

**Q4  
2013**

# Fourth quarter results



**SELVAAG BOLIG**

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## Highlights of the fourth quarter 2013

- Operating revenues of NOK 376 million (NOK 1 252 million) and EBITDA profit of NOK 2 million (NOK 229 million)
- Many housing starts and increasing building activity, but lower pace of sales than in earlier periods
  - 61 units sold (221) and sales started for nine homes (293)
  - construction started on 296 units (383)
  - 101 units completed (309) and 118 delivered (309) - including 17 completed earlier
  - a total of 1 474 units under construction at 31 December (1 067), with a combined sales value of NOK 5 421 million (NOK 3 572 million)
- Land purchases in Oslo and Ski
- NOK 690 million in added value on the land bank (725)
- The board proposes a dividend of NOK 0.5 per share for 2013

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

## Key figures

(figures in NOK 1 000)	Q4 2013	Q4 2012	2013	2012
<b>IFRS main figures</b>				
Operating revenues	375 574	1 252 073	2 196 964	2 812 020
EBITDA	1 607	229 152	289 060	511 455
Operating profit/(loss)	(3 741)	222 201	266 971	489 594
Profit/(loss) before taxes	(6 586)	219 925	236 988	448 129
Cash flow from operating activities	(152 852)	715 354	103 950	464 306
Net cash flow	34 127	132 282	29 053	162 782
Interest-bearing liabilities	2 785 215	2 830 298	2 785 215	2 830 298
Total assets and liabilities	5 969 849	5 734 865	5 969 849	5 734 865
Equity ratio	37.9%	37.4%	37.9%	37.4%
Earnings per share (whole NOK)	0.03	1.48	1.76	3.39
<b>Segment reporting (NGAAP):</b>				
Operating revenues	755 160	1 046 626	2 599 843	3 255 167
EBITDA*	83 203	182 011	422 657	627 148
EBITDA margin	11.0%	17.4%	16.3%	19.3%
<b>Key figures:</b>				
Number of sold units	61	221	740	1 011
Number of started units	296	383	1 083	845
Number of delivered units	118	309	687	776
Number of completed units	101	309	678	792

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

## Financial review

### Summary of overall results

(figures in NOK 1 000)	Q4 2013	Q4 2012	2013	2012
<b>Total operating revenues</b>	<b>375 574</b>	<b>1 252 073</b>	<b>2 196 964</b>	<b>2 812 020</b>
Project expenses	(316 144)	(967 747)	(1 709 646)	(2 141 346)
Other operating expenses, salaries and personnel cost, depreciation and amortisation	(63 097)	(75 256)	(230 861)	(234 572)
Associated companies and joint ventures	(74)	13 131	10 514	53 492
<b>Total operating expenses</b>	<b>(379 315)</b>	<b>(1 029 872)</b>	<b>(1 929 993)</b>	<b>(2 322 426)</b>
<b>Operating profit</b>	<b>(3 741)</b>	<b>222 201</b>	<b>266 971</b>	<b>489 594</b>
<b>Net financial expenses</b>	<b>(2 845)</b>	<b>(2 276)</b>	<b>(29 983)</b>	<b>(41 465)</b>
<b>Profit before taxes</b>	<b>(6 586)</b>	<b>219 925</b>	<b>236 988</b>	<b>448 129</b>
Income taxes	14 131	(55 580)	(50 177)	(101 782)
<b>Net income</b>	<b>7 545</b>	<b>164 345</b>	<b>186 811</b>	<b>346 347</b>

### Results for the fourth quarter of 2013

*(Figures in brackets relate to the corresponding period of 2012. The figures are unaudited.)*

Selvaag Bolig had operating revenues of NOK 375.6 million (NOK 1 252.1 million) in the fourth quarter. It delivered 118 homes (309) in the period, including 117 (282) from consolidated project companies, which accounted in all for NOK 288 million (NOK 947.8 million) of total consolidated operating revenues.

Ninety-six units were delivered at Bjørnåsen through a sale of shares in a project company, contributing NOK 186.4 million to revenues. That was NOK 5 million lower than if the homes had been sold directly, since the buyers received a discount for the tax disadvantage. However, Selvaag Bolig secured a tax-free revenue from the share sale which had a correspondingly positive effect on tax expense. Furthermore the group has delivered six terraced homes in Lier. This was a research and development project with low energy housing. The project contributed NOK 24.2 million to revenues and 0 to the profit margin.

Selvaag Bolig sold commercial sections at Løren during the quarter, which accounted for NOK 15.7 million of revenues. Furthermore, land sales by the group in Tromsø, Stavanger and Tønsberg accounted for revenues of NOK 54.3 million in all and yielded a net accounting loss of NOK 1.4 million. Other revenues related to activities outside the core business, mainly letting. The reduction in operating revenues reflected fewer units delivered than in the

corresponding period of 2012, while the year before included revenues of NOK 212.5 million from the sale of land to the City of Oslo.

Project costs for the quarter totalled NOK 316.1 million (NOK 967.7 million). These relate primarily to construction costs for homes delivered as well as costs for other projects which do not qualify for capitalisation as inventories. Project costs include NOK 16.9 million from the sale of commercial sections at Løren. In addition comes NOK 54.5 million in costs related to land sold in Tromsø, Stavanger and Tønsberg. The decline in project costs reflects fewer units delivered than in the same period of 2012, and expensing of NOK 155.5 million in 2012 from the sale of land to the City of Oslo and an impairment charge of NOK 20.8 million on land in Tromsø.

