Q1 2012

First quarter results

SELVAAG BOLIG

Start Hjem Pluss

Highlights of the first quarter 2012

- Good sales figures with 244 units sold (87)
- Sales started for 249 homes in the quarter: 79 flats at Fernanda Nissen in Oslo, 40 at Vestparken in Lørenskog, 43 in Tønsberg, 36 and 21 terraced houses in Stavanger, and 39 flats in Stockholm
- Construction started on 188 flats (529) during the quarter, when 74 units (16) were completed and all delivered
- A total of 1 128 units were under construction at 31 March (847). The order backlog, which is sales value for these units, amounted to NOK 3 598 million (NOK 2 853 million)

(Figures in brackets relate to the same period of the year before)

Key figures

(figures in NOK 1 000)	**Q1 2012**	**Q1 2011**	**2011**
IFRS main figures			
Operating revenues	191,971	41,198	309,822
Operating profit/(loss)	16,350	(5,813)	7,140
Profit/(loss) before taxes	(196)	(6,385)	(28,975)
Cash flow from operating activities	(324,795)	(10,911)	(354,862)
Net cash flow	(83,371)	7,831	381,682
Interest-bearing liabilities	3,813,284	689,940	3,565,928
Total assets and liabilities	5,744,636	1,169,508	5,424,738
Equity ratio	22.9%	27.2%	24.2%
Earnings per share (whole NOK)	0.09	na	(0.15)
Segment reporting (NGAAP):	-	-	-
Operating revenues	710,213	41,198	1,206,842
EBITDA	134,151	(6,530)	148,082
EBITDA margin	18.9%	-15.9%	12.3%
Key figures:	-	-	-
Number of sold units	244	87	648
Number of started units	188	536	776
Number of delivered units	74	16	78

* EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.

Financial review

The first quarter of 2012 is not directly comparable with earlier years and previous quarters because projects have formerly been owned largely through part-owned (associate) companies. Following the merger with Hansa Property Group AS and the acquisition of Selvaag Pluss Eiendom KS during the third quarter of 2011, and the acquisition of Bo En AS in the fourth quarter, the majority of the projects are now consolidated in Selvaag Bolig ASA.

Condensed profit and loss statement

(figures in NOK 1 000)	Q1 2012	Q1 2011	2011
Total operating revenues	**191,971**	**41,198**	**309,822**
	-	-	-
Project expenses	(136,032)	(20,404)	(199,002)
Other operating expences, pay and payroll cost, depreciation and amortisation	(47,020)	(27,421)	(178,754)
Associated companies and joint ventures	7,431	814	75,074
Total operating expenses	**(175,621)**	**(47,011)**	**(302,682)**
Operating profit	**16,350**	**(5,813)**	**7,140**
Net financial expenses	**(16,546)**	**(572)**	**(36,115)**
Profit before taxes	**(196)**	**(6,385)**	**(28,975)**
Income taxes	6,080	2,160	23,265
Net income	**5,884**	**(4,225)**	**(5,710)**

Operating revenue

(Figures in brackets relate to the corresponding period of 2011. The figures are unaudited.)

Consolidated revenue came to NOK 192 million (NOK 41.2 million) in the first quarter. Seventy-four homes were delivered, including 63 from wholly owned projects, which accounted for NOK 143.5 million of the revenue. The group had no deliveries from wholly owned projects in the same period of 2011. Revenue for the first quarter also includes NOK 22.3 million in income from the sale of a site to Lørenskog local authority. Other revenue relates to activities outside the core business, mainly estate agency services and letting. A large proportion (NOK 19 million) of revenue in the first quarter of 2011 derived from external module deliveries. No external deliveries were made in the first quarter of 2012.

Project costs

Project costs for the quarter came to NOK 136 million (NOK 20.4 million). These relate primarily to construction costs for homes delivered as well as costs from other projects which do not qualify for capitalisation as inventories. The increase in costs must be viewed in relation to the fact that no wholly owned projects were delivered in the first quarter of 2011.

Operating costs

Operating costs (excluding project costs and associates) came to NOK 47 million (NOK 27.4 million) for the quarter.

Payroll costs amounted to NOK 15.4 million (NOK 15.5 million). In addition, payroll costs of NOK 4.1 million were capitalised as housing under development, and will be expensed as cost of goods on delivery.

Other operating costs increased to NOK 26.5 million for the quarter (NOK 11.8 million). This rise reflects Selvaag Bolig's continued promotion of the group as Norway's largest building developer in step with the start to sales in a number of projects. In addition, the group has strengthened its organisation and prepared for a stock exchange listing. The level of costs is higher than the group will experience in normal operation.

The NOK 7.4 million (loss of NOK 0.2 million) recognised as share of gain from disposal of associates and joint ventures primarily represents contributions from the part-owned projects Kjørbo Vest, with the delivery of 11 units, and Stord Industribygg.

