprise 5 (7) investment properties for which the sales process had started, but not been completed, on the balance sheet date. Assuming that acceptable offers are received, the properties are expected to be sold within 12 months. In 2013, the Group has identified four new investment properties held for sale.

Investment properties are valued at fair value based on independent external valuations. The valuation method is included at level 3 in the valuation hierarchy. Reference is made to note 4-2.

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

NOTE 9 – HOUSING UNITS FOR SALE

The design and construction of housing units for sale began in 2012. Until the units are completed and transferred to buyers, they are treated as current assets. Their total carrying amount at 31.12.2013 was NOK 227 million (NOK 120.2 million).

NOTE 10 – OTHER PROPERTY, PLANT AND EQUIPMENT

All amounts in NOK million

2013	Property used by owner	Other plant and equipment	Total
Acquisition cost at 01.01.2013	7.5	68.0	75.5
Acquisitions	1.0	21.7	22.7
Disposals	-	-40.7	-40.7
Acquisition cost at 31.12.2013	8.5	49.0	57.5
Accumulated depreciation and write-downs at 01.01.2013	1.8	41.8	43.5
Depreciation	0.1	4.8	4.9
Disposals	-	-28.1	-28.1
Accumulated depreciation and write-downs 31.12.2013	1.8	18.5	20.3
Carrying amount at 31.12.2013	6.7	30.5	37.2
Anticipated useful life	20–50 years	1–5 years	
Depreciation schedule	Linear	Linear	
2012	Property used by owner	Other plant and equipment	Total
Acquisition cost at 01.01.2012	7.5	60.7	68.2
Acquisitions	-	13.3	13.3
Disposals	-	-6.0	-6.0
Acquisition cost at 31.12.2012	7.5	68.0	75.5
Accumulated depreciation and write-downs at 01.01.2012	1.5	35.3	36.8
Depreciation	0.2	6.8	7.0
Disposals	-	-0.3	-0.3
Accumulated depreciation and write-downs 31.12.2012	1.8	41.8	43.5
Carrying amount at 31.12.2012	5.8	26.2	32.0
Anticipated useful life	20–50 years	1–5 years	
Depreciation schedule	Linear	Linear	

NOTE 11 – SUBSIDIARIES

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 %
Brattørkaia AS*	31.01.2006	Oslo	100 %
Ribekk AS	02.10.2006	Oslo	100 %
Bispen AS	24.10.2007	Oslo	100 %
Pilestredet 28 AS	07.05.2008	Oslo	100 %
Hagegata 22 og 24 AS	01.10.2008	Oslo	100 %
Hagegata 23 AS	29.03.2010	Oslo	100 %
Holtermanns veg 1–13 AS	24.09.2010	Oslo	100 %
Karoline Kristiansen vei 2 AS	15.02.2011	Oslo	100 %
Youngskvartalet AS	30.03.2011	Oslo	100 %
Brødrene Sundt Verktøimaskinfabrik AS	01.10.2011	Oslo	100 %
Tullinkvartalet AS	21.11.2011	Oslo	100 %
Universitetsgaten 7 AS	01.04.2012	Oslo	100 %
Greenfield Datacenter AS	10.04.2012	Oslo	100 %
Wexelsplass Garasje AS	11.06.2012	Oslo	100 %
Kristian Augustsgate 19 AS	04.05.2012	Oslo	100 %
Papirbredden Eiendom AS	12.01.2011	Oslo	60 %
Schweigaardsgate 16 AS	20.02.2013	Oslo	100 %
Vahlgate 1–3 KS**	01.07.2013	Oslo	90 %
Vahlgate 1–3 AS	01.07.2013	Oslo	100 %
Hinna Park Eiendom AS	20.12.2013	Oslo	100 %

Shares in subsidiaries owned through subsidiaries

Papirbredden Eiendom AS			
Grønland 51 AS	04.02.2005	Drammen	100 %
Grønland 56 AS	12.01.2011	Drammen	100 %
Grønland 58 AS	12.01.2011	Drammen	100 %
Grønland 60 AS	12.01.2011	Drammen	100 %
Kreftingsgate 33 AS	30.12.2010	Drammen	100 %
Brattørkaia AS			
Brattørkaia 14 AS	31.01.2006	Trondheim	100 %
Brattørkaia 15AB–16 AS	31.01.2006	Trondheim	100 %
Brattørkaia 17A AS	31.01.2006	Trondheim	100 %
Brattørkaia 17B AS	31.01.2006	Trondheim	100 %
Brattørkaia Energi AS	03.02.2012	Trondheim	100 %
Ribekk AS			
Ringstabekk AS	30.06.2006	Oslo	100 %

* Entra Eiendom AS increased its shareholding from 52 per cent to 100 per cent of the shares in Brattørkaia AS on 24.10.2012.

** Remaining 10 % of interests are owned by Vahlgate 1-3 AS.

NOTE 12 – ASSOCIATES

All amounts in NOK million

Investments in associates are recognised using the equity method.

31.12.2013	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/ loss	Of which value changes under IFRS *
Associated companies						
Ullandhaug Energi AS	07.07.09	Stavanger	44.00 %	6.7	0.2	-
Tverrforbindelsen AS***	24.04.09	Trondheim	33.33 %	-	-0.2	-
Greenfield Property AS**	26.09.11	Oslo	33.00 %	-	-	-
Youngstorget Parkeringshus AS	16.11.05	Oslo	21.26 %	-	-	-
Total associated companies				6.8	0.0	-

31.12.2012	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/ loss	Of which value changes under IFRS *
Associated companies						
Ullandhaug Energi AS	07.07.09	Stavanger	44.00 %	6.6	0.5	-
Tverrforbindelsen AS	24.04.09	Trondheim	33.33 %	0.2	-0.1	-
Greenfield Property AS**	26.09.11	Oslo	33.00 %	-	-12.6	-
Youngstorget Parkeringshus AS	16.11.05	Oslo	21.26 %	-	-0.1	-
Total associated companies				6.7	-12.3	-

* Changes in value under IFRS consist of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.

** Entra sold down in Greenfield Property AS, where Norwegian Datasenter Group AS bought 67 % of the company.

*** Tverrforbindelsen AS was wound up on 17.12.2013.

Movement in carrying amount of associates	Carrying amount 31.12.2012	Share of profit/ loss for 2013	Dividend 2013	Capital injection/ reduction	Carrying amount 31.12.2013
Associated companies					
Ullandhaug Energi AS	6.6	0.2	-	-	6.7
Tverrforbindelsen AS	0.2	-0.2	-	-	-
Greenfield Property AS	-	-	-	-	-
Youngstorget Parkeringshus AS	-	-	-	-	-
Total associated companies	6.7	0.0	-	-	6.8

Movement in carrying amount of associates	Carrying amount 31.12.2011	Share of profit/ loss for 2012	Dividend 2012	Capital injection/ reduction	Carrying amount 31.12.2012
Associated companies					
Ullandhaug Energi AS	6.1	0.5	-	-	6.6
Tverrforbindelsen AS	0.3	-0.1	-	-	0.2
Greenfield Property AS	-	-12.6	-	12.6	-
Kunnskapsbyen Eiendom AS	5.7	-	-	-5.7	-
Youngstorget Parkeringshus AS	0.1	-0.1	-	-	-
Total associated companies	12.2	-12.3	-	6.9	6.7

Aggregate financial information about associates			
(Figures stated refer to Entra's ownership interest)			
	2013	2012	
Operating revenue	4.0	3.7	
Profit after tax	0.2	-12.3	
Total comprehensive income	0.2	-12.3	
Total assets	26.2	28.8	
Equity	6.6	6.7	
Total liabilities	19.6	22.0	

NOTE 13 – JOINTLY CONTROLLED ENTITIES

All amounts in NOK million

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

31.12.2013	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/ loss	Of which value changes under IFRS *
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS	02.06.2005	Kristiansand	51.00 %	6.1	1.7	2.8
UP Entra AS	31.12.2003	Hamar	50.00 %	103.9	-9.2	-15.9
Entra OPF Utvikling AS	21.04.2012	Oslo	50.00 %	393.7	20.1	-8.0
Oslo S Utvikling AS	01.07.2004	Oslo	33.33 %	617.9	222.8	-9.7
Total jointly controlled entities				1 121.6	235.4	-30.7

31.12.2012	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Share of profit/ loss	Of which value changes under IFRS *
Jointly controlled entities						
Sørlandet Kunnskapspark Eiendom AS	02.06.2005	Kristiansand	51.00 %	4.3	-5.7	-7.4
UP Entra AS	31.12.2003	Hamar	50.00 %	113.1	-11.6	-14.5
Entra OPF Utvikling AS	21.04.2012	Oslo	50.00 %	403.3	15.8	-0.3
Oslo S Utvikling AS	01.07.2004	Oslo	33.33 %	572.8	522.6	-11.4
Total jointly controlled entities				1 093.5	521.1	-33.6

* Changes in value under IFRS consist of changes in the value of property, loans and interest rate hedging instruments, plus calculated deferred tax on the changes.

Movement in carrying amount of jointly controlled entities	Carrying amount 31.12.2012	Share of profit/ loss for 2013	Dividend 2013	Capital injection/ reduction	Carrying amount 31.12.2013
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS	4.3	1.7	-	-	6.1
UP Entra AS	113.1	-9.2	-	-	103.9
Entra OPF Utvikling AS	403.3	20.1	-29.7	-	393.7
Oslo S Utvikling AS	572.8	222.8	-177.7	-	617.9
Total jointly controlled entities	1 093.5	235.4	-207.4	0.0	1 121.6

Movement in carrying amount of jointly controlled entities	Carrying amount 31.12.2011	Share of profit/ loss for 2012	Dividend 2012	Capital injection/ reduction	Carrying amount 31.12.2012
Jointly controlled entities					
Sørlandet Kunnskapspark Eiendom AS	10.0	-5.7	-	-	4.3
UP Entra AS	107.3	-11.6	-	17.5	113.1
Entra OPF Utvikling AS	-	15.8	-	387.5	403.3
Oslo S Utvikling AS	372.5	522.6	-322.3	-	572.8
Total jointly controlled entities	489.8	521.1	-322.3	405.0	1 093.5

Aggregate financial information about jointly controlled entities	2013	2012
(Figures stated refer to Entra's ownership interest)		
Operating revenue	873.9	1 670.2
Profit after tax	235.4	532.4
Total comprehensive income	235.4	532.4
Total assets	1 619.7	1 898.9
Equity	1 120.2	1 031.5
Total liabilities	499.5	867.4

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

There has not been any change in the share of ownership or voting rights in this jointly controlled company in 2013.

The Group received NOK 177.7 million (NOK 291.6 million) in dividends from OSU in 2013. In 2012 the Group also received the repayment of paid-in capital of NOK 30.7 million after reduction of the share premium reserve.

Summary of significant accounting items in the consolidated financial statements of Oslo S Utvikling AS after IFRS adjustments for 2013 and 2012 (100 %)	2013	2012	
Balance sheet:			
Current assets	1 987.2	2 761.9	
of which cash and cash equivalents	62.7	32.0	
Non-current assets	242.8	227.1	
Current liabilities	285.5	434.0	
of which current financial liabilities other than accounts payable and provisions	0.0	325.8	
Non-current liabilities	245.9	1 020.7	
of which non-current financial liabilities other than accounts payable and provisions	245.9	1 020.7	
Income statement:			
Operating revenue	2 329.2	3 720.4	
Operating expenses	-1 640.4	-2 094.2	
of which depreciation and write-downs	-0.7	-0.8	
Net financial items	-21.3	-88.0	
of which interest income	1.3	2.6	
of which interest expenses	-40.1	-36.2	
Profit before tax	667.5	1 538.1	
Tax expense	29.8	63.8	
Profit after tax	697.2	1 601.9	
Total comprehensive income	697.2	1 601.9	
Reconciliation of carrying amount			
	Shareholding	2013	2012
Net assets	100 %	1 698.6	1 534.4
Group's shareholding in the company	33.33 %	566.1	511.4
Added value	33.33 %	51.7	61.4
Carrying amount of Group's shareholding	33.33 %	617.8	572.8

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

Oslo S. Utvikling AS (OSU) is a property development company established for the purpose of developing properties at Bjørvika, Oslo. OSU is jointly controlled by the Group, and is accounted for using the equity method. Sales of property projects are measured at cost and presented under inventories. The sales price is recognised in the income statement on handover.

At 31.12.2013, OSU was on course to develop approx. 300,000 square metres, which is around one-third of the total area being developed at Bjørvika. OSU's most important projects are described below.

Completed project

Up to the end of 2012 OSU had completed the PwC-building, the KLP-building, the Visma-building and two DNB-buildings. The gain on the sales, taking into account the seller's future commitments, is recognised in the completion year.