Operating costs excluding project costs and the share of results from associates came to NOK 63.6 million (NOK 75.3 million) for the quarter. Payroll costs accounted for NOK 23.8 million (NOK 31.8 million) of this figure. The decline primarily reflects recognition of a bonus provision of NOK 7.5 million in the third quarter of 2013, while the 2012 provision was recognised in the fourth quarter. In addition, NOK 7.3 million (NOK 8 million) in payroll costs related to housing under construction were capitalised during the period and will be expensed as project costs on delivery.

Furthermore, other operating costs came to NOK 33.9 million (NOK 36.5 million) for the quarter. Of these, sales and marketing accounted for NOK 15.4 million (NOK 16.3 million). Meglerhuset Selvaag (estate agency and letting operations) was divested in the third quarter. Final settlement and winding up the residual parts of these yielded a net cost of NOK 2.9 million in the fourth quarter.

The share of profit/loss and gain/loss from the disposal of associates and joint ventures came to NOK 0.4 million (NOK 13.2 million). This decline reflects fewer units delivered from part-owned projects.

EBITDA came to NOK 1.6 million (NOK 229.2 million) in the quarter, corresponding to a margin of 0.4 per cent (18.3 per cent). The low margin for the group as a whole differs sharply from margins in the individual projects, and must be viewed in relation to a smaller number of deliveries during the quarter and the implementation of one project as a share sale. The operating result for the latter was NOK 5 million lower than if the homes had been sold directly. A correspondingly positive effect on tax expense means that the net effect was zero.

Consolidated depreciation and amortisation totalled NOK 5.3 million (NOK 7 million), so that consolidated operating loss for the quarter came to NOK 3.7 million (profit of NOK 222.2 million). Despite the level of activity remaining high, consolidated operating profit fell from the same period of 2012. That reflected a lower number of deliveries compared with the fourth quarter of 2012 and the contribution of NOK 57 million in the latter period from the sale of a school site to the City of Oslo.

Net financial expenses came to NOK 2.9 million (NOK 2.3 million) for the quarter. The pre-tax loss came to NOK 6.6 million (profit of NOK 219.9 million).

Net tax income is estimated at NOK 14.1 million (expense of NOK 55.6 million) for the quarter. The positive effect primarily reflects a reduction in deferred tax because the tax rate was reduced from 28 to 27 per cent from 2014 and from the tax-free sale of shares.

Consolidated net profit was NOK 7.5 million (NOK 164.3 million), of which NOK 2.9 million was attributable to the shareholders of Selvaag Bolig ASA and NOK 4.6 million to minority shareholders in two projects

## Results for 2013

Selvaag Bolig had operating revenues of NOK 2 197 million (NOK 2 812 million) for the full year. It delivered 687 homes (776), including 647 (704) from consolidated project companies, which accounted in all for NOK 2 000.2 million (NOK 2 292.9 million) of total operating revenues. Other revenues related to activities outside the core business, mainly letting.

Project costs for the full year totalled NOK 1 709.6 million (NOK 2 141.3 million). These relate primarily to construction costs for homes delivered as well as costs in other projects which do not qualify for capitalisation as inventories.

Operating costs excluding project costs and associates came to NOK 231.8 million (NOK 234.5 million) for the year. Payroll costs totalled NOK 87.7 million (NOK 76.8 million). In addition, NOK 28.9 million (NOK 26.3 million) in payroll costs related to housing under construction were capitalised during the period and will be expensed as project costs on delivery. Furthermore, other operating costs came to NOK 121.1 million (NOK 135.9 million). Of these, sales and marketing accounted for NOK 52.8 million (NOK 78.2 million).

The share of profit/loss and gain/loss from the disposal of associates and joint ventures came to NOK 10.9 million (NOK 53.4 million). This reduction reflects fewer units delivered in part-owned projects.

EBITDA came to NOK 289.1 million (NOK 511.5 million) for the full year, representing a margin of 13.2 per cent (18.2 per cent). The Løren 2B project made a big contribution to the high EBITDA margin in 2012, when the guarantee was treated as profit sharing rather than a project cost. In addition 2012 included NOK 124.3 million in net contributions from the sales of land and commercial sections.

Consolidated depreciation and amortisation totalled NOK 22.1 million (NOK 21.9 million), so that consolidated operating profit for the year came to NOK 267 million (NOK 489.6 million).

Net financial expenses for the year came to NOK 30 million (NOK 41.5 million). Financial expenses include guarantee costs of NOK 13 million. The reduction in financial expenses primarily reflected a decline in interest-bearing debt not capitalised on land because the proportion of land loans has gone down while the share of construction borrowing has risen.

Pre-tax profit came to NOK 237 million (NOK 448.1 million).

Tax expense was NOK 50.2 million (NOK 101.8 million) for the full year, so that consolidated net profit came to NOK 186.8 million (NOK 346.3 million). Of this, NOK 165.4 million was attributable to the shareholders of Selvaag Bolig ASA and NOK 21.4 million to minority shareholders in two joint ventures

## Cash flow

Consolidated net cash flow from operational activities was negative at NOK 152.9 million (positive at NOK 715.4 million) for the fourth quarter. The decline primarily reflects fewer homes delivered and high construction activity, partly offset by settlements for homes delivered in the third quarter.

For the full year, the group's cash flow from operational activities was NOK 104 million (NOK 464.4 million). The decline was mainly due to more homes under construction.