Results

The group made an operating profit of NOK 16.4 million (loss of NOK 5.8 million) for the quarter.

Net financial expenses were NOK 16.5 million (NOK 0.6 million) for the quarter. Net tax income was NOK 6.1 million (NOK 2.2 million) for the quarter. The consolidated net profit was accordingly NOK 5.9 million (loss of NOK 4.2 million).

Cash flow

The pre-tax loss for the quarter was NOK 0.2 million, an improvement of NOK 6.2 million from a pre-tax loss of NOK 6.4 million in the same period of 2011. Consolidated net cash flow from operational activities was negative at NOK 324.8 million for the quarter (NOK 10.9 million). The changes in net cash flow primarily reflect changes in working capital resulting from a substantial increase in construction activity and in accounts receivable from delivered homes. That reduced operational cash flow by NOK 322.3 million.

Net cash flow from investing activities for the quarter was negative at NOK 5.9 million (NOK 43.3 million).

Net cash flow from financing activities was NOK 247.4 million, which corresponds to the net draw-down of loans.

The holding of cash and cash equivalents declined by NOK 83.4 million during the quarter to NOK 311.8 million (NOK 21.4 million).

Condensed cash flow statement

(figures in NOK 1 000)	Q1 2012	Q1 2011	2011
Profit before taxes	(196)	(6,385)	(28,975)
Net cash flow from operating activities	**(324,795)**	**(10,911)**	**(354,862)**
Net cash flow from investment activities	**(5,932)**	**(43,297)**	**32,852**
Net cash flow from financing activities	**247,356**	**62,039**	**703,692**
	-	-	-
Net chang in cash and cash equivalents	(83,371)	7,831	381,682
Cash and cash equivalents at start of period	**395,207**	**13,525**	**13,525**
Cash and cash equivalents at end of period	**311,836**	**21,356**	**395,207**

Financial position

The carried amount of Selvaag Bolig's inventories (land, housing under construction and completed homes) at 31 March was NOK 4 494.2 million, compared with NOK 4 211 million at 31 December and NOK 369 million a year earlier. The amount was boosted substantially from 31 March 2011 by the merger with Hansa Property Group and the acquisition of the remaining shares in Selvaag Pluss Eiendom and Bo En, while the high level of activity in a number of projects further enhanced inventory value.

Equity at 31 March was NOK 1 316.5 million (NOK 317.8 million), corresponding to an equity ratio of 22.9 per cent (27.2 per cent).

The group held cash and cash equivalents of NOK 311.8 million (NOK 21.4 million) at 31 March.

At 31 March, consolidated non-current interest-bearing debt amounted to NOK 2 495.4 (NOK 0) and consolidated current interest-bearing debt was NOK 1 317.9 million (NOK 689.9 million). These increases reflect acquisitions and mergers carried out in 2011 as well as increased construction activity.

The group has an unsecured credit facility of NOK 500 million in the parent company. This is due to be redeemed wholly or in part after the planned capital expansion related to the stock exchange listing of Selvaag Bolig ASA. In addition, the group has established a new land credit of NOK 550 million allocated to eight different sites. This is converted to construction loans in line with the progress of each project.

Moreover, the group has an overdraft facility of NOK 150 million, which had been drawn down in its entirety at 31

March 2012. In addition comes an overdraft facility of NOK 150 million to finance the start-up of new projects. This facility remained undrawn at 31 March.

The company has a loan from Selvaag Gruppen of NOK 165 million. The loan will be paid off along with listing of Selvaag Bolig at the Oslo Stock Exchange.

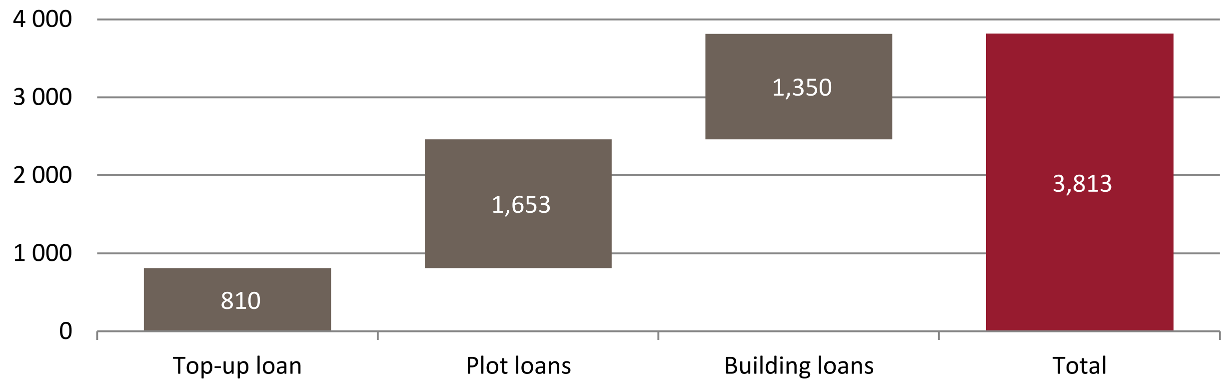
Net interest-bearing debt

(figures in NOK 1 000)	Q1 2012	Q1 2011	2011
Non-current interest-bearing debt	2,495,393	-	2,376,300
Current interest-bearing debt	1,317,891	689,940	1,189,628
Cash and cash equivalents	(311,836)	(21,356)	(395,207)
Net interest-bearing debt	**3,501,448**	**668,584**	**3,170,721**