In 2013 a housing project (B 11), the last of the three DNB buildings and the Deloitte building were completed. All the apartments in the housing project have been sold apart from the show apartment. In the case of the two other buildings the office parts are fully let. The two office parts were taken over by their respective purchasers on completion. Sales gains, taking into account seller's future obligations, were recognised in 2013.

Current projects under development

Barcode Basement AS, a subsidiary of OSU, is a separate company that owns, and which is developing and building, all of the underground areas in the Barcode zone (gross area of 70,000 square metres, just over 50 per cent of which Basement will be responsible for), and the business will lease out storage, parking spaces and plant/plant rooms for the buildings above. At year-end 2013, the areas from the western limit (under the PwC Building) to and including the DNB buildings had been completed and for the most part leased. The remaining areas will be completed over the period 2014–2015.

Building work is taking place in what is referred to as Zone B 13. A total of approximately 230 apartments are to be built here together with retail and some office space. At the end of 2013 two of the three residential blocks had been commenced/committed. Completion of these is expected in the autumn of 2014 and autumn of 2015 respectively. With regard to the part that is mainly residential and retail space, procurement contracts have been entered into for approximately 67% of the project.

Infrastructure projects

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

Contractual obligations

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

Contractual obligations	2013	2012
Property, plant and equipment	192	269
Total contractual obligations	192	269

NOTE 14 – OTHER NON-CURRENT RECEIVABLES

All amounts in NOK million

	2013	2012
Financial assets – service concession arrangements (IFRIC 12)	679.7	1 122.6
Other non-current receivables	63.1	6.8
Total other non-current receivables	742.8	1 129.5

NOTE 15 – CURRENT RECEIVABLES

All amounts in NOK million

	2013	2012
Trade receivables	30.1	23.0
Provisions for bad debts	-2.2	-2.9
Net trade receivables	27.9	20.1
Other current receivables	538.1	49.9
Total current receivables	566.0	70.0

At 31.12.2013, NOK 21 (NOK 20.1) million in trade receivables were overdue. Provisions for a loss of NOK 2.2 (NOK 2.9) million have been made for overdue trade receivables. Trade

receivables relate to various customers who historically have not had problems with meeting their obligations. The age analysis of these trade receivables is as follows:

Trade receivables	2013	2012
Up to 3 months	7.3	3.5
Over 3 months	13.9	16.6
Total overdue	21.2	20.1

Other current receivables	2013	2012
Shared costs to be distributed amongst tenants	-	4.6
Advance payments and accruals	2.0	31.1
VAT owed	38.7	-
Accrued interest	39.0	2.6
Other current receivables	16.0	11.6
Financial receivables – service concession arrangements (IFRIC 12)	442.3	-
Total other current receivables	538.1	49.9

NOTE 16 – BANK DEPOSITS

All amounts in NOK million

	2013	2012
Bank deposits	142.2	31.7
Tied bank deposits	35.2	33.1
Total bank deposits	177.4	64.8

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

NOTE 17 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

The Group has paid-in equity of NOK 1,414.2 million, consisting of NOK 142.2 million in share capital and NOK 1,272 million in share premium reserve. There have been no equity transactions with the shareholders in the parent company in 2013. In November 2013 the 142 194 existing shares were amalgamated into a single share.

The share capital of NOK 142,194,000 consists of one share with a face value of NOK 142,194,000. All shares enjoy equal rights. All of the shares are owned by the Norwegian state represented by the Ministry of Trade, Industry and Fisheries through Entra Holding AS.

No provision is made for dividends in the consolidated accounts until the Annual General Meeting has been held and the dividend has been decided. In 2013, Entra Eiendom AS paid the adopted dividend for 2012 of NOK 416.6 million (NOK 2 929.80 per ordinary share).

NOTE 18 – PENSION LIABILITIES

All amounts in NOK million

The Group has pension schemes that cover a total of 152 (166) current employees and 54 (48) pensioners. The schemes provide an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

The Group also has a contractual early-retirement scheme (AFP). At 31 December 2013, 11 (11) former employees had chosen to make use of the AFP scheme.

Entra's employees are members of the Norwegian Public Service Pension Fund. This is a defined-benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level provides security for the amount of the retirement pension. The guarantee means that employees will receive at least 66 per cent of their pension qualifying salary. Any income over and above 12 times the National Insurance Scheme's basic amount is not included in the qualifying salary. The pension benefit payable is based on the employee's salary, average percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension). The company's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions.

Entra operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 per cent of a full-time position. Between the ages of 62 and 65, pensions are calculated in accordance with the National Insurance Scheme's stipulations. On reaching the age of 65, the pension is calculated using either the National Insurance Scheme's rules or the Norwegian Public Service Pension Fund's rules, depending on which is better for the member. At 31 December 2013, the net pension liabilities associated with the AFP scheme amounted to NOK 7.4 (NOK 7.0) million, which is included under total pension liabilities in the table below.

Employees are also insured against incapacity and death.

The Chief Executive Officer, has an uninsured defined-benefit supplemental pension under which the company provides an annual pension premium of 30 % of fixed salary above 12 times the National Insurance Scheme's basic amount. The pension scheme is in accordance with the state's guidelines for senior management salaries.

The balance sheet liabilities have been calculated as follows	2013	2012	01.01.2012
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	153.9	148.3	176.3
Fair value of pension scheme assets	-107.3	-96.5	-85.8
Employers' NICs accrued	6.5	6.3	11.6
Net pension liabilities on the balance sheet at 31.12	53.1	58.0	102.1

Change in defined-benefit pension liabilities over the year	2013	2012	01.01.2012
Pension liabilities at 01.01	148.3	176.3	153.4
Present value of pensions earned this year	9.8	19.2	20.3
Interest expense	5.4	4.3	4.7
Actuarial losses/(gains)	-4.9	-47.2	2.3
Pension benefits paid	-4.7	-4.4	-4.3
Pension liabilities at 31.12	153.9	148.3	176.3

Change in fair value of pension scheme assets	2013	2012	01.01.2012
Pension scheme assets at 01.01	96.5	85.8	74.4
Anticipated return on pension scheme assets	4.1	2.4	4.4
Actuarial (gains)/losses	-8.5	-4.8	-2.8
Contributions from employer	19.8	17.5	14.1
Pension benefits paid	-4.7	-4.4	-4.3
Pension scheme funds at 31.12	107.3	96.5	85.8

Total cost recognised in the income statement	2013	2012
Cost of pension benefits accrued during current period	10.2	19.5
Employers' National Insurance contributions	2.7	3.1
Total pension benefits accrued during the period	12.9	22.6
Net interest expense	1.3	1.9
Total pension benefits accrued in income statement	14.2	24.6
Estimate difference recorded in comprehensive income	4.0	-48.3
Total pension benefits accrued in total comprehensive income	18.2	-23.8

The actual return on pension scheme assets was NOK - 4.4 million (NOK -2.3 million).

The following economic assumptions have been used	2013	2012	2011
Discount rate	4.00 %	3.90 %	2.60 %
Anticipated return on pension scheme assets	4.40 %	4.00 %	4.10 %
Annual wage growth	3.75 %	3.50 %	3.50 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	3.50 %	3.25 %	3.25 %
Annual adjustment of pensions	2.75 %	2.50 %	2.50 %
Mortality rates	K2013	K2005	K2005
Disability rates	200 % * K63	200% * K63	200% * K63
Proportion of entitled employees making use of AFP	20 %	20 %	40 %

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

Percentage distribution of the pension scheme assets by investment category at 31.12.	2013	2012	2011
Government bonds	100 %	100 %	100 %
Corporate bonds	0 %	0 %	0 %
Shares	0 %	0 %	0 %
Property	0 %	0 %	0 %
Other	0 %	0 %	0 %
Total	100 %	100 %	100 %

Amounts for the current year and for the four previous years	2013	2012	2011	2010	2009
Gross defined-benefit pension liabilities	153.9	148.3	176.3	134.8	133.4
Fair value pension funds 31.12	-107.3	-96.5	-85.8	-74.4	-66.5
Net defined-benefit pension liabilities	46.6	51.7	90.5	60.4	66.9

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

Discount rate		Impact on liabilities	Impact in %
0.5 percentage point reduction	3.50 %	11.2	7.3 %
Discount rate at 31.12.2013	4.00 %	-	-
0.5 percentage point increase	4.50 %	-11.1	-7.2 %

Wage growth		Impact on liabilities	Impact in %
0.5 percentage point reduction	3.25 %	-5.7	-3.7 %
Expected wage growth at 31.12.2013	3.75 %	-	-
0.5 percentage point increase	4.25 %	5.6	3.7 %

Expected payments to the defined-benefit pension plan for the period 01.01.2014 - 31.12.2014 are NOK 16.2 million.

NOTE 19 – OTHER LIABILITIES

All amounts in NOK million

	2013	2012
Prepayments from customers	95.0	101.0
Provisions for non-current liabilities	31.6	25.5
Total other liabilities	126.6	126.5

Movements in provisions for non-current liabilities

2013	Provision for rents/loss making contracts	Maintenance provision (IFRIC 12)	Other provisions	Total
Movements in provisions				
Opening balance at 01.01.2013	-	23.9	1.6	25.5
Additional provisions during the year	-	3.6	3.5	7.1
Provisions used during the year	-	-	-	-
Unused provisions reversed during the year	-	-1.0	-	-1.0
Discounting of provisions	-	-	-	-
Transferred to current	-	-	-	-
Closing balance at 31.12.2013	0.0	26.5	5.1	31.6

2012	Provision for rents/loss making contracts	Maintenance provision (IFRIC 12)	Other provisions	Total
Movements in provisions				
Opening balance at 01.01.2012	15.6	18.8	0.3	34.6
Additional provisions during the year	-	5.2	3.7	8.9
Provisions used during the year	-3.7	-	-0.3	-4.0
Unused provisions reversed during the year	-7.7	-	-2.1	-9.7
Discounting of provisions	0.5	-	-	0.5
Transferred to current	-4.7	-	-	-4.7
Closing balance at 31.12.2012	0.0	23.9	1.6	25.5

Details of provisions for leased properties

As at 31.12.2013 Entra Eiendom had no provision for leased properties. At the end of 2012 there was a provision for Akers-

gata 55 and Dronningensgate 10-14 in Oslo. These rental liabilities were short-term as at 31.12.2012 and are included in note 22.

An assessment is made of the relationship between the rent paid by Entra 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. The present value of future cash flows is calculated using a discount rate of six per cent.

In the accounts, a provision is made at 31.12 equal to the estimated present value. Changes in the present value compared to the previous year are recorded through the income statement.

More detailed explanation of the provision for maintenance under IFRIC 12

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

NOTE 20 – INTEREST-BEARING LIABILITIES AND ACCRUED INTEREST

All amounts in NOK million

Non-current interest-bearing liabilities	Nominal value 2013	Market value 2013	Carrying amount 2013	Nominal value 2012	Market value 2012	Carrying amount 2012
Bank loans	4 935.0	4 935.0	4 918.4	3 792.0	3 684.3	3 792.0
Bonds	6 800.0	7 003.1	6 881.0	5 825.0	5 936.2	5 944.5
Total non-current interest-bearing liabilities		11 938.1	11 799.4		9 620.5	9 736.5

Current interest-bearing liabilities	Nominal value 2013	Market value 2013	Carrying amount 2013	Nominal value 2012	Market value 2012	Carrying amount 2012
Bank loans	16.6	16.6	16.6	2 000.0	1 992.9	2 000.0
Bonds	1 142.5	1 157.7	1 142.5	-	-	-
Commercial paper	1 650.0	1 650.0	1 650.0	1 890.0	1 890.0	1 890.0
Other liabilities	-	-	-	20.0	20.0	20.0
Total current interest-bearing liabilities		2 824.3	2 809.1		3 902.9	3 910.0

The average loan margin on the Group's loans at 31.12.2013 was 0.99 % (0.86 %).