Net cash flow from investing activities was negative at NOK 2.6 million (positive at NOK 6.1 million) for the quarter. Pay-outs from joint ventures came to NOK 7 million (NOK 18.1 million). Buying into a joint venture in Ski involved a payment of NOK 10 million.

Net cash flow from investing activities was NOK 48.8 million (NOK 18 million) for the full year. Pay-outs and redemption of loans from joint ventures came to NOK 91.1 million, while the acquisition of joint ventures in Sandnes and Ski totalled a negative NOK 43.5 million.

Net cash flow from financing activities was NOK 189.5 million (negative at NOK 589.2 million) for the quarter. NOK 9 million was paid out as dividend to the minority shareholder in the Nesttun Pluss KS project. Other cash flows corresponded to the net drawdown of loans, primarily construction loans.

Net cash flow from financing activities for the full year was negative at NOK 123.7 million (NOK 319.5 million). The group raised NOK 500 million through a bond loan during the second quarter. In connection with the issue of the bond, an unsecured loan facility of NOK 224 million and a land loan of NOK 50 million were redeemed. In addition, NOK 145 million drawn down on overdraft facilities was repaid. NOK 64.1 million was furthermore paid out as share of profit to the external guarantor for the Løren 2B project, and NOK 9 million as dividend to the minority shareholder in the Nesttun Pluss KS project. Other cash flows corresponded to net redemption of loans.

Cash and cash equivalents increased by NOK 34.1 million during the fourth quarter and by NOK 29.1 million for the full year. The group's total holding at 31 December was NOK 587 million (NOK 558 million)

### Cash flow summary

(figures in NOK 1 000)	Q4 2013	Q4 2012	2013	2012	2012
Profit before taxes	(6 586)	219 925	236 988	448 129	448 129
Net cash flow from operating activities	(152 852)	715 354	103 950	464 306	464 306
Net cash flow from investment activities	(2 557)	6 122	48 787	17 989	17 989
Net cash flow from financing activities	189 536	(589 195)	(123 684)	(319 513)	(319 513)
Net change in cash and cash equivalents	34 127	132 282	29 053	162 782	162 782
Cash and cash equivalents at start of period	552 915	425 707	557 989	395 207	395 207
Cash and cash equivalents at end of period	587 042	557 989	587 042	557 989	557 989

## Financial position

The carrying amount of Selvaag Bolig's inventories (land, housing under construction and completed homes) at 31 December was NOK 4 283.9 million, compared with NOK 3 865.2 million at 31 September and NOK 3 910.7 million a year earlier. The increase from the fourth quarter of 2012 reflected a substantial increase in homes under construction. See note 5 for a specification of inventories.

An internal valuation of properties included in inventories is conducted at 31 December each year to determine the net sales value of each land/property holding. In addition, an external valuation of the group's properties at 31 December was conducted by Akershus Eiendom at the request of the group. The latter assessment indicates an added value of NOK 690 million (725) on the carried value of properties carried as undeveloped land (land bank).

Equity at 31 December was NOK 2 260.2 million (NOK 2 146.6 million), corresponding to an equity ratio of 37.9 per cent (37.4 per cent). Payments totalling NOK 64.1 million related to profit sharing and NOK 9 million in dividend reduced the minority share of equity to NOK 23.7 million (NOK 74.4 million). The board has proposed a dividend to the shareholders in Selvaag Bolig ASA of NOK 0.5 per share for 2013, corresponding to NOK 46.8 million.

Other current non-interest-bearing liabilities totalled NOK 550.1 million (NOK 362.4 million) at 31 December, of which

NOK 277.7 million (NOK 145.5 million) represented advance payments from customers.

At 31 December, consolidated interest-bearing debt amounted to NOK 2 785.2 million (NOK 2 830.3 million), of which NOK 2 116.2 million (NOK 1 461.5 million) was non-current and NOK 669 million (NOK 1 368.9 million) was current.

The group had land loans of NOK 1 177.6 million (NOK 1 566 million) at 31 December. These are normally converted to construction loans in line with the progress of the respective construction projects.

As of 31 December the group held two undrawn overdraft facilities of NOK 150 million each., of which one being allocated for financing the start-up of new projects.

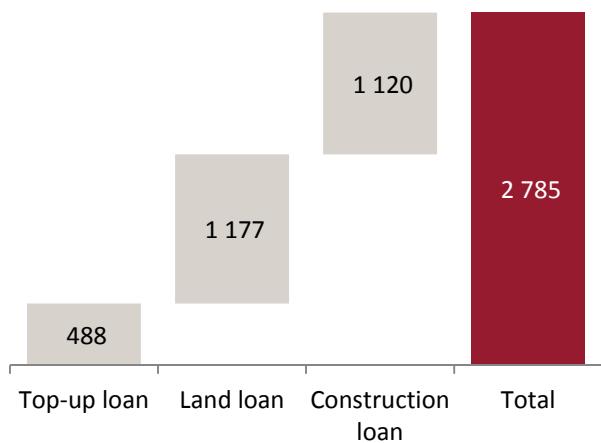
The group issued an unsecured bond loan of NOK 500 million in the second quarter of 2013, with a five-year term and quarterly interest payments from 27 September 2013. Interest on the loan is three months Nibor plus a margin of 4.75 percentage points. The bond incorporates two covenants, requiring the company to maintain 1) a minimum equity ratio of 22.5 per cent and 2) a sales ratio of at least 70 per cent for homes under construction. Both covenants were fulfilled at 31 December. The bond was listed on the Oslo Stock Exchange in the third quarter of 2013.