The bulk of the interest-bearing debt falls into three categories – debt in Selvaag Bolig ASA, land loans and construction loans. At 31 March 2012, Selvaag Bolig ASA had top-up loans of NOK 810 million, land loans of NOK 1 653 million and construction loans of NOK 1 350 million.

Land loan interest charges are added to the carrying amount of the land from the day planning permission is secured for the project. At 31 March 2012, the carrying amount of interest on loans was NOK 1 107 million, while NOK 546 million in interest on loans was recognised in the income statement.

Net interest-bearing debt distribution as of 31 March 2012 (NOK million)



Operational reporting

Operational reporting accords with the defined segments in Selvaag Bolig and is broken down into housing development divided geographically between Greater Oslo, the rest of Norway and other countries. Reporting also embraces the "other business" segment. The latter includes estate agency activities in Selvaag Bolig, module deliveries, services, and administration not allocated to the other segments because of the scale of the activity. Note 4 to the financial statements presents segment information reconciled with financial reporting figures (IFRS).

Segments first quarter

	Operating revenues		EBITDA		Operating profit/loss	
(figures in NOK 1 000)	Q1 12	Q1 11	Q1 12	Q1 11	Q1 12	Q1 11
Property development						
- Greater Oslo	451,921	4,268	109,608	892	104,020	892
- Rest of Norway	244,048	-	40,324	-	29,150	-
- Other countries	531	-	(110)	-	(224)	-
Other	13,713	36,930	(15,671)	(7,422)	(17,325)	(5,153)
IFRS adjustments	(518,242)	-	(120,058)	-	(99,271)	(1,552)
Total group	**191,971**	**41,198**	**14,093**	**-6,530**	**16,350**	**(5,813)**

Housing development - Greater Oslo

This segment embraces projects in an enlarged Oslo region, from Jessheim in the north to Moss in the south-east and Tønsberg in the south-west.

Operating revenue for the first quarter was NOK 451.9 million (NOK 4.3 million). This derived from 16 different projects, five of which were started in the first quarter. Revenue includes the sale of a site to Lørenskog local authority for NOK 22.3 million.

Operating costs, including construction costs, move in line with the projects and amounted to NOK 342.3 million in the first quarter. Construction costs are exclusive of financial expenses.

EBITDA presents operating profit (loss) before depreciation, gain (loss) and share of profit (loss) from associates. An EBITDA of NOK 109.6 million and a margin of 24.2 per cent are regarded as solid and represent the outcome of positive sales combined with good progress and cost control. The Løren 2B project is partly guaranteed by external investors. This project is making a positive contribution to the EBITDA margin since the guarantee, which is significant in this project, is treated as profit-sharing rather than a project cost. At 31 March, the cumulative minority (guarantor) share of the profit from this project is put at NOK 23.5 million, of which NOK 6 million relates to 2012. This disposition of the profit does not emerge from the segment reporting, but will be shown in the IFRS accounts when the project is delivered.

Housing development - Rest of Norway

In addition to Greater Oslo and the central region of eastern Norway, Selvaag Bolig is concentrating on large towns in other parts of the country. These are covered by the housing development – rest of Norway business area.

Operating revenue for the first quarter was NOK 244 million (NOK 0), and came primarily from five projects in Stavanger and one in Bergen.

Operating costs, including construction costs, move in line with the projects and amounted to NOK 203.7 million in the first quarter exclusive of financial expenses.

An EBITDA of NOK 40.3 million for the segment was satisfactory, and yielded an EBITDA margin of 16.5 per cent in the first quarter, including the expensing of added value at group level.

Housing development - Other countries

This segment covers projects with group involvement outside Norway. No projects were under construction in the segment during the first quarter, but sales started for a project in Stockholm. However, Selvaag Bolig has operations in Sweden and the group wants to be more strongly involved there in the future.

Other business – unallocated

The other business segment comprises a number of activities in the group which cannot be considered on their own as part of the core business. It also includes administration and management which cannot be attributed directly to the projects and are accordingly not allocated to the housing development segments.