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

The Group's bonds at 31.12.2013

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010552458	1 500.0	4.95 %	25.11.2014	975.0	(282.5)	692.5
NO0010552441	1 500.0	3M Nibor+0.80 %	25.11.2014	450.0	-	450.0
NO0010662869	1 500.0	3M Nibor+1.22 %	09.11.2015	1 200.0	-	1 200.0
NO0010592363	1 500.0	4.70 %	06.12.2017	500.0	-	500.0
NO0010641806	1 500.0	3M Nibor+1.25 %	10.04.2017	1 100.0	-	1 100.0
NO0010552466	1 500.0	5.55 %	25.11.2019	500.0	-	500.0
NO0010670995	1 500.0	5.00 %	08.02.2023	500.0	-	500.0
NO0010673700	1 500.0	3M Nibor +1.25 %	20.09.2018	1 200.0	-	1 200.0
NO0010686660	1 500.0	4.25 %	02.09.2020	700.0	-	700.0
NO0010282031	1 100.0	4.62 %	29.05.2030	1 100.0	-	1 100.0
						7 942.5

The Group's commercial paper at 31.12.2013

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010675101	400.0	2.30 %	10.01.2014	300	-	300.0
NO0010679442	400.0	2.20 %	10.02.2014	250	-	250.0
NO0010685514	400.0	2.17 %	10.03.2014	250	-	250.0
NO0010686876	400.0	2.20 %	10.04.2014	250	-	250.0
NO0010687494	400.0	2.24 %	09.05.2014	300	-	300.0
NO0010694011	400.0	2.30 %	10.06.2014	300	-	300.0
						1 650.0

The Group's bonds at 31.12.2012

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010552458	1 500.0	4.95 %	25.11.2014	975.0	-	975.0
NO0010552441	1 500.0	3M Nibor+0.80 %	25.11.2014	450.0	-	450.0
NO0010662869	1 500.0	3M Nibor+1.22 %	09.11.2015	1 200.0	-	1 200.0
NO0010592363	1 500.0	4.70 %	06.12.2017	500.0	-	500.0
NO0010641806	1 500.0	3M Nibor+1.25 %	10.04.2017	1 100.0	-	1 100.0
NO0010552466	1 500.0	5.55 %	25.11.2019	500.0	-	500.0
NO0010282031	1 100.0	4.62 %	29.05.2030	1 100.0	-	1 100.0
						5 825.0

The Group's commercial paper at 31.12.2012

ISIN	Issue limit	Coupon rate	Term to maturity	Amount issued*	Repurchased*	Net balance*
NO0010637473	400.0	3.40 %	10.01.2013	400.0	23.0	377.0
NO0010638232	400.0	3.35 %	11.02.2013	400.0	135.0	265.0
NO0010642093	400.0	3.05 %	11.03.2013	400.0	60.0	340.0
NO0010649627	400.0	3.20 %	10.04.2013	400.0	-	400.0
NO0010656424	400.0	2.93 %	10.05.2013	400.0	222.0	178.0
NO0010656416	400.0	2.93 %	10.07.2013	300.0	170.0	130.0
NO0010659683	400.0	2.68 %	12.08.2013	200.0	-	200.0
						1 890.0

* nominal values

Mortgages

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

For projects/properties with special characteristics, separate mortgage-based financing can be arranged. At 31 December 2013, a long-term bond of NOK 1,100 million is secured

against the National Library and associated buildings, located at Henrik Ibsens gate 110 in Oslo. The lender also has a mortgage on the rental income from the property.

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

	2013	2012
Carrying amount of liabilities secured through mortgages	2 660.6	2 675.6
Carrying amount of mortgaged assets		
Buildings and sites	3 544.2	3 482.3

NOTE 21 – TRADE PAYABLES AND OTHER LIABILITIES

All amounts in NOK million

	2013	2012
Trade payables	290.0	191.4
Holiday pay owed	13.5	13.5
Unpaid government taxes and duties	12.7	20.2
Shared costs for buildings, owed to tenants	27.3	37.1
Interest accrued	109.3	107.8
Other liabilities	4.7	9.0
Total trade payables and other liabilities	457.6	378.9

NOTE 22 – PREPAYMENTS AND PROVISIONS

All amounts in NOK million

	2013	2012
Prepayments from customers	67.3	54.8
Provisions for current liabilities	27.8	25.2
Total prepayments and provisions	95.0	80.1

Movements in provisions for current liabilities	Provisions for salaries and fees	Other	Total
Movements in provisions			
Opening balance at 01.01.2013	18.2	7.0	25.2
Additional provisions during the year	25.2	1.8	27.0
Provisions used during the year	-17.5	-5.8	-23.4
Unused provisions reversed during the year	-0.7	-0.4	-1.1
Transferred from non-current	-	-	-
Closing balance at 31.12.2013	25.2	2.5	27.8

2012	Provisions for salaries and fees	Other	Total
Movements in provisions			
Opening balance at 01.01.2012	19.1	-	19.1
Additional provisions during the year	21.3	2.6	23.9
Provisions used during the year	-21.7	-	-21.7
Unused provisions reversed during the year	-0.5	-0.3	-0.8
Transferred from non-current	-	4.7	4.69
Closing balance at 31.12.2012	18.2	7.0	25.2

NOTE 23 – LEASES

All amounts in NOK million

The Group mainly enters into contracts with a fixed rent for the lease of property.

The Group's future accumulated rent from non-terminable operational lease contracts at 31.12	2013	2012
≤ 1 year	1 650.7	1 557.0
1 year < 5 years	5 442.4	5 128.9
≥ 5 years	7 941.7	8 081.8
Sum**	15 034.7	14 767.7

The Group's lease contracts at 31.12 have the following maturity structure measured in annual rent*

Remaining term	2013			2012		
	No. of contracts	Contract rent	Contract rent, %	No. of contracts	Contract rent	Contract rent, %
≤ 1 year	99	167.5	10 %	104	104.9	7 %
1 year < 5 years	173	223.4	14 %	236	366.4	24 %
5 years < 10 years	147	572.3	35 %	110	525.4	32 %
≥ 10 years	71	687.5	42 %	49	560.3	36 %
Total**	490	1 650.7	100 %	499	1 557.0	100 %

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

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

** Rent includes rent from IFRIC 12 properties classified under net finance in the income statement.

Other parameters relating to the Group's lease portfolio	31.12.2013	31.12.2012
Occupancy rate of the management portfolio*	95.8 %	95.8 %
Share of public sector tenants	80.6 %	79.0 %
Weighted average remaining contract term	9.2 years	9.5 years

* In 2013 and 2012, the economic occupancy rate is stated in accordance with EPRA standards.

On account of the high occupancy rate, the high proportion of public sector tenants and the relatively long average remaining contract term, the risk to the Group's cash flow is considered low.

NOTE 24 – OTHER OPERATING REVENUE

All amounts in NOK million

	2013	2012
Sales of maintenance services to tenants	8.4	10.4
Administrative charges	8.8	8.8
Service concession arrangements (IFRIC 12) recognised in the income statement	6.6	7.1
Other operating revenue	6.9	6.1
Total other operating revenue	30.7	32.4

NOTE 25 – PERSONNEL COSTS

All amounts in NOK million

Personnel costs	2013	2012
Salaries, performance-related pay and other taxable benefits*	148.1	128.7
Employers' National Insurance contributions	20.7	18.8
Pension expenses	12.9	21.1
Other personnel costs	12.5	9.3
Total personnel costs	194.3	177.9
Of which capitalised as projects under development	-13.1	-15.7
Of which shared costs to be distributed amongst tenants	-38.3	-39.4
Of which related to the ongoing operation of properties	-5.7	-13.8
Total salary and personnel costs	137.2	109.1
Number of employees/full-time equivalents	2013	2012
Number of employees at 31.12.	152	163
Number of full-time equivalents at 31.12.	150	161
Average number of employees	148	159

* Salaries, performance-related pay and other taxable benefits includes a NOK 8.8 (NOK 13.8) million provision for performance-related pay for all employees in 2013, which has not yet been paid out.

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

The Board of Directors' statement on the determination of salaries and other remuneration of senior executives is presented to the Annual General Meeting. The statement is structured as follows:

- General guidelines on the compensation of senior executives
- The Board's follow-up of senior executives' pay
- Explanation of the compensation of senior executives
- Determination of remuneration in 2014
- Overview of total remuneration to senior executives in 2013

General guidelines on the compensation of senior executives

The Norwegian state has laid down guidelines for terms of employment for senior executives in state-owned enterprises and companies, cf. Report no. 13 (2010–2011) to the Norwegian parliament, Appendix 1. These guidelines form the basis for the Board's pay policy at Entra, and provide guidance concerning recruitment and employment processes and in connection with the annual review of the salaries of the Group's senior management team and the CEO.

Compensation of senior executives is based on the Group's general HR strategy and pay policy. Entra wants to be an attractive employer that attracts the best candidates and is able to retain and develop professional employees. To this end, Entra needs to be able to offer good pay packages,

including competitive salaries, to ensure the company can recruit and retain attractive expertise. The guidelines on remuneration stress in particular that the overall compensation shall be competitive, but not above those of other similar companies in Norway. The principal element of the compensation package should be a fixed basic salary and the total remuneration shall be considered together as a whole. To the extent that performance-related pay schemes are used, the targets shall be objective, measurable and identifiable, and there must be a clear correlation between the company's targets and the targets in the performance-related pay scheme.

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

The Board has established a remuneration committee consisting of two representatives from the current Board of Directors to follow up on the remuneration of the Group's senior executives. The remuneration committee is chaired by the Chair of the Board. The remuneration committee monitors the remuneration of senior executives in relation to the state's guidelines for terms of employment for senior executives in state-owned enterprises and companies. The committee evaluates the company's pay schemes and recommends guidelines for determining salaries prior to final determination by the Board. The Board determines the Chief Executive Officer's salary on an annual basis in the light of a recommendation from the remuneration committee. The CEO consults the remuneration committee in connection with determining the salaries of the Group's senior executives.

Explanation of the compensation of senior executives

The fixed basic salary is the principal element in the remuneration of the Group's senior executives and the Chief Executive Officer. The CEO has no performance-related pay scheme.

The total performance-related pay for other members of the Group's senior management team cannot exceed 25 per cent of their annual salary. For the Group's senior management team, performance-related pay in 2013 is based on targets defined at company and business level, as well as predefined personal targets. The company targets for 2013 are based on return on equity, owner costs, achieved rents, occupancy rates, customer satisfaction and energy consumption. Group management, excluding the CEO, have a defined-benefit pension limited to 12 x the National Insurance basic amount ("12G"), in line with the other employees. The CEO, in line with the state's guidelines, has a supplemental pension under which the company provides for an annual pension amounting to 30 % of annual salary above 12G. The CEO has the right to 6 months severance pay based on the base salary in cases where the Board takes the initiative to terminate employment. No agreement on severance pay has been made with other members of the group management. There are no option or share schemes for senior executives.

Senior executives have company car or mileage agreements. The Group also covers other benefits to the management team in line with the benefits offered to the other employees at Entra and in accordance with normal practice at Norwegian companies.

The Chief Executive Officer and the rest of the management group have a number of internal directorships. They do not receive special remuneration for these directorships.

In 2013 severance pay was paid until October to the former CEO Kyrre Olaf Johansen, who stepped down from his post

in mid-April 2012. The former CEO Rune Olsø received salary until April 2013 and severance pay for 3 months after resigning from his position on 17 October 2012. The former EVP Communications and Corporate Social Responsibility, Ingrid Schiefloe, who left her post at Entra on 30 June 2012 received one month of severance pay in 2013. The former CFO Anne Harris resigned from her position on 30.11.2013. An agreement was reached to pay salary during the notice period until 30.06.2014 and subsequently severance pay for 12 months. Anne Harris did not receive performance-related pay.

Determination of salaries and other remuneration in 2014

The CEO had a fixed salary of NOK 2.85 million in 2013, while salary for 2014 is determined by the Board after input from the remuneration committee and in accordance with the state's guidelines. The CEO is not covered by the company's performance-related pay scheme.

If the owner decides that Entra is to be listed, and such a process is initiated, the Board will recommend to the Annual General Meeting the establishment of a long-term incentive scheme linked to shares and/or bonuses for senior executives in accordance with the prevailing state guidelines on senior executive remuneration.

The Board will in principle use the same guidelines for compensation of senior executives in 2014 as it did in 2013. The targets for the performance-related pay scheme of the Group's senior executives are to be expanded to include all the company targets according to the scorecard for 2014 approved by the Board. Individual targets are also set. The annual determination of pay for senior executives is based on assessment of the individual employee.