### Net interest-bearing debt

(figures in NOK 1 000)	2013	2012
Non-current interest-bearing debt	2 116 176	1 461 463
Current interest-bearing debt	669 039	1 368 835
Cash and cash equivalents	(587 042)	(557 989)
<b>Net interest-bearing debt</b>	<b>2 198 173</b>	<b>2 272 309</b>

The group's interest-bearing debt falls primarily into three categories: top-up loans which are liabilities in parent company Selvaag Bolig ASA, land loans and construction loans. At 31 December, the group had a top-up loan of NOK 488 million, land loans of NOK 1 177 million and construction loans of NOK 1 120 million. The top-up loan consisted of a bond carried at a net amortised cost of NOK 488 million.

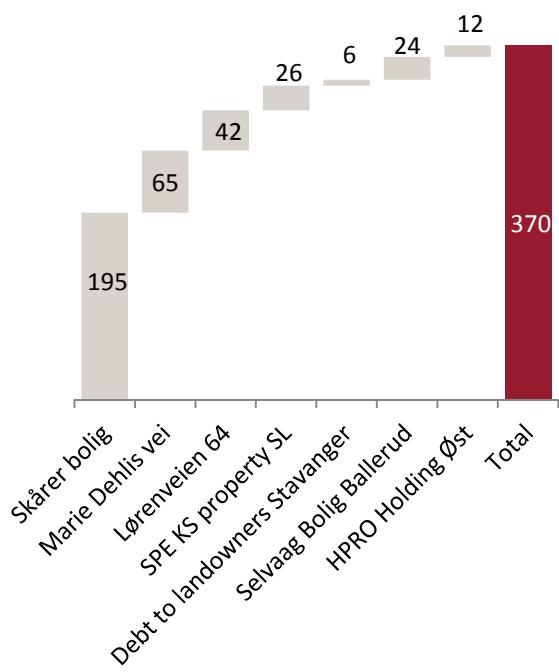
**Interest-bearing debt at 31 December 2013 (NOK mill)**



Interest costs on land loans are normally recognised in profit and loss until the site secures planning permission. They are capitalised against the site from the day the project secures planning permission, and recognised in profit and loss as part of inventory costs when the homes are delivered. At 31 December, NOK 807.2 million in interest on land loans had been capitalised, while interest

charges of NOK 370.4 million on loans were recognised in profit and loss. Interest costs on liabilities to landowners in Stavanger are only an accounting charge from the present value calculation and without cash effect.

**Loans recognised in profit and loss (NOK mill)**



## Operational reporting

*Operational reporting accords with the defined segments in Selvaag Bolig and is broken down as follows: housing development divided geographically between Greater Oslo, the rest of Norway and other countries. Reporting also embraces the "other business" segment. The latter includes 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 fourth quarter

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q4 13	Q4 12	Q4 13	Q4 12	Q4 13	Q4 12
Property development						
- Greater Oslo	571 042	850 317	96 579	202 007	87 020	167 776
- Rest of Norway	179 838	185 017	21 612	10 254	23 494	43 477
- Other countries	366	428	(307)	(33)	4 605	5 286
Other	3 914	10 864	(34 681)	(30 217)	(24 999)	(17 794)
IFRS adjustments	(379 586)	205 447	(81 596)	47 141	(93 861)	23 456
<b>Total group</b>	<b>375 574</b>	<b>1 252 073</b>	<b>1 607</b>	<b>229 152</b>	<b>(3 741)</b>	<b>222 201</b>

### Segments full year

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	12M 13	12M 12	12M 13	12M 12	12M 13	12M 12
Property development						
- Greater Oslo	1 920 785	2 330 926	410 059	573 186	291 766	355 869
- The rest of Norway	652 775	878 524	133 629	135 429	68 908	93 449
- Other countries	1 990	1 390	(95)	(384)	9 059	4 341
Other	24 293	44 327	(120 936)	(81 083)	(85 456)	(56 323)
IFRS adjustments	(402 879)	(443 147)	(133 597)	(115 693)	(17 306)	92 258
<b>Total group</b>	<b>2 196 964</b>	<b>2 812 020</b>	<b>289 060</b>	<b>511 455</b>	<b>266 971</b>	<b>489 594</b>

## Housing development - Greater Oslo

This segment embraces projects from Jessheim in the north to Moss in the south-east and Tønsberg in the south-west.

Operating revenues for the fourth quarter were NOK 571 million (NOK 850.3 million). They derived from 19 projects, all of which are in production because construction has started. In addition, a commercial building and a piece of land were sold for NOK 15.7 million and NOK 11.8 million respectively.

Although the group experienced a somewhat slower pace of sales during the period, the projects under construction showed good profitability and progress.

Operating costs, primarily for construction and sales, move in line with the projects and amounted to NOK 474.5 million (NOK 648.3 million) in the fourth quarter. Construction costs are exclusive of financial expenses in the segment reporting. This differs from the IFRS accounts, where financial expenses form part of project costs on delivery.

EBITDA presents operating profit (loss) before depreciation, gain (loss), and share of profit (loss) from associates. It came to NOK 96.6 million for the quarter (NOK 202 million), corresponding to a profit margin of 16.9 per cent (23.7 per cent). A land sale to the City of Oslo in the same period of 2012 meant that the profit margin was then noticeably higher.