Operating revenue for the first quarter came to NOK 13.7 million (NOK 36.9 million). This is largely attributable to activities related to Meglerhuset Selvaag and provision of services. Revenue was higher in this segment in 2011 because the group then had external module deliveries, which are to be regarded as internal deliveries after the merger with Hansa Property Group and the acquisition of the remaining interests in Selvaag Pluss Eiendom and Bo En in 2011.

Total operating costs for the segment amounted to NOK 29.4 million (NOK 44.4 million) for the first quarter. These are largely attributable to management and administration, company promotion and preparing the group for a stock exchange listing.

This yields a negative EBITDA of NOK 15.7 million (NOK 7.4 million) for the segment, which is considered satisfactory given the activities pursued in the period.

Operating revenue in the first quarter came to NOK 0.5 million, attributable in its entirety to rental income, while operating costs totalled NOK 0.6 million in management of letting.

Review of operations

Operations

The level of activity in the group is high, a number of construction projects have been launched and sales of homes have risen. To manifest value creation in the company, segment reporting shows revenue and costs in the various projects on the assumption that the company had used the percentage of completion method as its accounting principle.

Projects

The company has projects in Oslo, Lørenskog, Moss, Jessheim, Kristiansand, Stavanger, Trondheim, Tromsø, Bergen and Stockholm. However, no projects are currently under construction in Trondheim, Tromsø or Stockholm.

Units sold

Selvaag Bolig's share of sales from wholly or partly owned companies came to 244 units (87) in the first quarter of 2012.

Quarterly development project portfolio

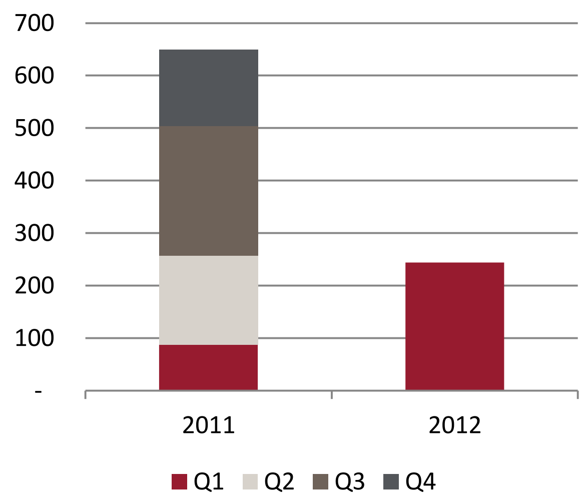
	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
Number of units sold	87	170	247	145	244
Number of commenced units	529	49	100	98	188
Number of units completed	16	-	-	80	74
Number of units in production	847	895	995	1,014	1,128
Proportion of sold units in production	48%	59%	71%	72%	79%
Number of completed unsold units	18	15	12	14	14
Order backlog (NOK million)	2,853	2,919	3,117	3,243	3,598

Market trends

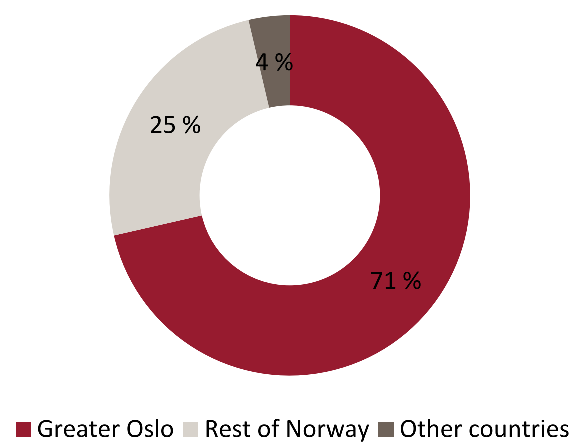
The sale of 244 units during the quarter is regarded as positive, and represents a substantial increase on 2011 when 87 units were sold in the first quarter.

Geographically, the 244 units broke down into 175 in Greater Oslo, 61 in the rest of Norway and eight abroad.

Number of units sold



Distribution of sales



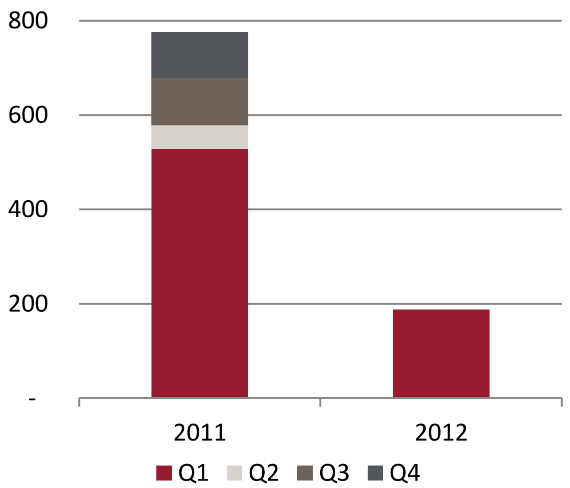
Selvaag Bolig put 249 units on sale during the first quarter, while the group started construction of 188 (529).