All amounts in NOK thousand

Overview of total remuneration to senior executives in 2013

Payments to senior executives	Salary	Performance related pay**	Benefits in kind	Commuting costs	Estimated pension costs	Total remuneration 2013
Senior executives as at 31.12.2013						
Klaus-Anders Nysteen, CEO from 29.01.2013****	2 436	-	121	-	161	2 718
Anders Solaas, EVP Sales and Markets	1 622	330	164	-	175	2 291
Hege Njå Bjørkmann, EVP Communication from 02.02.2013	796	-	109	-	133	1 038
Hallgeir Østrem, EVP Legal from 01.10.2013	410	-	1	-	44	455
Kristin Haug Lund, EVP Development and Technology from 01.10.2013	1 124	44	113	-	170	1 451
Mona Arebrot, EVP Greater Oslo ***	1 261	81	139	-	175	1 656
Karl Fredrik Torp, EVP Central/Northern***	1 119	127	144	-	175	1 565
Sonja Horn, EVP Central Oslo from 19.08.2013	593	-	51	-	69	713
Jorunn Nerheim, EVP Southern/Western***	1 088	116	151	-	175	1 530
Astrid Tveten - Acting CFO from 01.11.2013 til 31.01.2014	1 748	380	140	-	175	2 443
Total	12 197	1 078	1 133	-	1 452	15 860
Senior executives prior to 31.12.2013						
Kyrre Olaf Johansen, CEO, left the company 17.04.2012*	2 926	-	-	-	-	2 926
Rune Olsø, Deputy, Acting and CEO, left the company 17.10.2012*	2 268	-	49	12	57	2 386
Anne Harris, Acting CEO to 20.01.2013, CFO to 30.11.2013*	3 022	612	141	-	175	3 950
Nils Fredrik Skau, Tech. EVP to 01.09.2013, Projects EVP to 01.11.2013	1 565	328	134	178	175	2 380
Bjørn Holm, EVP Projects and Development to 31.08.2013	1 279	313	96	-	115	1 803
Ingrid Schiefloe, EVP Comm. and CSR., left the company 30.06.2012*	161	-	-	-	-	161
Total	11 221	1 253	420	190	522	13 606

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

* Salaries and other remuneration during the notice period, as well as severance pay to be paid in 2014 are not included in the table above.

** Performance-related pay is based on targets met in 2012, which was paid in 2013.

*** Member of group management after reorganisation effective 1.7.2013.

**** In addition there is an estimated pension cost for an individual scheme above the State Employees Pension Fund of NOK 419,000 excluding employer's National Insurance contributions.

All amounts in NOK thousand

Overview of total remuneration to senior executives in 2012

Payments to senior executives	Salary	Performance related pay**	Benefits in kind	Commuting costs	Estimated pension costs	Total remuneration 2012
Senior executives						
Kyrre Olaf Johansen, CEO, left the company 17.04.2012*	3 496	611	204	-	131	4 442
Rune Olsø, Deputy, Acting and CEO, left the company 17.10.2012*	2 810	497	166	330	158	3 961
Anne Harris, CFO and acting CEO from 17.10.2012	2 684	512	115	-	158	3 469
Nils Fredrik Skau, Technical EVP	1 503	280	114	171	158	2 226
Bjørn Holm, EVP Projects and Development	1 655	346	144	-	158	2 303
Anders Solaas, EVP Marketing	1 524	287	172	-	158	2 141
Ingrid Schiefloe, EVP Comm. and CSR, left the company 30.6.2012*	1 132	149	70	-	78	1 429
Total	14 803	2 682	985	502	999	19 971

The Group appointed a temporary Director of Communications and Corporate Social Responsibility in 2012.

* Salaries and other remuneration during the notice period, as well as severance pay to be paid in 2013 are not included in the table above.

** Performance-related pay is based on targets met in 2011, which was paid in 2012.

*** Costs associated with established commuting arrangements did not previously form part of the overview of payments to senior executives, but are included in the overview from the 2012 financial year.

Board	Board fees	Committee fees	Total remuneration 2013	Total remuneration 2012
Siri Hatlen, Chair	380	41	421	-
Martin Mæland, Deputy Chair	191	45	236	210
Ingrid Tjøsvold (from 15.10.12)	143	30	173	-
Arthur Sletteberg (from 15.10.12)	143	39	182	-
Kjell Bjordal (from 15.10.12)	143	17	160	-
Tore Benediktsen, employee representative**	191	-	191	187
Birthe Smedsrud Skeid, employee representative**	191	-	191	-
Grace Reksten Skaugen, Chair	-	-	-	413
Finn Berg Jacobsen, Board member (to 15.10.12)	-	-	-	243
Ida Helliessen, Board member (to 15.10.12)*	-	-	-	313
Ottar Brage Guttelvik, Board member (to 15.10.12)*	-	-	-	299
Ketil Fjerdings, Board member (to 15.10.12)*	-	-	-	323
Åse Koll Lunde (to 29.12.11)	-	-	-	113
Mari Fjærbu Åmdal, employee representative**	-	-	-	187
Frode Halvorsen, employee representative (half period)**	-	-	-	94
Total*	1 382	172	1 554	2 380

The overview of the remuneration of the Board of Directors shows remuneration paid in 2013 for the period between the dates of the Annual General Meetings in 2012 and 2013.

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

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

* Total remuneration paid for the period between the Annual General Meeting in 2011 and the Annual General Meeting in 2012, as well as for the period up to the date when the Board members left the Board in the period from 2012 to 2013.

** Does not include ordinary salary.

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

All amounts in NOK thousand

Auditor's fee	2013	2012
Statutory audit	1 818	1 490
Tax advice	24	9
Other services not related to auditing	250	138
Other certification services	489	45
Total auditor's fee (excl. VAT)	2 581	1 682

NOTE 26 – OPERATING EXPENSES

All amounts in NOK million

Operating expenses	2013	2012
Administrative costs	40.3	41.7
Payroll and personnel expenses	5.3	13.8
Operating expenses	37.8	22.1
Other operating costs	8.0	9.2
Total operating expenses	91.5	86.9

* A total of NOK 0.4 (NOK 1.7) million of the total operating expenses are related to properties that do not generate any income.

NOTE 27 – OTHER PROPERTY COSTS

All amounts in NOK million

Other property costs	2013	2012
Rental costs	34.1	44.6
Project operating expenses	21.3	32.7
Development costs	0.1	-0.1
Depreciation and write-downs	32.7	40.0
Total other property costs	88.2	117.1

NOTE 28 – ADMINISTRATIVE OWNER COSTS

All amounts in NOK million

Administrative expenses	2013	2012
Payroll and personnel expenses	132.8	108.7
Office expenses, furnishings and equipment	27.1	26.3
Consultancy fees	45.2	39.9
Other administrative owner costs	17.8	19.7
Total administrative owner costs	222.9	194.7

NOTE 29 – TAX

All amounts in NOK million

Deferred tax is stated net if the Group has a legal right to offset deferred tax assets against the deferred tax on the

balance sheet, and if the deferred tax is owed to the same tax authority. The following net value was recognised:

	2013	2012
Deferred tax	2 799.6	2 855.9
Deferred tax assets	335.7	383.2
Net deferred tax	2 463.9	2 472.7

Change in deferred tax (+)/ deferred tax assets (-)	Non-current assets*	Financial instruments	Current assets	Gains/losses account	Provisions	Loss carried forward	Total
31.11.2011	2 854.0	-175.8	-2.4	33.2	-28.4	-328.1	2 352.5
Principle change, pensions					-4.8		-4.8
01.01.2012	2 854.0	-175.8	-2.4	33.2	-33.2	-328.1	2 347.7
Recognised in profit or loss	-161.3	231.1	20.3	49.1	-3.1	-32.3	103.8
Recognised in comprehensive income	-	-	-	-	13.5	-	13.5
Acquisition and disposal of subsidiaries	7.8	-	-	-	-	-	7.8
31.12.2012	2 700.5	55.3	17.8	82.3	-22.7	-360.4	2 472.7
Recognised in profit or loss	-89.9	63.7	1.3	76.1	0.5	35.6	87.4
Recognised in comprehensive income	-	-	-	-	-1.1	-	-1.1
Acquisition and disposal of subsidiaries	-3.8	-	-	-	-	-	-3.8
Effect of change in tax rate	-93.1	-4.3	-0.7	-5.7	0.8	11.6	-91.3
31.12.2013	2 513.6	114.8	18.4	152.7	-22.5	-313.2	2 463.9

* The Group has applied the main rule for recognition of deferred tax in connection with the purchase of shares in property companies that are not acquired through a business combination. This means that deferred tax is recognised as the difference between the tax value and consolidated accounting value of investment properties. Deferred tax linked to the retrospective accumulated change in the value of investment properties at 31.12.2013 is NOK 1 874.8 million (NOK 2 078.7 million).

Tax payable is calculated as follows	2013	2012
Profit before tax	466.1	841.5
Share of profit/loss at associates and jointly controlled entities	-212.4	-508.7
Other permanent differences	57.7	37.6
Changes in loss carry-forwards	-127.3	115.4
Changes in temporary differences*	-184.2	-485.8
Profit for tax purposes	0.0	0.0

Tax payable on the balance sheet	-	-
Tax payable on the balance sheet	-	-

The tax expense for the year is calculated as follows	2013	2012
Tax payable	-	-
Change in deferred tax in profit or loss	-3.9	103.8
Change in deferred tax in comprehensive income	-1.1	13.5
Tax expense for the year	-5.0	117.3

From the income year 2014 the tax rate on normal income is reduced to 27 %. Deferred tax as at 31.12.2013 is measured using the new rate. The effect on tax for the period is NOK 91.2 million.

	2013	%	2012	%
Reconciliation of tax expense with profit multiplied by nominal tax rate				
Profit for accounting purposes multiplied by nominal tax rate	130.5	28.0 %	235.6	28.0 %
Tax on share of profit/loss at associates and jointly controlled entities	-59.5	-12.8 %	-142.4	-16.9 %
Tax on permanent differences	16.2	3.5 %	10.5	1.3 %
Effect of corrections to previous years	0.2	0.0 %	-	0.0 %
Effect of change in tax rate	-91.3	-19.6 %	0.0	0.0 %
Tax expense for accounting purposes	-3.9	-0.8 %	103.8	12.3 %

NOTE 30 – CONTINGENCIES

Due to a disagreement between the shareholders in Greenfield Property AS («GFP») Entra has sued Norwegian Data Group AS («NDG») and GFP. After receiving the writ NDG and GFP have brought their own claim against Entra.

EVRY has issued a writ against Entra alleging that Entra has defaulted on a guarantee to build Greenfield Datacenter and/or a promise to support a computer centre project.

Entra considers it unlikely that the claims of NDG/GFP and EVRY will succeed.

NOTE 31 – RELATED PARTIES

All amounts in NOK million

Entra is owned by the Norwegian state represented by the Ministry of Trade, Industry and Fisheries through Entra Holding AS. Most of the company's premises are leased to public-sector tenants. Lease contracts are signed on commercial terms. NOK 1.303 million (1.192 million) of the Group's annual rental income is generated by leases where the state is the tenant, through various ministries.

The Group's transactions and balances with associates and jointly controlled entities in 2013 mainly related to loans and interest payments on loans. The aggregate figures are shown in the table below.

	2013	2012
Interest income		
Jointly controlled entities	-	-
Associates	0.1	0.3
Total interest income	0.1	0.3

	2013	2012
Receivables		
Jointly controlled entities	-	-
Associates	-	6.7
Total receivables	0.0	6.7

NOTE 32 – EARNINGS PER SHARE

Earnings per share are calculated as the profit for the year attributable to the shareholder of NOK 453.4 (NOK 703.3) million divided by the weighted average number of outstanding ordinary shares over the course of the financial year, which was 1 (142,194).