## Housing development - rest of Norway

In addition to Greater Oslo, Selvaag Bolig concentrates on large towns in other parts of the country. These are included in the housing development - rest of Norway business area.

Operating revenues for this segment in the fourth quarter were NOK 179.8 million (NOK 185 million), and derived primarily from nine projects in Stavanger and one in Bergen. In addition, two pieces of land were sold and delivered for a total of NOK 42.5 million during the period.

As in Greater Oslo, operating costs move primarily in line with construction and sales costs. These follow project

development and amounted to NOK 158.2 million (NOK 174.8 million) in the fourth quarter exclusive of financial expenses.

EBITDA for the segment came to NOK 21.6 million (NOK 10.3 million), corresponding to a margin of 12 per cent (5.5 per cent). This margin was somewhat lower than in earlier quarters of 2013, reflecting the above-mentioned land sales. These sales yielded a net accounting loss of NOK 1.4 million. Land in Tromsø was written down in the fourth quarter of 2012, which produced the low margin. Underlying operation and progress in the projects are good.

## Housing development - other countries

Only one project was under way in this segment at 31 December. Located in Stockholm, it is owned 50-50 with Veidekke Bostad AB. Since this is a 50-50 partnership, it is not consolidated in the group accounts.

Operating revenues in the fourth quarter came to NOK 0.4 million (negative at NOK 0.4 million), attributable in their entirety to rental income. Operating costs of NOK 0.7 million (NOK 0.5 million) related primarily to letting management.

## Other business - unallocated

The other business segment comprises a number of activities in the group which are not regarded 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 revenues for the fourth quarter came to NOK 3.9 million (NOK 10.8 million), and are primarily attributable to the provision of services. The reason for the decline from 2012 was that Meglerhuset Selvaag was acquired by Eiendomsmegler Krogsvæen AS with effect from the third

quarter of 2013, and thereby ceased to be part of Selvaag Bolig's business.

Total operating costs for the segment amounted to NOK 38.6 million (NOK 41.1 million) for the fourth quarter. These are largely attributable to management and administration as well as to company promotion. In addition, winding-up costs of NOK 2.9 million related to Meglerhuset Selvaag were recognised during the quarter.

This yielded a negative EBITDA of NOK 34.7 million (NOK 30.2 million) for the segment.

## Review of operations

### Operations

The pace of sales declined during the quarter compared with the corresponding period of 2012. Activity in the group was nevertheless at a high level, and good sales in 2012 and 2013 meant that construction started on a large number of homes. 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, Tønsberg, Trondheim,

Tromsø, Bergen and Stockholm. However, no projects are currently under construction in Trondheim or Tromsø.

### Purchase and sale of land

Selvaag Bolig has entered into an agreement to acquire Økern Torgvei 30 for NOK 195 million. This implies a land cost of roughly NOK 7 800 per saleable square metre. The purchase will be closed in the fourth quarter of 2014.

Furthermore, Selvaag Bolig has entered into an agreement to acquire land in Ski for NOK 70 million. Selvaag Bolig AS will own 50 per cent of the project, with AF Eiendom owning the other 50 per cent. Assuming the same housing density as in corresponding projects in the area, this implies a land cost of roughly NOK 7 200 per saleable square

metre. The purchase was closed in the fourth quarter of 2013.

Commercial sections were also sold at Løren B in Oslo for NOK 15.7 million during the quarter. This sale yielded an accounting loss of NOK 1.2 million.

In addition land sales in Tromsø, Stavanger and Tønsberg accounted for NOK 54.3 million in all. These sales yielded a net accounting loss of NOK 1.4 million.

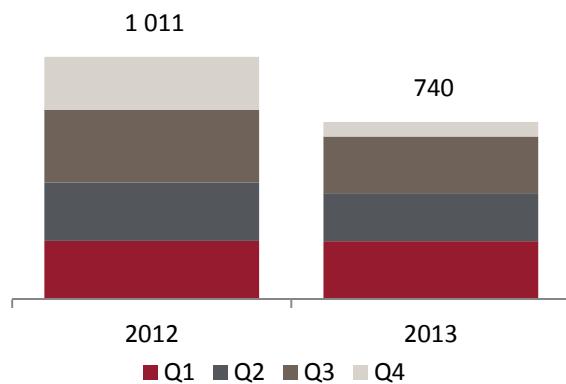
### Quarterly development of the project portfolio

	Q4 12	Q1 13	Q2 13	Q3 13	Q4 13
Number of units sold	221	243	200	236	61
Number of commenced units	383	168	284	335	296
Number of units completed	309	178	211	188	101
Number of units in production	1 067	1 058	1 131	1 279	1 474
Proportion of sold units in production	86%	86%	83%	80%	75%
Number of completed unsold units	22	23	23	22	8
Sales value of units in production (NOK million)	3 572	3 747	4 163	4 657	5 421

## Market trends

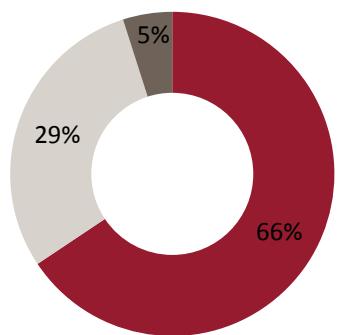
Selvaag Bolig sold 61 residential units (221) during the fourth quarter. These sales embrace Selvaag Bolig's consolidated project companies as well as its relative share of homes sold in part-owned projects. Housing sales during the fourth quarter were affected by a hesitant and price-sensitive market.