Sales starts during the quarter

Project	# of units	Category	Segment
Fernanda Nissen	70	Flats	Greater Oslo
Vestparken	40	Flats	Greater Oslo
SB Vestfold	43	Flats	Greater Oslo
Lervig Brygge	36	Flats	rest of Norway
Lervig Brygge	21	Terraced	rest of Norway
Sädersärlan	39	Flats	other countries
Total	**249**		

Seventy-four residential units (16) were delivered in the first quarter of 2012, including 63 in wholly owned projects and 11 in part-owned projects.

Housing starts



Project activity was high. At 31 March, Selvaag Bolig had 1 128 units under construction (847).

The order backlog – in other words, the sales value of the 1 128 units (847) under construction was NOK 3 598 million (NOK 2 853 million) at 31 March. The increase in the backlog must be viewed in relation to the fact that more homes are under construction at present than at the same time last year.

Units delivered

A total of 74 units were delivered during the first quarter in the Vestparken, Utsiken and Kjørbo Vest projects, all in the Greater Oslo region.

of units delivered by project

Project	# units	Category	Segment
Vestparken	43	Flats	Greater Oslo
Utsikten	20	Flats	Greater Oslo
Kjørbo	11	Flats	Greater Oslo
Total	**74**		

Events after the balance sheet date

Selvaag Bolig ASA signed a letter of intent in February related to the sale of half the site at Lillohøyden to the City of Oslo. This transaction is conditional on approval by the city council, and is expected to be completed in the second quarter. The transaction is expected to be recognised with an accounting gain in the fourth quarter, since the buyer is to take over a construction-ready site.

The company submitted an application for a listing on the Oslo Stock Exchange on 24 April 2012.

Share information

The company had 96 shareholders at 31 March, of whom four were non-Norwegians.

20 largest shareholders per 31.03.2012

Shareholder	# of shares	% share
Selvaag Gruppen AS	41,285,920	60.5%
Ferd Eiendomsinvest AS	3,604,856	5.3%
Havfonn AS	3,604,856	5.3%
Skips AS Tudor	3,235,517	4.7%
IKM Eiendom AS	3,075,624	4.5%
Storebrand Livsforsikring	2,741,388	4.0%
Svithun Finans AS	1,181,968	1.7%
TS Eiendom AS	1,181,968	1.7%
Toluma Invest AS	813,318	1.2%
Veidekke Eiendom AS	753,238	1.1%
Rotac AS	710,033	1.0%
Lema AS	534,501	0.8%
MP Pensjon	522,829	0.8%
SEB Enskilda ASA	383,225	0.6%
AS Wingana	353,359	0.5%
Hustadlitt AS	351,449	0.5%
Megaron AS	340,924	0.5%
Jasto AS	278,089	0.4%
Statoil Pensjon	261,960	0.4%
Leif Hubert Eiendom	254,507	0.4%
Total 20 largest shareholders	**65,469,529**	96.0%
Other shareholders	2,717,267	4.0%
Total number of shares	**68,186,796**	100.0%

Risk and uncertainty factors

Selvaag Bolig ASA is a housing developer. It accordingly faces a risk of being unable to sell what it builds at predetermined prices. Expectations of future unemployment and interest rates are among the parameters which affect the purchase of new homes by private individuals. Development of building costs is the single factor expected to have the biggest influence on future margins for the company.

Outlook

After flattening out towards the end of 2011, the housing market recovered during the first quarter and this upturn strengthened further during April. According to the Norwegian Association of Real Estate Agents, price growth during the period was 8.5 per cent higher than a year ago. House prices rose by 1.5 per cent from March to April, or by 0.9 per cent on a seasonally adjusted basis.

Housing starts in 2011 totalled about 26 000 units, a clear increase from 2010. However, housing demand is estimated to be well over 30 000 units per year, and the Norwegian housing market is characterised by a big gap between supply and demand – particularly in and around the largest cities where population growth is at its strongest.

Selvaag Bolig’s priority areas are the Oslo, Stavanger and Bergen regions, which are among the fastest-growing in Europe. Consequently, the need for new homes will be substantial in the time to come. With a solid portfolio of construction-ready sites, Selvaag Bolig is well positioned to participate in this growth.

In addition to an advantageous demographic trend, favourable macro-economic conditions contribute to continued progress in the housing market. Good employment growth, low interest rates and expectations of favourable pay growth are expected to strengthen household purchasing power during 2012. Combined with low unemployment, this helps to enhance job security. The latest opinion polls show that Norwegian consumers have a more positive confidence in their own financial position and the national economy in the time to come.