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

	2013	2012
Total comprehensive income for the year attributable to shareholders of the parent company (NOK million)	453.4	703.3
Average number of outstanding shares (Note 17)	1	142 194
Earnings per share (NOK thousand)	453 395.1	4.9

NOTE 33 – OPERATIONAL CASH FLOW

All amounts in NOK million

	2013	2012
Profit before tax	466.1	841.5
Expensed interest on loans from financial institutions	668.0	683.0
Accrued, not paid interest income	-0.3	-0.2
Share of profit from associates and jointly controlled entities	-235.5	-508.7
Ordinary depreciation	17.9	14.8
Write-downs of non-current assets	26.9	47.8
Non-cash impact of IFRIC 12	3.2	-10.9
Adjustment to value of investment property	495.1	-129.0
Changes in the market value of financial derivatives	-183.7	272.0
Changes in trade receivables	0.1	16.0
Changes in trade payables	31.3	28.1
Difference between pension expense and payments into/out of pension schemes	-4.9	4.2
Change in other accruals	-70.3	107.4
Total cash flows from operating activities	1 213.8	1366.1

Financial statements

Entra Eiendom AS

INCOME STATEMENT

All amounts in NOK thousand

	Note	2013	2012
Rental income	17	848 071	851 717
Other operating income	18	439 104	134 317
Total operating revenue		1 287 175	986 034
Maintenance		36 053	43 939
Operating expenses	20	58 959	60 679
Other property costs	3, 4, 21	280 443	360 412
Administrative owner costs	19, 22, 26	224 315	192 180
Total operating expenses		599 769	657 209
Operating profit		687 405	328 825
Income from investments in subsidiaries		-	382 323
Income from investments in jointly controlled entities		200 805	120 231
Interest income from Group companies	26	215 508	205 809
Other interest received		11 967	2 470
Other finance income	23	1 187	211 676
Interest expense		-524 835	-543 750
Other finance expenses	24	-84 083	-89 325
Net financial expenses		-179 450	289 436
Profit before tax		507 955	618 261
Tax expense	16	97 500	79 887
Profit/loss for the year		410 455	538 374

BALANCE SHEET – ASSETS

All amounts in NOK thousand

	Note	31.12.2013	31.12.2012	01.01.2012
Non-current assets				
Intangible assets	3	18 814	22 763	–
Total intangible assets		18 814	22 763	–
Sites, buildings and other real property	4	6 223 531	6 520 013	6 438 233
Buildings under construction	4	1 157 244	666 649	485 750
Other property, plant and equipment	4	46 975	20 281	40 902
Total property, plant and equipment		7 427 751	7 206 943	6 964 885
Investment in subsidiaries	5	2 801 178	2 188 528	1 386 071
Investments in associates and jointly controlled entities	5	646 530	653 258	454 052
Loans to Group companies		–	–	41 921
Loans to associates and jointly controlled entities	6	–	4 187	11 761
Investments in shares/interests		50	50	50
Receivables from Group companies	6, 13	5 429 642	4 024 959	3 879 593
Other non-current receivables	6	88 091	43 361	65 778
Total non-current financial assets		8 965 492	6 914 343	5 839 227
Total non-current assets		16 412 057	14 144 049	12 804 112
Current assets				
Trade receivables	7, 13	20 932	13 040	17 551
Receivables from Group companies	13	26 220	535 212	130 327
Other receivables	8	61 857	25 161	19 158
Total current receivables		109 009	573 413	167 036
Cash and bank deposits	14	74 719	21 452	49 181
Total current assets		183 729	594 865	216 217
Total assets		16 595 785	14 738 914	13 020 330

BALANCE SHEET – EQUITY AND LIABILITIES

All amounts in NOK thousand

	Note	31.12.2013	31.12.2012	01.01.2012
Equity				
Share capital	2	142 194	142 194	142 194
Share premium reserve	2	1 271 984	1 271 984	1 271 984
Total paid-in equity		1 414 178	1 414 178	1 414 178
Other equity	2	782 863	625 309	468 739
Total equity		2 197 041	2 039 487	1 882 917
Liabilities				
Interest-bearing liabilities	9	9 040 000	6 970 000	7 520 000
Pension liabilities	15	53 129	57 990	102 114
Deferred tax	16	357 278	260 906	165 954
Other liabilities	10	111 601	104 284	36 706
Total non-current liabilities		9 562 008	7 393 180	7 824 774
Trade payables and other payables	11, 13	268 482	287 181	249 421
Interest-bearing liabilities	9	2 792 500	3 910 000	2 800 000
Liabilities to group companies	13	1 458 503	631 648	15 305
Proposed dividend	2	250 000	416 600	137 000
Prepayments and provisions	12	67 252	60 818	110 912
Total current liabilities		4 836 736	5 306 247	3 312 638
Total liabilities		14 398 745	12 699 427	11 137 412
Total equity and liabilities		16 595 785	14 738 914	13 020 330

Oslo, 31 March 2014
The Board of Entra Eiendom AS


Siri Hatlen
Chair


Martin Mæland
Deputy Chair


Ingrid Tjøsvold
Board member


Arthur Sletteberg
Board member


Kjetil Bjordal
Board member


Tore Benediktsen
Board member


Birthe Smedsrud Skeid
Board member


Klaus-Anders Nysteen
Chief Executive

CASH FLOWS

All amounts in NOK thousand

	Note	2013	2012
Profit before tax		507 955	618 261
Ordinary depreciation	3, 4	184 242	163 599
Write-down of shares and property, plant and equipment	3, 4, 23, 24	98 708	104 746
Loss/gain on the sale of shares and property, plant and equipment		-422 149	-246 336
Group contribution recognised but not received		-	-382 323
Dividend from jointly controlled entities recognised but not received		-200 805	-120 231
Difference between pension expense and payments into/out of pension schemes	15	4 095	4 203
Net expensed interest on loans from financial institutions		554 257	542 001
Net interest paid on loans from financial institutions		-579 971	-538 587
Changes in trade receivables		-7 892	4 511
Changes in trade payables		20 211	21 287
Change in other accruals		-93 987	82 109
Net cash flows from operating activities		64 663	253 239
Proceeds from sales of property, plant and equipment		597 952	184 917
Payments made for the purchase/upgrading of property, plant and equipment		-575 520	-680 746
Purchase of other property, plant and equipment	4	-33 733	-4 309
Purchase of intangible assets	3	-11 602	-27 317
Sales of shares and interests in other enterprises		57	27 589
Purchase of shares in subsidiaries		-348 150	-517 415
Payments received on loans to subsidiaries		16 177	35 636
Payments made on loans to subsidiaries		-250 720	-23 723
Repayment of loans to associates and jointly controlled entities		170	7 716
Income from investments in associates and jointly controlled entities		207 367	322 291
Investments in associates and jointly controlled entities		-8 000	-191 011
Group contributions paid/received		113 395	119 464
Net change in cash pool balance		-254 689	62 939
Net cash flows from investing activities		-547 296	-683 969
New non-current liabilities	9	7 350 000	4 075 000
Repayment of non-current liabilities	9	-4 157 500	-2 625 000
New current liabilities	9	2 860 000	3 200 000
Repayment of current liabilities	9	-5 100 000	-4 110 000
Dividends paid		-416 600	-137 000
Net cash flows from financing activities		535 900	403 000
Net change in cash and cash equivalents		53 267	-27 729
Cash and cash equivalents at the start of the period		21 452	49 181
Cash and cash equivalents at the end of the period		74 719	21 452

Notes

NOTE 1 – ACCOUNTING PRINCIPLES

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and good Norwegian accounting practice.

GENERAL PRINCIPLES FOR MEASUREMENT AND CLASSIFICATION OF ASSETS AND LIABILITIES

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

Current assets are valued at the lower of the acquisition cost and fair value.

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

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

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

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

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

Dividends from associates and jointly controlled entities are recognised as income from the investment in the associates and jointly controlled entities in the year that the dividend is

received. Dividends that exceed the retained earnings over the period of ownership are considered repayments of the acquisition cost.

FOREIGN CURRENCY

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

INCOME RECOGNITION

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

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

Lease contracts that are terminated are valued on an individual basis. Payments relating to the termination of contracts are recognised in the period from the contract being entered into until the date of its termination.

COSTS

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

PENSIONS

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

The recognised pension obligation relating to defined-benefit plans is the present value of the defined-benefit on the balance sheet date less the fair value of the plan assets. The gross pension obligation is calculated by an independent actuary using a linear earnings method. The gross obligation is discounted using a discount rate based on bonds with preference rights, which mature around the same time as the related pension obligation.

Changes to benefits payable under the pension plan are recognised in the income statement as they arise. Gains/losses resulting from new information or changes to actuarial assumptions are recognised against equity.

TAX

The tax expense on the income statement covers both tax payable for the period and changes in deferred tax. Deferred tax is calculated at 28 % in 2012 and 27 % in 2013 on the basis of the temporary differences that exist between accounting and tax values, as well as any losses carried forward for tax purposes at year-end. Temporary differences which increase or reduce tax and are reversed or may be reversed in the same period have been eliminated. Net deferred tax assets are shown on the balance sheet in so far as they are likely to be utilised.

Tax on group contributions that is recorded as raising the cost price of shares in other companies, and tax on received group contributions that is recorded as a reduction in the cost of the shares, 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 ongoing basis. Additions or improvements are added to the asset's cost price and are depreciated in line with the asset.

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 is brought into use.

INTANGIBLE ASSETS

Development costs are recognised as assets on the balance sheet to the extent that a future financial benefit can be associated with the development of an identifiable intangible asset

and the costs can be measured reliably. If this is not the case, they are expensed on an ongoing basis. Intangible assets are written down to the recoverable amount where the expected economic benefit does not justify the carrying amount. Recognised development is depreciated on a straight-line basis over the useful life.

RECEIVABLES

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

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 31.12. 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 fixed rate loans with varying maturities. For information on maturities, please see Note 9. 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.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared according to the indirect method. Cash and cash equivalents includes cash in hand, bank deposits and other short-term, highly liquid investments with insignificant price risk which can be converted to known amounts of cash and which have a remaining maturity of less than three months from the date of acquisition.

PRINCIPLE CHANGE PENSIONS

The company has changed the principle for accounting for estimate differences. Estimate differences and the effect of changed assumptions have previously been amortised over the expected remaining earnings period to the extent they exceeded 10% of the greater of the pension obligation and the pension funds (corridor). The new principle means that estimate differences and the effect of changed assumptions are posted against equity. Comparative figures for 2012 have been amended correspondingly. See note 2 for the effect of the implementation on equity

GROUP

Entra Eiendom AS is the parent company of a group of companies. The consolidated accounts can be obtained by writing to Entra Eiendom AS, Postboks 52, Økern NO-0508 Oslo.

NOTE 2 – EQUITY

All amounts in NOK thousand

	Share capital	Share premium reserve	Other equity	Total
Equity 31.12.2011	142 194	1 271 984	507 594	1 921 772
Principle change pension liability			- 38 855	- 38 855
Equity 01.01.2012	142 194	1 271 984	468 739	1 882 917
Equity effect estimate difference pensions			34 796	34 796
Profit/loss for the year			538 374	538 374
Proposed dividend			- 416 600	- 416 600
Equity 01.01.2013	142 194	1 271 984	625 309	2 039 487
Equity effect estimate difference pensions			- 2 901	- 2 901
Profit/loss for the year			410 455	410 455
Proposed dividend			- 250 000	- 250 000
Equity 31.12.2013	142 194	1 271 984	782 863	2 197 041

The share capital is NOK 142 194 000 consisting of one share of NOK 142 194 000 par value. All shares have equal rights. All of the shares are owned by Entra Holding AS, which is in turn owned by the Norwegian state acting through the Ministry of Trade, Industry and Fisheries.

NOTE 3 – INTANGIBLE ASSETS

All amounts in NOK thousand

	Concept development*	Software	Options*	Total intangible assets
Acquisition cost at 01.01.2013	8 363	40 163	3 500	52 026
Acquisitions	3 205	8 397	-	11 602
Disposals	6 203			6 203
Acquisition cost at 31.12.2013	5 366	48 560	3 500	57 426
Accumulated depreciation and write-downs at 01.01.2013	6 127	23 136	-	29 263
Depreciation	-	9 611	-	9 611
Write-downs	5 441	-	500	5 941
Disposals accumulated depreciation and write-downs	-6 203	-	-	-6 203
Accumulated depreciation and write-downs at 31.12.2013	5 366	32 746	500	38 612
Carrying amount at 31.12.2013	-	15 814	3 000	18 814
Anticipated useful life		3 years		
Depreciation schedule		linear		

* Concept development and options are not depreciated

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

All amounts in NOK thousand

	Sites*	Buildings	Plant & equipment	Art*	Buildings under construction*	Total property, plant and equipment
Acquisition cost at 01.01.2013	512 192	7 266 839	44 737	5 406	666 649	8 495 823
Acquisitions	229	82 030	32 509	1 224	602 348	718 341
Disposals	37 614	186 218	532		111 444	335 807
Acquisition cost at 31.12.2013	474 807	7 162 652	76 714	6 631	1 157 554	8 878 357
Accumulated depreciation and write-downs at 01.01.2013	16	1 259 002	29 862	-	-	1 288 880
Correction OB depreciation and write-downs at 01.01.2013	13 600	-13 600				-
Accumulated depreciation and write-downs at 01.01.2013	13 616	1 245 402	29 862	-	-	1 288 880
Depreciation**	8	168 831	6 870	-	-	175 710
Transferred to intangible assets						-
Write-downs for the year	-	35 302	-	-	2 665	37 967
Disposals	-	-49 232	-363	-	-2 356	-51 951
Accumulated depreciation and write-downs 31.12.2013	13 624	1 400 303	36 370	-	309	1 450 606
Carrying amount at 31.12.2013	461 183	5 762 349	40 345	6 631	1 157 244	7 427 751
Anticipated useful life	69 years	50 years	3, 4, 10 years			
Depreciation schedule	Linear	Linear	Linear			

Acquisitions of buildings includes NOK 31,522 (NOK 29,951) thousand of interest on capitalised construction loans.

* No depreciation is charged against sites and buildings under construction and art. The figure for depreciation of sites pertains to capitalised costs linked to infrastructure on leased land.

** The difference between the year's depreciation set out in the note and the total depreciation on the income statement is NOK 1,079 (NOK 1,642) thousand. This relates to fixtures and fittings that have been included on the balance sheet where the depreciation is charged to joint tenant expenses.