### Units sold



The 61 units sold broke down into 40 in Greater Oslo, 18 in the rest of Norway and three in other countries.

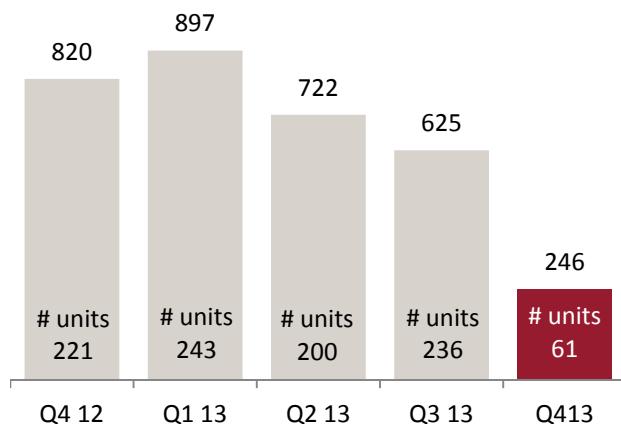
### Breakdown of sales



■ Greater Oslo ■ Rest of Norway ■ Other countries

The value of the residential units sold was NOK 246 million (NOK 820 million).

### Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in one project embracing nine units (293). Market conditions during the fourth quarter prompted the group to delay the start to sales for several projects.

### Sales starts in the quarter

Project	# of units	Category	Segment
Kornmoenga	9	Terraced	Greater Oslo
Total	9		

Construction also began on 296 (383) residential units during the fourth quarter.

Housing starts can vary substantially from quarter to quarter, since construction typically begins only when 60 per cent of the sales value in a project has been sold.

### Housing starts (no of units)

Project	# units	Category	Segment
Lørenskog Stasjonsby	140	Flat	Greater Oslo
Lørenskog Stasjonsby	28	Terraced	Greater Oslo
Lørenskog Stasjonsby	18	Flat	Greater Oslo
Lillohøyden	89	Flat	Greater Oslo
Jaasund	17	Flat	Rest of Norway
Jaasund	4	Terraced	Rest of Norway
Total	296		

At 31 December, Selvaag Bolig had 1 474 units under construction (1 067). These broke down into 1 156 units in Greater Oslo, 279 in the rest of Norway and 39 abroad.

The order backlog at 31 December – in other words, the sales value of the 1 474 (1 067) units under construction – was NOK 5 421 million (NOK 3 572 million).

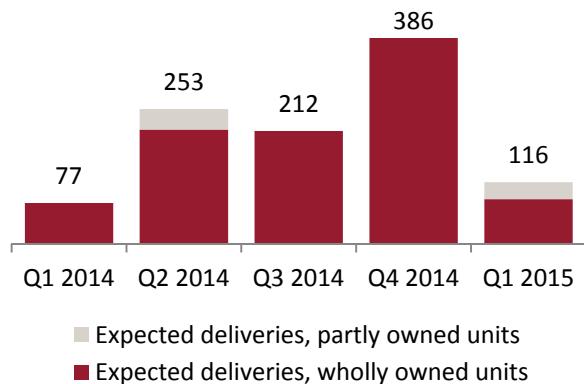
A total of 101 (309) units were completed in the fourth quarter, of which 118 (309) were delivered. The latter were divided between two projects - Bjørnåsen and Jaasund. Consolidated project companies accounted for 117 of the completed units and part-owned project companies for one.

#### Units completed by project

Project	# units	Category	Segment
Bjørnåsen Syd	96	Flat	Greater Oslo
Jaasund	5	Detached	Rest of Norway
<b>Total</b>	<b>101</b>		

Based on estimated completions, the number of deliveries is expected to rise during 2014. Compared with the reporting of deliveries in the previous quarter, 80 units at Øya Lervig Brygge in Stavanger have been brought forward from the second quarter of 2015 to the fourth quarter of 2014.

#### Expected number of deliveries



## Share information

The company had 863 shareholders at 31 December.

### 20 largest shareholders at 31 December 2013

Shareholder	# of shares	% share
SELVAAG GRUPPEN AS	50 180 087	53.5 %
SKANDINAVISKA ENSKILDA BANKEN AB	5 943 767	6.3 %
IKM EIENDOM AS	3 575 624	3.8 %
MP PENSJON PK	3 480 000	3.7 %
SKIPAS TUDOR	2 839 477	3.0 %
HAVFONN AS	2 144 856	2.3 %
T S EIENDOM AS	1 782 568	1.9 %
PARETO AS	1 490 000	1.6 %
STOREBRAND VERDI	1 212 107	1.3 %
HOLBERG NORGE	1 205 334	1.3 %
HOLBERG NORDEN	1 100 000	1.2 %
HOLTA INVEST AS	1 050 000	1.1 %
UTHALDEN A/S	1 004 613	1.1 %
STOREBRAND NORGE I	818 441	0.9 %
J.P. MORGAN CHASE BANK N.A. LONDON	750 000	0.8 %
VERDIPAPIRFONDET OMEGA INVESTMENT	700 000	0.7 %
STOREBRAND AKSJE INNLAND	618 301	0.7 %
ODIN EIENDOM	537 542	0.6 %
HUSTADLITT A/S	501 449	0.5 %
SEB LONDON	452 349	0.5 %
<b>Total 20 largest shareholders</b>	<b>81 386 515</b>	<b>86.8 %</b>
Other shareholders	12 379 173	13.2 %
<b>Total number of shares</b>	<b>93 765 688</b>	<b>100.0 %</b>

## Risk and uncertainty factors

As a housing developer, Selvaag Bolig is exposed to risks which could affect its business and financial position. Risk factors relate to land development, sales, and the execution of housing projects, and can be broken down into market, operational and financial categories. The group gives priority to work on managing and dealing with risk, and has established routines and control systems to limit and control risk exposure.