Selvaag Bolig sold 244 homes during the first quarter, and is well on its way to reaching its sales target for 2012.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q1 2012	Q1 2011	2011
Revenues			
Other revenues	13,545	4,411	57,937
Total operating revenues	**191,971**	**41,198**	**309,822**
Project expenses	(136,032)	(20,404)	(199,002)
Pay and payroll costs	(15,389)	(15,534)	(76,319)
Depreciation and amortisation	(5,174)	(97)	(5,770)
Other operating expenses	(26,457)	(11,790)	(96,665)
Other gains (losses), net	-	990	(299)
Associated companies and joint ventures	7,431	(176)	75,373
Total operating expenses	**(175,621)**	**(47,011)**	**(302,682)**
Operating profit	16,350	(5,813)	7,140
Financial income	2,441	4,655	19,447
Financial expenses	(18,987)	(5,227)	(55,562)
Net financial expenses	**(16,546)**	**(572)**	**(36,115)**
Profit/(loss) before taxes	**(196)**	**(6,385)**	**(28,975)**
Income taxes	6,080	2,160	23,265
Net income	**6**	**(4,225)**	**(5,710)**
Other comprehensive income/expenses	-	-	-
Translation differences	(3)	(9)	4
Total comprehensive income/(loss) for the period	5,881	(4,234)	(5,706)
Net income for the period attributable to:			
Minority interests	(123)	-	(1,016)
Shareholders in Selvaag Bolig ASA (majority interests)	6,007	(4,225)	(4,694)
Total comprehensive income/(loss) for the period attributable to:	-	-	-
Minority interests	(123)	-	(1,016)
Shareholders in Selvaag Bolig ASA (majority interests)	6,004	(4,234)	(4,690)
Earnings per share for net income/(loss) attributed to sharholders in Selvaag Bolig ASA	-	-	-
Earnings per share (basic and diluted) in NOK	0.09	(42,249)	(0.15)

The summary consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)	Q1 2012	Q1 2011	2011
ASSETS			
Non-current assets			
Deferred tax assets	-	6,000	-
Goodwill	389,183	7,007	389,183
Other intangible assets	85,620	-	90,163
Property, plant and equipment	5,811	3,829	5,642
Investments in associated companies and joint ventures	149,137	407,962	141,707
Loans to associated companies and joint ventures	35,505	246,486	35,500
Other non-current assets	47,385	-	36,784
Total non-current assets	**712,641**	**671,284**	**698,979**
Current assets	-	-	-
Inventories (property)	4,494,223	369,030	4,211,025
Trade receivables	145,625	45,037	31,436
Other current receivables	80,311	62,801	88,091
Cash and cash equivalents	311,836	21,356	395,207
Total current assets	**5,031,995**	**498,224**	**4,725,759**
TOTAL ASSETS	**5,744,636**	**1,169,508**	**5,424,738**
EQUITY AND LIABILITIES	-	-	-
Equity attributed to shareholders in Selvaag Bolig ASA	1,310,202	317,807	1,304,198
Non-controlling interests	6,338	-	6,461
Total equity	**1,316,540**	**317,807**	**1,310,659**
LIABILITIES	-	-	-
Non-current liabilities	-	-	-
Pension liabilities	372	533	327
Deferred tax liabilities	7,819	-	13,934
Provisions	92,112	80,873	92,112
Other non-current non interest-bearing liabilities	29,565	-	28,304
Non-current interest-bearing liabilities	2,495,393	-	2,376,300
Total non-current liabilities	**2,625,261**	**81,406**	**2,510,977**
Current liabilities	-	-	-
Current interest-bearing liabilities	1,317,891	689,940	1,189,628
Trade payables	129,962	6,405	148,682
Current tax payables	-	-	-
Other current non interest-bearing liabilities	354,982	73,950	264,792
Total current liabilities	**1,802,835**	**770,295**	**1,603,102**
Total liabilities	**4,428,096**	**851,701**	**4,114,079**
TOTAL EQUITY AND LIABILITIES	**5,744,636**	**1,169,508**	**5,424,738**