NOTE 5 – SUBSIDIARIES, ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES

All amounts in NOK thousand

Entra Eiendom AS

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

Subsidiary	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount 31.12
Oslo Z AS	20/09/00	Oslo	100 %	83 418
Biskop Gunnerusgt. 14 AS	26/03/01	Oslo	100 %	250 432
Universitetsgaten 2 AS	03/09/01	Oslo	100 %	185 000
Kunnskapsveien 55 AS	17/12/01	Oslo	100 %	58 714
Entra Kultur 1 AS	28/02/02	Oslo	100 %	111 275
Kristian Augustsgate 23 AS	01/02/03	Oslo	100 %	29 078
Nonnen Utbygging AS	10/02/03	Oslo	100 %	38 301
Langkaia 1 AS	21/11/03	Oslo	100 %	120 060
Kjorboparken AS	21/12/05	Oslo	100 %	230 014
Brattørkaia AS	31/01/06	Oslo	100 %	150 974
Ribekk AS	02/10/06	Oslo	100 %	444 600
Bispen AS	24/10/07	Oslo	100 %	100 967
Pilestredet 28 AS	07/05/08	Oslo	100 %	22 359
Hagegata 22 og 24 AS	01/10/08	Oslo	100 %	10 763
Hagegata 23 AS	29/03/10	Oslo	100 %	94 643
Holtermanns veg 1-13 AS	24/09/10	Oslo	100 %	14 303
Karoline Kristiansen vei 2 AS	15/02/11	Oslo	100 %	2 269
Youngskvartalet AS	30/03/11	Oslo	100 %	1 035
Brødrene Sundt Verktøimaskinfabrik AS	01/10/11	Oslo	100 %	84 490
Tullinkvartalet AS	21/11/11	Oslo	100 %	12 116
Universitetsgaten 7 AS	01/04/12	Oslo	100 %	224 074
Entra Newco AS	10/04/12	Oslo	100 %	120
Wexelsplass Garasje AS	11/06/12	Oslo	100 %	13 892
Kristian Augustsgate 19 AS	04/05/12	Oslo	100 %	109 446
Schweigaardsgate 16 AS	20/02/13	Oslo	100 %	182 315
Vahls gate 1-3 KS	01/07/13	Oslo	90 %	149 219
Vahls gate 1-3 AS	01/07/13	Oslo	100 %	16 493
Hinna Park Eiendom AS	20/12/13	Oslo	100 %	122
Papirbredden Eiendom AS	12/01/13	Oslo	60 %	60 686
Total				2 801 178

Shares in subsidiaries owned through subsidiaries

Papirbredden Eiendom AS	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount 31.12
Grønland 51 AS	04/02/2005	Drammen	100 %	208 470
Grønland 56 AS	12/01/2011	Drammen	100 %	11 800
Grønland 58 AS	12/01/2011	Drammen	100 %	370 295
Grønland 60 AS	12/01/2011	Drammen	100 %	156 962
Kreftingsgate 33 AS	30/12/2010	Drammen	100 %	39 269
Total				786 795

Brattørkaia AS	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount 31.12
Brattørkaia 14 AS	31/01/2006	Trondheim	100 %	96 000
Brattørkaia 15AB-16 AS	31/01/2006	Trondheim	100 %	334 000
Brattørkaia 17A AS	31/01/2006	Trondheim	100 %	4 900
Brattørkaia 17B AS	31/01/2006	Trondheim	100 %	294 000
Brattørkaia Energi AS	03/02/2012	Trondheim	100 %	1 616
Total				730 516

Ribekk AS	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount 31.12
Ringstadbekk AS	30/06/2006	Oslo	100 %	297 104
Total				297 104

Jointly controlled entities	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Carrying amount of equity 31.12.2013	Profit after tax 2013
Sørlandet Kunnskapspark Eiendom AS	06/02/2005	Kristiansand	51.00 %	5 271	11 660	-2 076
UP Entra group	31/12/2003	Hamar	50.00 %	48 797	185 513	26 098
Entra OPF Utvikling group	21/04/2012	Oslo	50.00 %	380 949	859 505	56 167
Oslo S. Utvikling group	01/07/2004	Oslo	33.33 %	204 562	1 706 444	363 940

Associates	Acquisition date	Business office	Shareholding/ voting rights	Carrying amount	Carrying amount of equity 31.12.2013	Profit after tax 2013
Ullandhaug Energi AS	07/07/2009	Stavanger	44.00 %	6 490	15 067	542
Greenfield Property AS	26/09/2011	Oslo	33.00 %	-	-	-
Youngstorget Parkeringshus AS	16/11/2005	Oslo	21.26 %	463	98	-9
				646 530		

NOTE 6 – NON-CURRENT RECEIVABLES

All amounts in NOK thousand

	2013	2012
Proportion of receivables which fall due after more than one year		
Loans to Group companies	245 025	-
Receivables from Group companies	5 184 618	4 024 959
Loans to associates and jointly controlled entities	-	4 187
Receivable buy-out agreement	22 929	-
Prepaid fees	25 510	20 589
Prepaid costs	30 747	22 771
Other non-current receivables	8 905	-
Total non-current receivables	5 517 734	4 072 507

NOTE 7 – TRADE RECEIVABLES

All amounts in NOK thousand

	2013	2012
Gross trade receivables	22 023	13 637
Provisions for bad debts	-1 091	-597
Total net trade receivables	20 932	13 040
Trade receivables		
Up to 3 months	976	4 353
Over 3 months	7 552	2 610
Total overdue	8 528	6 963

NOTE 8 – OTHER CURRENT RECEIVABLES

All amounts in NOK thousand

	2013	2012
Other current receivables		
Prepaid costs	6 150	16 925
Receivable in connection with sale of property	-	4 971
VAT owed	35 714	-
Accrued interest	12 076	-
Other current receivables	7 917	3 265
Total other current receivables	61 857	25 161

NOTE 9 – INTEREST-BEARING LIABILITIES AND FINANCIAL INSTRUMENTS

All amounts in NOK thousand

	2013	2012
Non-current interest-bearing liabilities		
Bank loans	3 340 000	2 245 000
Bond loans	5 700 000	4 725 000
Total non-current interest-bearing liabilities	9 040 000	6 970 000
Current interest-bearing liabilities		
Bank loans	-	2 000 000
Bond loans	1 142 500	-
Commercial paper	1 650 000	1 890 000
Other debt	-	20 000
Total current interest-bearing liabilities	2 792 500	3 910 000

Maturity structure of non-current liabilities	Year	2013 Loan amount	2012 Loan amount
	2014		1 425 000
	2015	1 510 000	1 200 000
	2016	2 690 000	1 950 000
	2017	1 700 000	1 895 000
	2018	1 440 000	-
	Later than 5 years	1 700 000	500 000
Total		9 040 000	6 970 000

Unused credit facilities

At 31.12.2013, the maturity structure of the company's new unused credit facilities was as follows:

Maturity structure of committed, unused credit facilities	Year	2013 Loan amount	2012 Loan amount
	2014		-
	2015	250 000	500 000
	2016	760 000	1 000 000
	2017	1 650 000	1 455 000
	2018	700 000	1 000 000
	2019	-	-
Total		3 360 000	3 955 000

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

In general, the financing is based on negative pledge clauses.

Loans and interest rate hedges

Interest rate hedging at Entra is part of the Group's overall risk management, and must be viewed in that context. Interest-rate positions should support the company's strategic development, risk profile and anticipated future market interest rates based on the Group'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 31.12.2013 the weighted average duration was 3.1 years (3.2 years). The company's average interest rate was 4.6% (5.3 %) at 31.12.2013.

Entra Eiendom AS portfolio of loans and interest rate hedges have the following interest rate maturity profile:

		2013 Loan amount	2012 Loan amount
Up to 1 year	34 %	4 082 500	4 560 000
1-2 years	6 %	750 000	350 000
2-4 years	14 %	1 650 000	1 900 000
4-6 years	24 %	2 800 000	1 100 000
6-8 years	16 %	1 850 000	1 900 000
Over 8 years	6 %	700 000	1 050 000
Total	100 %	11 832 500	10 860 000

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

Interest-bearing liabilities associated with hedging activities

Entra Eiendom AS uses interest rate derivatives to manage the interest rate risk arising from its interest-bearing liabilities.

The company's debt financing consists of bank loans, as well as commercial paper and bonds. The bank loans are subject to variable interest rates. Commercial paper is subject to variable interest rates. The company has issued both fixed-rate and variable-rate bonds. Outstanding fixed-rate bonds are hedged using fixed-to-variable interest rate swaps. As a result, the hedged bonds are classified as part of the company's portfolio of variable rate loans.

The company's exposure to variable interest rates is hedged for cash flow risk using variable-to-fixed interest rate swaps.

Cash flow hedging

Entra Eiendom AS's liabilities are directly or indirectly subject to variable interest rates. Entra Eiendom AS uses variable-to-fixed interest rate derivatives to manage the company's interest rate risk. Cash flows are hedged by matching the terms and volumes of the interest rate derivatives with the expected maturity profile of the company's interest-bearing liabilities. The expected maturity profile of Entra Eiendom AS'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, 70 per cent of the company's interest-bearing liabilities are effectively subject to fixed interest rates.

Changes in NIBOR rates will therefore affect the interest expense on 30 per cent of the company's interest-bearing liabilities.

Cash flow hedges:

Cash flow hedging	2013	2012
Hedged item		
Variable interest rate liabilities	11 832 500	10 860 000
Hedge		
Interest rate swaps (variable-to-fixed)	8 300 000	7 450 000
Hedge ratio (unhedged position)	3 532 500	3 410 000
Hedge ratio (% hedged)	70 %	69 %

Changes in the cash flow hedges over the financial year:

Change in value	2013	2012
Opening balance – market value of liability	884 053	824 782
Change in value	-176 121	59 270
Closing balance – market value of liability	707 932	884 053

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 reduction in the market value of the company's liabilities for the 2013 financial year was rising market interest rates and a shorter remaining term for the interest hedges.

Fair value hedging

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

Fair value hedging 2013	Total	Maturity structure up to 1 year	Maturity structure 1-5 years	Maturity structure >5 years
Hedged item				
Fixed interest rate liabilities	2 892 500	692 500	500 000	1 700 000
Hedge				
Interest rate swaps (fixed-to-variable)	2 892 500	692 500	500 000	1 700 000
Hedge ratio (unhedged position)	0	0	0	0
Hedge ratio (% hedged)	100 %			

Fair value hedging 2012	Total	Maturity structure up to 1 year	Maturity structure 1-5 years	Maturity structure >5 years
Hedged item				
Fixed interest rate liabilities	1 975 000	0	1 475 000	500 000
Hedge				
Interest rate swaps (fixed-to-variable)	1 975 000	0	1 475 000	500 000
Hedge ratio (unhedged position)	0	0	0	0
Hedge ratio (% hedged)	100 %			

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

Change in value	2013	2012
Opening balance - market value of liabilities (+) /receivables (-)	-115 115	-74 984
Change in value	20 967	-40 131
Closing balance - market value of liabilities (+) /receivables (-)	-94 148	-115 115

At 31.12.2013, the market value of the company's fair value hedges represented a receivable for the company.

NOTE 10 – OTHER NON-CURRENT LIABILITIES

All amounts in NOK thousand

	2013	2012
Provisions for non-current liabilities	4 435	3 316
Accrued fees on bond issues	12 190	-
Prepaid rent	94 976	100 969
Total other liabilities	111 601	104 284

2013	Provision for rent/other	Total
Movements in provisions		
Opening balance at 01.01.2013	3 316	3 316
Provisions used during the year	-353	-353
Further provisions in the period	1 472	1 472
Closing balance at 31.12.2013	4 435	4 435

2012	Provision for rent/other	Total
Movements in provisions		
Opening balance at 01.01.2012	15 398	15 398
Provisions used during the year	-7 389	-7 389
Transferred to current	-4 693	-4 693
Closing balance at 31.12.2012	3 316	3 316

Details of provisions for properties leased by Entra

As at 31.12.2013 Entra Eiendom AS has made a provision for rent on Kristian Augustgate 19, Oslo.

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

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

In the accounts, a provision is made at 31.12 equal to the estimated present value. Changes in the present value in relation to the previous year are recorded through the income statement.