Macro-economic conditions, particularly unemployment and interest rates, as well as demographic changes are the factors expected to affect the group in a longer perspective. See the company's half-year and annual reports, available on its website, for a more detailed explanation of the risk and uncertainty factors it faces.

## Transactions with related parties

The group sold six terraced houses in Lier to Selvaag Gruppen AS during the fourth quarter for a total compensation of NOK 24.2 million. Furthermore, it delivered 96 flats at Bjørnåsen to an leasing company in which Selvaag Gruppen AS has a 26.7 per cent holding.

See note 23 to the consolidated financial statements for 2012 for detailed information on transactions with close associates in earlier years.

## Housing market

According to Statistics Norway (SSB), Norwegian house prices for 2013 were 3.9 per cent higher than the year before. Prices increased by 4.2 per cent for flats in blocks and by 3.7 per cent for small houses and detached homes. House prices in Trondheim and Akershus county excluding Bærum local authority had the biggest rises, of 5.9 per cent each. Of Selvaag Bolig's core areas, Rogaland county and Stavanger had the smallest increases, of 2.3 and 2.4 per cent respectively.

Average house prices fell by 2.6 per cent in the fourth quarter, and were one per cent higher at 31 December than a year earlier.

Prices in Oslo and Bærum fell during the quarter by 3.1 per cent, and were 1.2 lower at 31 December than a year earlier. Stavanger prices declined by 2.4 per cent during

the period and ended up 1.8 per cent lower than at 31 December 2012. The drop in Bergen was 4.1 per cent during the quarter, leaving prices up by 1.3 per cent from the year before. Prices in Akershus with the exception of Bærum fell by 2.5 per cent in the quarter, and were 2.8 per cent higher than at 31 December 2012. They fell by 3.2 per cent in Trondheim and were one per cent higher than the end of 2012.

Selvaag Bolig primarily builds flats and semi-detached/terraced homes, and found that demand during the quarter was highest for homes in the NOK 2-4 million price class in the peripheral zones around the big cities. According to the SSB, flats in blocks accounted for the largest fall in prices during the fourth quarter, declining by four per cent. Prices for detached and small houses fell by 2.8 and 1.7 per cent respectively.

## Outlook

According to SSB, population growth is strong and demand for new homes is high in Selvaag Bolig's core areas. House prices declined during the fourth quarter for all types of dwellings nationwide.

The stock of second-hand homes for sale was substantial at 31 December. The high volumes have curbed price developments. Earlier periods of falling prices show that the market for new houses only recovers when the stock of second-hand homes for sale declines. The volume of second-hand housing sales in January 2014 was on a par with a year earlier. Selvaag Bolig is now finding that high

house prices mean buyers - especially in the younger age groups - are turning towards favourably priced homes in the peripheral zones of Greater Oslo, Stavanger, Bergen and Trondheim. These are Selvaag Bolig's core areas, where the group is well positioned with cost-efficient production and very competitive products.

The group takes an industrial approach to housebuilding, which can provide competitive advantages in a more price-sensitive market. New operating parameters for housebuilding announced by the government could, in the longer term, have a positive effect on sales of new homes.

## Interim financial statements (IFRS)

### Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q4 2013	Q4 2012	2013	2012
Revenues	362 399	1 239 154	2 133 271	2 758 044
Other revenues	13 175	12 919	63 693	53 976
<b>Total operating revenues</b>	<b>375 574</b>	<b>1 252 073</b>	<b>2 196 964</b>	<b>2 812 020</b>
Project expenses	(316 144)	(967 747)	(1 709 646)	(2 141 346)
Salaries and personnel costs	(23 818)	(31 794)	(87 656)	(76 806)
Depreciation and amortisation	(5 348)	(6 951)	(22 089)	(21 861)
Other operating expenses	(33 931)	(36 511)	(121 116)	(135 905)
Other gains (losses), net	(523)	(47)	(419)	73
Associated companies and joint ventures	449	13 178	10 933	53 419
<b>Total operating expenses</b>	<b>(379 315)</b>	<b>(1 029 872)</b>	<b>(1 929 993)</b>	<b>(2 322 426)</b>
<b>Operating profit</b>	<b>-3 741</b>	<b>222 201</b>	<b>266 971</b>	<b>489 594</b>
Financial income	2 540	12 778	16 419	23 861
Financial expenses	(5 385)	(15 054)	(46 402)	(65 326)
<b>Net financial expenses</b>	<b>(2 845)</b>	<b>(2 276)</b>	<b>(29 983)</b>	<b>(41 465)</b>
<b>Profit/(loss) before taxes</b>	<b>(6 586)</b>	<b>219 925</b>	<b>236 988</b>	<b>448 129</b>
Income taxes	14 131	(55 580)	(50 177)	(101 782)
<b>Net income</b>	<b>7 545</b>	<b>164 345</b>	<b>186 811</b>	<b>346 347</b>
Other comprehensive income/expenses				
Translation differences	(18)	8	(115)	41
<b>Total comprehensive income/(loss) for the period</b>	<b>7 527</b>	<b>164 353</b>	<b>186 696</b>	<b>346 388</b>
Net income for the period attributable to:				
Minority interests	4 679	26 030	21 398	67 960
Shareholders in Selvaag Bolig ASA (majority interests)	2 866	138 315	165 413	278 387
<b>Total comprehensive income/(loss) for the period attributable to:</b>	<b>4 679</b>	<b>26 030</b>	<b>21 398</b>	<b>67 960</b>
Minority interests	4 679	26 030	21 398	67 960
Shareholders in Selvaag Bolig ASA (majority interests)	2 848	138 323	165 298	278 428
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA				
Earnings per share (basic and diluted) in NOK	0.03	1.48	1.76	3.39