The summary consolidated financial information has not been audited

Statement of changes in equity

(figures in NOK 1 000)	Share capital	Share premium account	Other paid-in capital	Cumulative translation differences	Other reserves	Retained earnings	Equity attributed to shareholders in Selvaag Bolig ASA	Non-controlling interests	Total equity
EQUITY AS OF 1 JANUARY 2011	**136,353**	**957,938**	**699,132**	**1,153**	**3,528**	**(493,906)**	**1,304,198**	**6,461**	**1,310,659**
Total comprehensive income/(loss) for the	-	-	-	-	-	-	-	-	-
Net income/(loss) for the period	-	-	-	-	-	6,007	6,007	(123)	5,884
Other comprehensive income/(loss) for the	-	-	-	(3)	-	-	(3)	-	(3)
EQUITY AS OF 31 MARS 2012	**136,353**	**957,938**	**699,132**	**1,150**	**3,528**	**(487,899)**	**1,310,202**	**6,338**	**1,316,540**
	-	-	-	-	-	-	-	-	-
EQUITY AS OF 1 JANUARY 2011	**159**	**7,286**	**699,132**	**1,149**	**3,528**	**(389,212)**	**322,042**	**-**	**322,042**
Transactions with owners:	-	-	-	-	-	-	-	-	-
Share issue in connection with business	53,781	933,065	-	-	-	-	986,846	-	986,846
Conversion of liabilities to equity	82,413	17,587	-	-	-	-	100,000	-	100,000
Group contribution paid (after tax)	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Business combination	-	-	-	-	-	-	-	7,477	7,477
Total comprehensive income/(loss) for the	-	-	-	-	-	-	-	-	-
Net income/(loss) for the period	-	-	-	-	-	(4,694)	(4,694)	(1,016)	(5,710)
Other comprehensive income/(loss) for the	-	-	-	4	-	-	4	-	4
EQUITY AS OF 31 DECEMBER 2011	**136,353**	**957,938**	**699,132**	**1,153**	**3,528**	**(493,906)**	**1,304,198**	**6,461**	**1,310,659**

The summary consolidated financial information has not been audited

Statement of cash flow

(figures in NOK 1 000)	Q1 2012	Q1 2011	2011
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxes	(196)	(6,385)	(28,975)
Depreciation and amortisation	5,174	97	5,770
Other gains (losses), net	-	(990)	299
Share of profits/(losses) from associated companies and joint ventures	(7,431)	176	(75,373)
Changes in inventories (property)	(283,198)	(2,218)	(510,572)
Changes in trade receivables	(114,189)	(36,759)	(42,624)
Changes in trade payables	(18,721)	(2,685)	74,435
Changes in other operating working capital assets	3,444	5,637	53,219
Changes in other operating working capital liabilities	90,322	32,216	168,959
Net cash flow from operating activities	**(324,795)**	**(10,911)**	**(354,862)**
CASH FLOW FROM INVESTMENT ACTIVITIES	-	-	-
Purchases of PPE and intangible assets	(800)	(151)	(151)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	-	-	17,404
Purchases of businesses and subsidiaries, net of cash acquired	-	-	251,370
Purchases of associated companies	-	(37,121)	(90,156)
Purchases of other investments and accounts receivable	(5,132)	(6,460)	(147,265)
Dividends and disbursements from associated companies and joint ventures	-	435	1,650
Net cash flow from investment activities	**(5,932)**	**(43,297)**	**32,852**
CASH FLOW FROM FINANCING ACTIVITIES	-	-	-
Proceeds from borrowings	266,625	-	1,402,499
Repayments of borrowings	(91,105)	-	(356,576)
Net change in bank overdrafts (group account)	71,836	62,039	(444,001)
Proceeds from share issues	-	-	101,770
Net cash flow from financing activities	**247,356**	**62,039**	**703,692**
Net change in cash and cash equivalents	(83,371)	7,831	381,682
Cash and cash equivalents at start of period	**395,207**	**13,525**	**13,525**
Cash and cash equivalents at end of period	**311,836**	**21,356**	**395,207**

The summary consolidated financial information has not been audited

Selected notes to the quarterly financial statements

1. General information and accounting policies

Selvaag Bolig AS (the "Company") and its subsidiaries (together “the Group”) is a property development group, involved in the construction of residential property for sale in the ordinary course of business. The condensed consolidated interim financial information consists of the Group and the Group’s interest in associated companies and jointly controlled entities.

The Group's condensed consolidated financial information for 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information and disclosures required for annual financial statements and should be read in conjunction with the Group’s consolidated financial statements for 2010.

The accounting policies applied in preparing these interim condensed consolidated financial statements are consistent with those applied in the Group’s consolidated financial statements for the year ended 31 December 2011.

Group management has not yet evaluated the impact of implementing new, revised and amended standards with a later date of adoption.

2. Accounting judgements, estimates and assumptions

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting principles and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were largely the same as those that applied in the consolidated financial statements for the year ended 31 December 2010.

3. Transactions with related parties

See note 23 in the Group's Consolidated Financial Statements for 2010 for detailed information on related party transactions in previous years.

4. Segment information

The group changed the definition of operating segments during the third quarter of 2011. As a result of the transactions with Hansa Property Group AS and SPE KS the principal segments are now defined as Real Estate development divided according to the regions Greater Oslo, The rest of Norway and Other countries. Previously the group also reported the segments Modules, Services and Estate Agent. These are now included in “Other” together with unallocated revenues and expenses. The comparative figures are restated in accordance with the new segment reporting. See note 4 to the group 2011 financial statements for further segment information.