NOTE 11 – TRADE PAYABLES AND OTHER LIABILITIES

All amounts in NOK thousand

	2013	2012
Trade payables	151 759	131 548
Holiday pay owed	13 435	13 399
Unpaid government taxes and duties	12 733	24 129
Shared costs for buildings, owed to tenants	8 213	19 015
Interest accrued	74 517	94 078
Other liabilities	7 827	5 012
Total trade payables and other liabilities	268 482	287 181

NOTE 12 – PREPAYMENTS AND PROVISIONS

All amounts in NOK thousand

	2013	2012
Prepayments from customers	41 400	38 640
Provisions for current liabilities	25 851	22 179
Total prepayments and provisions	67 252	60 818

2013	Provisions for salaries and fees	Other	Total
Movements in provisions			
Opening balance at 01.01.2013	17 751	4 427	22 179
Additional provisions during the year	24 823	1 028	25 851
Provisions used during the year	-19 708	-4 427	-24 136
Unused provisions reversed during the year	1 957	-	1 957
Closing balance at 31.12.2013	24 823	1 028	25 851

2012	Provisions for salaries and fees	Other	Total
Movements in provisions			
Opening balance at 01.01.2012	16 826	-	16 826
Additional provisions during the year	20 849	-	20 849
Transferred from non-current		4 693	4 693
Provisions used during the year	-19 385	-266	-19 650
Unused provisions reversed during the year	-540	-	-540
Closing balance at 31.12.2012	17 751	4 427	22 179

NOTE 13 – INTRAGROUP BALANCES

All amounts in NOK thousand

Receivables	2013	2012
Trade receivables	2 353	4 977
Current receivables, Group companies	26 220	535 212
Non-current receivables, Group companies	5 429 642	4 024 959
Total	5 458 215	4 565 148

Liabilities	2013	2012
Trade payables	2 332	2 600
Current liabilities to Group companies	1 458 503	631 648
Total	1 460 835	634 249

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

NOTE 14 – RESTRICTED FUNDS

All amounts in NOK thousand

Cash in hand and at bank at the end of the period is shown in the balance sheet.

	2013	2012
Tax withholding account	10 225	8 080
Other tied deposits	76	75
Total	10 301	8 155

NOTE 15 – PENSION LIABILITIES

All amounts in NOK thousand

The company has pension schemes that cover a total of 152 (166) current employees and 54 (48) pensioners. The schemes provide an entitlement to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme. Commitments are covered through the Norwegian Public Service Pension Fund.

The company also has a contractual early-retirement scheme (AFP). At 31 December 2013, 11 (11) former employees had chosen to make use of the AFP scheme.

Entra Eiendom AS's employees are members of the Norwegian Public Service Pension Fund. This is a defined-benefit pension scheme that gives all employees a guaranteed level of pension in the future. As a member of the Norwegian Public Service Pension Fund, the guaranteed pension level provides security for the amount of the retirement pension. The guarantee means that employees will receive at least 66 per cent of their pension qualifying salary. Any income over and above 12 times the National Insurance Scheme's basic amount is not included in the qualifying salary. The pension benefit payable is based on the employee's

salary, average percentage of full-time equivalents and length of service (30 years' service qualifies for a full pension). The company's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions.

Entra Eiendom AS operates an early retirement pension scheme (AFP) from the age of 62. Employees can cut back on their working week or retire completely. If they choose to cut back, they must continue to work 60 per cent of a full-time position. Between the ages of 62 and 65, pensions are calculated in accordance with the National Insurance Scheme's stipulations. On reaching the age of 65, the pension is calculated using either the National Insurance Scheme's rules or the Norwegian Public Service Pension Fund's rules, depending on which is better for the member. At 31 December 2013, the net pension liabilities associated with the AFP scheme amounted to NOK 7.4 (NOK 7.0) million, which is included under total pension liabilities in the table below.

Employees are also insured against incapacity and death.

The Chief Executive Officer, has an uninsured defined-benefit supplemental pension under which the company provides an annual pension premium of 30% of fixed salary above 12 times the National Insurance Scheme's basic amount. The pension scheme is in accordance with the state's guidelines for senior management salaries.

The balance sheet liabilities have been calculated as follows:

	2013	2012	1/1/2012
Present value of accrued pension liabilities in defined-benefit schemes in unit trusts	153 901	148 262	176 312
Fair value of pension scheme assets	-107 279	-96 524	-85 819
Employers' NICs accrued	6 506	6 251	11 620
Net pension liabilities on the balance sheet at 31.12	53 129	57 990	102 114

Change in defined-benefit pension liabilities over the year

	2013	2012	1/1/2012
Pension liabilities at 01.01	148 262	176 312	153 356
Present value of pensions earned this year	9 839	19 173	20 270
Interest expense	5 402	4 317	4 667
Actuarial losses/(gains)	-4 921	-47 158	2 287
Pension benefits paid	-4 681	-4 382	-4 267
Pension liabilities at 31.12	153 901	148 262	176 312

Change in fair value of pension scheme assets

	2013	2012	1/1/2012
Pension scheme assets at 01.01	96 524	85 819	74 366
Anticipated return on pension scheme assets	4 060	2 402	4 439
Actuarial (gains)/losses	-8 453	-4 803	-2 779
Contributions from employer	19 828	17 488	14 060
Pension benefits paid	-4 681	-4 382	-4 267
Pension scheme funds at 31.12	107 279	96 524	85 819

Total cost recognised in the income statement

	2013	2012
Cost of pension benefits accrued during current period	10 206	19 518
Employers' National Insurance contributions	2 664	3 117
Total pension benefits accrued during the period	12 870	22 636
Net interest expense	1 342	1 915
Total pension benefits accrued in income statement	14 212	24 551
Estimate difference posted directly against equity	4 030	-48 327
Pension benefits accrued in the year	18 242	-23 776

The actual return on pension scheme assets was NOK -4.4 million (NOK -2.3 million).

The following economic assumptions have been used:

	2013	2012	2011
Discount rate	4.00 %	3.90 %	2.60 %
Anticipated return on pension scheme assets	4.40 %	4.00 %	4.10 %
Annual wage growth	3.75 %	3.50 %	3.50 %
Annual adjustment to the National Insurance Scheme's basic amount ("G")	3.50 %	3.25 %	3.25 %
Annual adjustment of pensions	2.75 %	2.50 %	2.50 %
Mortality rates	K2013	K2005	K2005
Disability rates	200 % * K63	200 % * K63	200 % * K63
Proportion of entitled employees making use of AFP	20 %	20 %	40 %

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

Percentage distribution of the pension scheme assets by investment category at 31.12.

	2013	2012	2011
Government bonds	100 %	100 %	100 %
Corporate bonds	0 %	0 %	0 %
Shares	0 %	0 %	0 %
Property	0 %	0 %	0 %
Other	0 %	0 %	0 %
Total	100 %	100 %	100 %

Amounts for the current year and for the four previous years

	2013	2012	2011
Gross defined benefit pension liabilities	153 901	148 262	176 312
Fair value pension funds 31.12	-107 279	-96 524	-85 819
Net defined benefit pension liabilities	46 623	51 738	90 494

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

Discount rate		Impact on liabilities	Impact in %
0.5 percentage point reduction	3.50 %	11.2	7.3 %
Discount rate at 31.12.2013	4.00 %	-	-
0.5 percentage point increase	4.50 %	-11.1	-7.2 %

Wage growth		Impact on liabilities	Impact in %
0.5 percentage point reduction	3.25 %	-5.7	-3.7 %
Expected wage growth at 31.12.2013	3.75 %	-	-
0.5 percentage point increase	4.25 %	5.6	3.7 %

Expected payments to the defined-benefit pension plan for the period 01.01.2014–31.12.2014 amount to NOK 16.2 million.

NOTE 16 – TAX

All amounts in NOK thousand

Tax for the year breaks down as follows	2013	2012
Tax impact of group contributions entered against investments	-	-1 533
Change in deferred tax	97 500	81 420
Total tax	97 500	79 887

Calculation of the tax base for the year	2013	2012
Profit before tax	507 955	618 261
Taxable group contributions received	-	5 476
Non-taxable income*	-178 854	-386 747
Non-taxable expenses*	65 763	53 797
Basis for tax for the year	394 864	290 787
Change in temporary differences on pensions charged directly against equity	-4 030	48 327
Change in temporary differences included in the calculation of deferred tax	-390 834	-339 114
Tax base for the year	-	-0

Overview of temporary differences and loss carried forward	Change	2013	2012
Receivables	494	-1 091	-597
Non-current assets	-72 627	1 395 431	1 322 804
Provisions in accordance with generally accepted accounting principles	-4 332	-2 963	-7 295
Pensions	-4 860	-53 129	-57 990
Financial instruments	-738	39 746	39 008
Income from interests in partnerships	3 036	-18 405	-15 369
Gains and losses	-284 009	575 589	291 580
Net temporary differences	-363 037	1 935 178	1 572 141
Loss carried forward	-28 408	-611 926	-640 333
Basis for deferred tax on the balance sheet	-391 445	1 323 252	931 807
Deferred tax*	-96 372	357 278	260 906

* From the income year 2014 the tax rate on normal income is reduced to 27 %. Deferred tax as at 31.12.2013 is measured using the new rate.

Change in deferred tax

Change in deferred tax over income statement	97 500	81 420
Change in deferred tax for pensions charged directly against equity	-1 128	13 532
Total change in deferred tax	96 372	94 952
Reconciliation of nominal and effective tax rates	2013	2012
28% tax on profit before tax	142 228	173 113
Correction of deferred tax	171	-
Effect of change in tax rules	-13 233	-
Non-taxable income*	-50 079	-108 289
Non-taxable expenses*	18 414	15 063
Calculated tax	97 500	79 887
Effective tax rate	19.2 %	13.0 %

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

NOTE 17 – RENTAL INCOME

All amounts in NOK thousand

Geographical distribution	2013	2012
Central Oslo	275 909	320 887
Greater Oslo	272 319	269 462
Southern and Western Norway	198 417	175 757
Central and Northern Norway	101 425	85 611
Total	848 071	851 717

The company has four geographic operating segments.

NOTE 18 – OTHER OPERATING REVENUE

All amounts in NOK thousand

	2013	2012
Profit on the sale of property	421 173	114 241
Other operating revenue	17 931	20 076
Total	439 104	134 317

NOTE 19 – PERSONNEL COSTS

All amounts in NOK thousand

Personnel costs	2013	2012
Salaries, performance-related pay and other taxable benefits*	147 049	128 467
Employers' National Insurance contributions	20 576	18 676
Pension expenses	12 857	21 450
Other personnel costs	12 455	9 752
Total	192 936	178 346
Of which capitalised as projects under development	-13 150	-14 876
Of which shared costs to be distributed amongst tenants	-41 534	-42 129
Of which related to the ongoing operation of properties	-5 697	-10 672
Total salary and personnel costs	132 556	110 668
Number of employees/full-time equivalents	2013	2012
Number of employees at 31.12.	152	163
Number of full-time equivalents at 31.12.	150	161
Average number of employees	148	159

* Salaries, performance-related pay and other taxable benefits includes a NOK 8.8 (NOK 13.8) million provision for performance-related pay for all employees in 2013, which has not yet been paid out.

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

The Board of Directors' statement on the determination of salaries and other remuneration of senior executives is presented to the Annual General Meeting. The statement is structured as follows:

- General guidelines on the compensation of senior executives
- The Board's follow-up of senior executives' pay
- Explanation of the compensation of senior executives
- Determination of remuneration in 2014
- Overview of total remuneration to senior executives in 2013

GENERAL GUIDELINES ON THE COMPENSATION OF SENIOR EXECUTIVES

The Norwegian state has laid down guidelines for terms of employment for senior executives in state-owned enterprises and companies, cf. Report no. 13 (2010–2011) to the Norwegian parliament, Appendix 1. These guidelines form the basis for the Board's pay policy at Entra, and provide guidance concerning recruitment and employment processes and in connection with the annual review of the salaries of the Group's senior management team and the CEO.

Compensation of senior executives is based on the Group's general HR strategy and pay policy. Entra wants to be an attractive employer that attracts the best candidates and is able to retain and develop professional employees. To this end, Entra needs to be able to offer good pay packages, including competitive salaries, to ensure the company can recruit and retain attractive expertise. The guidelines on remuneration stress in particular that the overall compensation shall be competitive, but not above those of other similar companies in Norway. The principal element of the compensation package should be a fixed basic salary and the total remuneration shall be considered together as a whole. To the extent that performance-related pay schemes are used, the targets shall be objective, measurable and identifiable, and there must be a clear correlation between the company's targets and the targets in the performance-related pay scheme.

THE BOARD'S FOLLOW-UP OF SENIOR EXECUTIVES' PAY

The Board has established a remuneration committee consisting of two representatives from the current Board of Directors. The remuneration committee is chaired by the Chair of the Board. The remuneration committee monitors the remuneration of senior executives in relation to the state's guidelines for terms of employment for senior

executives in state-owned enterprises and companies. The committee evaluates the company's pay schemes and recommends guidelines for determining salaries prior to final determination by the Board. The Board determines the Chief Executive Officer's salary on an annual basis in the light of a recommendation from the remuneration committee. The CEO consults the remuneration committee in connection with determining the salaries of the Group's senior executives.

Explanation of the compensation of senior executives

The fixed basic salary is the principal element in the remuneration of the Group's senior executives and the Chief Executive Officer. The CEO has no performance-related pay scheme.

The total performance-related pay for other members of the Group's senior management team cannot exceed 25 per cent of their annual salary. For the Group's senior management team, performance-related pay in 2013 is based on targets defined at company and business level, as well as predefined personal targets. The company targets for 2013 are based on return on equity, owner costs, achieved rents, occupancy rates, customer satisfaction and energy consumption. Group management, excluding the CEO, have a defined-benefit pension limited to 12 x the National Insurance basic amount ("12G"), in line with the other employees. The CEO, in line with the state's guidelines, has a supplemental pension under which the company provides for an annual pension amounting to 30 % of annual salary above 12G. The CEO has the right to 6 months severance pay based on the base salary in cases where the Board takes the initiative to terminate employment. No agreement on severance pay has been made with other members of the group management. There are no option or share schemes for senior executives.

Senior executives have company car or mileage agreements. The company also covers other benefits to the management team in line with the benefits offered to the other employees at Entra and in accordance with normal practice at Norwegian companies.

The Chief Executive Officer and the rest of the management group have a number of internal directorships. They do not receive special remuneration for these directorships.

In 2013 severance pay was paid until October to the former CEO Kyrre Olaf Johansen, who stepped down from his post in mid-April 2012. The former CEO Rune Olsø received salary until April 2013 and severance pay for 3 months after resigning from his position on 17 October 2012. The former EVP Communications and Corporate Social Responsibility, Ingrid Schiefloe, who left her post at Entra on 30 June 2012 received one month of severance pay in 2013. The former CFO Anne Harris resigned from her position on 30.11.2013. An agreement was reached to pay salary during the notice period until 30.06.2014 and subsequently severance pay for 12 months. Anne Harris did not receive performance-related pay.

Determination of salaries and other remuneration in 2014

The CEO had a fixed salary of NOK 2.85 million in 2013, while salary for 2014 is determined by the Board after input from the remuneration committee and in accordance with the state's guidelines. The CEO is not covered by the company's performance-related pay scheme.

If the owner decides that Entra is to be listed, and such a process is initiated, the Board will recommend to the Annual General Meeting the establishment of a long-term incentive scheme linked to shares and/or bonuses for senior executives in accordance with the prevailing state guidelines on senior executive remuneration.

The Board will in principle use the same guidelines for compensation of senior executives in 2014 as it did in 2013. The targets for the performance-related pay scheme of the Group's senior executives are to be expanded to include all the company targets according to the scorecard for 2014 approved by the Board. Individual targets are also set. The annual determination of pay for senior executives is based on assessment of the individual employee.

Payments to senior executives

Payments to senior executives All amounts in NOK thousand	Salary	Performance related pay**	Benefits in kind	Commuting costs	Estimated pension costs	Total remuneration 2013
Senior executives as at 31.12.2013						
Klaus-Anders Nysteen, CEO from 29.01.2013****	2 436	-	121	-	161	2 718
Anders Solaas, EVP Sales and Markets	1 622	330	164	-	175	2 291
Hege Njå Bjørkmann, EVP Communication from 02.02.2013	796	-	109	-	133	1 038
Hallgeir Østrem, EVP Legal from 01.10.2013	410	-	1	-	44	455
Kristin Haug Lund, EVP Development and Technical from 01.10.2013	1 124	44	113	-	170	1 451
Mona Arebrot, EVP Greater Oslo ***	1 261	81	139	-	175	1 656
Karl Fredrik Torp, EVP Central/Northern***	1 119	127	144	-	175	1 565
Sonja Horn, EVP Central Oslo from 19.08.2013	593	-	51	-	69	713
Jorunn Nerheim, EVP Southern/Western***	1 088	380	151	-	175	1 530
Astrid Tveten - Acting CFO from 01.11.2013 til 31.01.2014	1 748	380	140	-	175	2 443
Total	12 197	1 078	1 133	-	1 452	15 860
Senior executives prior to 31.12.2013						
Kyrre Olaf Johansen, CEO, left the company 17.04.2012*	2 926	-	-	-	-	2 926
Rune Olsø, Deputy, Acting and CEO, left the company 17.10.2012*	2 268	-	49	12	57	2 386
Anne Harris, Acting CEO to 20.01.2013, CFO to 30.11.2013*	3 022	612	141	-	175	3 950
Nils Fredrik Skau, Tech. EVP to 01.09.2013, Projects Dir. to 01.11.2013	1 565	328	134	178	175	2 380
Bjørn Holm, EVP Projects and Development to 31.08.2013	1 279	313	96	-	115	1 803
Ingrid Schiefloe, EVP Comm. and CSR., left the company 30.06.2012*	161	-	-	-	-	161
Total	11 221	1 253	420	190	522	13 606

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

* Salaries and other remuneration during the notice period, as well as severance pay to be paid in 2014 are not included in the table above.

** Performance-related pay is based on targets met in 2012, which was paid in 2013.

*** Member of group management after reorganisation effective 1.7.2013.

**** In addition there is an estimated pension cost for an individual scheme above the State Employees Pension Fund of NOK 419,000 excluding employer's National Insurance contributions.

Overview of total remuneration to senior executives in 2012

Payments to senior executives All amounts in NOK thousand	Salary	Performance related pay**	Benefits in kind	Commuting costs	Estimated pension costs	Total remuneration 2013
Senior executives						
Kyrre Olaf Johansen, CEO, left the company 17.04.2012*	3 496	611	204	-	131	4 442
Rune Olsø, Deputy, Acting and CEO, left the company 17.10.2012*	2 810	497	166	330	158	3 961
Anne Harris, CFO and acting CEO from 17.10.2012	2 684	512	115	-	158	3 469
Nils Fredrik Skau, Technical EVP	1 503	280	114	171	158	2 226
Bjørn Holm, EVP Projects and Development	1 655	346	144	-	158	2 303
Anders Solaas, EVP Marketing	1 524	287	172	-	158	2 141
Ingrid Schiefloe, EVP Comm. and CSR, left the company 30.6.2012*	1 132	149	70	-	78	1 429
Total	14 803	2 682	985	502	999	19 971

The Group appointed a temporary EVP Communications and Corporate Social Responsibility in 2012.

* Salaries and other remuneration during the notice period, as well as severance pay to be paid in 2013 are not included in the table above.

** Performance-related pay is based on targets met in 2011, which was paid in 2012.

*** Costs associated with established commuting arrangements did not previously form part of the overview of payments to senior executives, but are included in the overview from the 2012 financial year.

	Board fees	Committee fees	Total remuneration 2013	Total remuneration 2012
Board				
Siri Hatlen, Chair	380	41	421	-
Martin Mæland, Deputy Chair	191	45	236	210
Ingrid Tjøsvold (from 15.10.12)	143	30	173	-
Arthur Sletteberg (from 15.10.12)	143	39	182	-
Kjell Bjordal (from 15.10.12)	143	17	160	-
Tore Benediktsen, employee representative**	191	-	191	187
Birthe Smedsrud Skeid, employee representative**	191	-	191	-
Grace Reksten Skaugen, Chair	-	-	-	413
Finn Berg Jacobsen, Board member (to 15.10.12)	-	-	-	243
Ida Helliessen, Board member (to 15.10.12)*	-	-	-	313
Ottar Brage Guttelvik, Board member (to 15.10.12)*	-	-	-	299
Ketil Fjerdings, Board member (to 15.10.12)*	-	-	-	323
Åse Koll Lunde (to 29.12.11)	-	-	-	113
Mari Fjærbu Åmdal, employee representative**	-	-	-	187
Frode Halvorsen, employee representative (half period)**	-	-	-	94
Total*	1 382	172	1 554	2 380

The overview of the remuneration of the Board of Directors shows remuneration paid in 2013 for the period between the dates of the Annual General Meetings in 2012 and 2013.

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

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

* Total remuneration paid for the period between the Annual General Meeting in 2011 and the Annual General Meeting in 2012, as well as for the period up to the date when the Board members left the Board in the period from 2012 to 2013.

** Does not include ordinary salary

The company 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.

	2013	2012
Auditor's fee		
Statutory audit	1 022	910
Other certification services	443	45
Tax advice	24	9
Other services not related to auditing	236	125
Total auditor's fee (excl. VAT)	1 725	1 089

NOTE 20 – OPERATING EXPENSES

All amounts in NOK thousand

Operating expenses	2013	2012
Administrative costs	22 423	20 849
Operating expenses	28 663	31 297
Other operating costs	7 873	8 533
Total operating expenses	58 959	60 679

NOTE 21 – OTHER PROPERTY COSTS

All amounts in NOK thousand

Other property costs	2013	2012
Rental costs	31 780	50 012
Project operating expenses	20 355	29 970
Development costs	158	4
Depreciation of property, plant and equipment and intangible assets	184 242	163 599
Write-downs of property, plant and equipment and intangible assets	43 909	116 827
Total other property costs	280 443	360 412

NOTE 22 – ADMINISTRATIVE OWNER COSTS

All amounts in NOK thousand

Administrative expenses	2013	2012
Payroll and personnel expenses	131 389	110 294
Office expenses, furnishings and equipment	37 033	33 810
Consultancy fees	38 114	29 134
Other administrative owner costs	17 779	18 942
Total administrative owner costs	224 315	192 180

NOTE 23 – OTHER FINANCE INCOME

All amounts in NOK thousand

Other finance income	2013	2012
Gain on sale of shares	1 187	140 235
Reversal of previous write-downs of shares	-	71 407
Other finance income	-	34
Total other finance income	1 187	211 676

NOTE 24 – OTHER FINANCE EXPENSES

All amounts in NOK thousand

Other finance expenses	2013	2012
Loss on the sale of shares	211	8 141
Write-downs of shares	42 500	36 712
Write-downs of financial assets	12 299	22 614
Accrued fees and premiums	27 371	17 747
Other finance expenses	1 701	4 112
Total other finance expenses	84 083	89 325

NOTE 25 – CONTINGENCIES

Due to a disagreement between the shareholders in Greenfield Property AS («GFP») Entra Eiendom AS has sued Norwegian Data Group AS («NDG») and GFP. After receiving the writ NDG and GFP have brought their own claim against Entra Eiendom AS.

EVERY has issued a writ against Entra Eiendom AS alleging that the company has defaulted on a guarantee to build Greenfield Datacenter and/or a promise to support a computer centre project.

The company considers it unlikely that the claims of NDG/GFP and EVERY will succeed.

NOTE 26 – RELATED PARTY TRANSACTIONS

All amounts in NOK thousand

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

Transactions with related parties	Counterparty	2013	2012
Rental cost	Subsidiary	30 656	23 313
General manager fees*	Subsidiary	5 595	4 639
General manager fees*	Jointly controlled entity	1 020	1 535
General manager fees*	Associate	0	20
Project management**	Subsidiary	10 808	5 634
Project management**	Jointly controlled entity	2 231	667
Project management**	Associate	40	2 712
Invoiced payroll expenses **	Subsidiary	20 238	16 170
Invoiced payroll expenses **	Jointly controlled entity	2 203	1 165
Invoiced operating expenses**	Subsidiary	9 165	6 274
Invoiced operating expenses**	Jointly controlled entity	377	449
Invoiced operating expenses**	Associate	3 606	7 675
Interest income	Subsidiary	215 508	205 809
Interest income	Associate	284	512
Finance expense	Associate	12 299	0

The Group's balances with subsidiaries, associates and jointly controlled entities are described in Notes 6 and 13.

* The company recognises this income as a reduction in expenses (offsetting).

** Some of the expenses are passed on to the tenants as shared costs.

Auditors report

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 2013, and the income statement, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet as at 31 December 2013, and the statement of total comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with simplified application of international accounting standards according to the Norwegian accounting act § 3-9 for the company accounts and in accordance with International Financial Reporting Standards as adopted by EU for the group accounts, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion on the financial statements for the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and give a true and fair view of the balance sheet of Entra Eiendom AS as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to the Norwegian accounting act § 3-9.

Opinion on the financial statements for the group

In our opinion, the financial statements of the group are prepared in accordance with the law and regulations and give a true and fair view of the balance sheet of the group Entra Eiendom AS as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

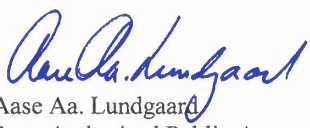
Report on Other Legal and Regulatory Requirements*Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility*

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

Opinion on Registration and Documentation

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

Oslo, 31 March 2014
Deloitte AS



Aase Aa. Lundgaard
State Authorised Public Accountant (Norway)



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