The group utilises the percentage of completion method in its internal reporting for which the degree of completion is estimated based on expenses incurred relative to total estimated costs. Operating profit (loss) under the percentage of completion method also includes an estimated profit element. The group consolidated income statement is based on the completed contract method, in which revenue is recognised at the time of transfer of risk and control, being the point of delivery of the property. A reconciliation of this effect (from stage of completion to completed contract) can be found in the segment reporting under "Reconciliation EBITDA to operating profit (loss)".

Group management considers segment results based on the percentage of completion method for determining EBITDA. The method of measurement is defined as operating profit (loss) before “Depreciation and amortisation”, “Other gain (loss), net”, and “Share of income (losses) from disposals from associated companies and joint ventures”. Financial income and expenses are not allocated to operating segments since this type of activity is managed by a central finance function focused on managing the group’s liquidity.

For the quarter

(figures in NOK 1 000)	Property development: Greater Oslo	Property development: The rest of Norway	Property development: Other countries	Other	Total
Operating revenues	451 921	244 048	531	13 713	**710 213**
Project expences	(329 918)	(202 539)	-	(1 759)	**(534 216)**
Other operating expences	(12 395)	(1 185)	(641)	(27 625)	**(41 846)**
EBITDA (percentage of completion)	**109 608**	**40 324**	**(110)**	**(15 671)**	**134 151**
Reconciliation EBITDA to Operating profit (loss):					
EBITDA (percentage of completion)	109 608	40 324	(110)	(15 671)	**134 151**
Sales revenues (adjustment effect of percentage of	(419 064)	(242 658)	-	-	**(661 722)**
Sales revenues (completed contract)	143 480	-	-	-	**143 480**
Project expenses (adjustment effect of percentage	316 953	202 539	-	-	**519 492**
Project expenses (completed contract)	(121 308)	-	-	-	**(121 308)**
Depreciation and amortisation	-	-	-	(5 174)	**(5 174)**
Share of income (losses) from associated companies	6 439	1 085	(93)	-	**7 431**
Other gain (loss), net	-	-	-	-	**-**
Operating profit (loss)	**36 108**	**1 290**	**(203)**	**(20 845)**	**16 350**
Units in production	805	323	-	I/A	**1 128**
Units delivered	74	-	-	I/A	**74**

	Boligutvikling: Stor-Oslo	Boligutvikling: Resten av Norge	Boligutvikling: Utland	Øvrig	Total
Operating revenues	4 268	-	-	36 930	**41 198**
Project expences	(2 124)	-	-	(18 280)	**(20 404)**
Other operating expences	(1 252)	-	-	(26 072)	**(27 324)**
EBITDA (percentage of completion)	**892**	**-**	**-**	**(7 422)**	**(6 530)**
Reconciliation EBITDA to Operating profit (loss):					
EBITDA (percentage of completion)	892	-	-	(7 422)	**(6 530)**
Sales revenues (adjustment effect of percentage of	-	-	-	-	**-**
Sales revenues (completed contract)	-	-	-	-	**-**
Project expenses (adjustment effect of percentage	-	-	-	-	**-**
Project expenses (completed contract)	-	-	-	-	**-**
Depreciation and amortisation	-	-	-	(97)	**(97)**
Share of income (losses) from associated companies	-	-	-	(176)	**(176)**
Other gain (loss), net	-	-	-	990	**990**
Operating profit (loss)	**892**	**-**	**-**	**(6 705)**	**(5 813)**
Units in production	847	-	-	I/A	**847**
Units delivered	16	-	-	I/A	**16**

5. Inventory - property

The Group has property which is land and buildings intended for sale in the ordinary course of business or which is in the process of construction or development for such sale. Inventories thus comprise land, property held for resale, and property under development and construction. Inventories are measured at the lower of cost and net realisable value.

(figures in NOK 1 000)	Q1 2012	Q1 2011	2011
Land (undeveloped)	2,248,817	359,499	2,367,022
Work in progress	2,148,225	2,600	1,749,358
Finished projects	97,181	6,931	94,645
Carrying amount as of 31 March	**4,494,223**	**369,030**	**4,211,025**

SELVAAG BOLIG

Start Hjem Pluss

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Selvaag Bolig in brief
Selvaag Bolig ASA is a residential property developer rooted in 60 years of Selvaag history and experience. At any given time, the company has several thousand homes under construction throughout the country. Selvaag Bolig focuses particularly on the Greater Oslo area, Bergen and Stavanger, but also has two projects under development in Stockholm. The company manages the entire process, from the purchase of land to the sale of finished homes. Selvaag Bolig offers a wide variety of property types, which it markets under the brand names Selvaag Start, Selvaag Hjem and Selvaag Pluss. The company is led by CEO Baard Schumann, while Olav Hindahl Selvaag chairs the board of directors. The company is headquartered at Løren in Oslo.