*The consolidated financial information has not been audited*

## Statement of financial position

(figures in NOK 1 000)		2013	2012
<b>ASSETS</b>			
Non-current assets			
Goodwill		383 376	389 183
Other intangible assets		51 106	70 421
Property, plant and equipment		4 914	6 454
Investments in associated companies and joint ventures		150 705	158 369
Loans to associated companies and joint ventures		12 251	35 500
Other non-current assets		154 336	116 916
<b>Total non-current assets</b>		<b>756 688</b>	<b>776 843</b>
Current assets			
Inventories (property)	Note 5	4 283 850	3 910 684
Trade receivables		107 015	199 676
Other current receivables		235 254	289 673
Cash and cash equivalents		587 042	557 989
<b>Total current assets</b>		<b>5 213 161</b>	<b>4 958 022</b>
<b>TOTAL ASSETS</b>		<b>5 969 849</b>	<b>5 734 865</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributed to shareholders in Selvaag Bolig ASA		2 237 499	2 072 200
Non-controlling interests		22 718	74 421
<b>Total equity</b>		<b>2 260 217</b>	<b>2 146 621</b>
<b>LIABILITIES</b>			
Non-current liabilities			
Pension liabilities		1 183	372
Deferred tax liabilities		153 288	105 620
Provisions		92 578	92 112
Other non-current non interest-bearing liabilities		10 269	15 000
Non-current interest-bearing liabilities		2 116 176	1 461 463
<b>Total non-current liabilities</b>		<b>2 373 494</b>	<b>1 674 567</b>
Current liabilities			
Current interest-bearing liabilities		669 039	1 368 835
Trade payables		115 157	181 379
Current tax payables		1 833	1 106
Other current non interest-bearing liabilities		550 109	362 357
<b>Total current liabilities</b>		<b>1 336 138</b>	<b>1 913 677</b>
<b>Total liabilities</b>		<b>3 709 632</b>	<b>3 588 244</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5 969 849</b>	<b>5 734 865</b>

The consolidated financial information has not been audited

## Statement of changes in equity

	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
<b>EQUITY AS OF 1 JANUARY 2013</b>	187 511	1 394 857	700 629	1 194	3 528	-215 519	2 072 200	74 421 <sup>*)</sup>	2 146 621
Profit sharing to external guarantor	-	-	-	-	-	-	-	-64 101	-64 101
Paid to non-controlling share holders	-	-	-	-	-	-	-	-9 000	-9 000
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	165 413	165 413	21 398	186 811
Other comprehensive income/(loss) for the period	-	-	-	-115	-	-	-	-115	-115
<b>EQUITY AS OF 31 DECEMBER 2013</b>	187 511	1 394 857	700 629	1 079	3 528	-50 106	2 237 498	22 718 <sup>*)</sup>	2 260 216
<b>EQUITY AS OF 1 JANUARY 2012</b>	136 353	957 938	699 132	1 153	3 528	-493 906	1 304 198	6 461 <sup>*)</sup>	1 310 659
<i>Transactions with owners:</i>									
Share issue in connection with IPO	50 062	449 938	-	-	-	-	500 000	-	500 000
Transaction costs related to IPO	-	-22 722	621	-	-	-	-22 101	-	-22 101
Capital increase from over-allotment option Greenshoe	1 096	9 703	876	-	-	-	11 675	-	11 675
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	278 387	278 387	67 960	346 347
Other comprehensive income/(loss) for the period	-	-	-	41	-	-	41	-	41
<b>EQUITY AS OF 31 DECEMBER 2012</b>	187 511	1 394 857	700 629	1 194	3 528	-215 519	2 072 200	74 421 <sup>*)</sup>	2 146 621

*The consolidated financial information has not been audited*

<sup>\*)</sup> Non-controlling interests includes tax from profits in companies subject to partnership taxation. Income taxes in the Group does not include taxes from tax subjects outside the Selvaag Bolig Group.

## Statement of cash flow

(figures in NOK 1 000)	Q4 2013	Q4 2012	2013	2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before taxes	(6 586)	219 925	236 988	448 129
Depreciation and amortisation	5 348	6 951	22 089	21 861
Other gains (losses), net	523	47	419	(73)
Share of profits/(losses) from associated companies and joint ventures	(449)	(13 178)	(10 933)	(53 419)
Changes in inventories (property)	(418 661)	381 945	(361 075)	271 688
Changes in trade receivables	337 678	257 597	91 758	(167 340)
Changes in trade payables	7 397	95 079	(66 053)	36 387
Changes in other operating working capital assets	(150 521)	(202 630)	12 492	(248 272)
Changes in other operating working capital liabilities	72 419	(30 382)	178 265	155 345
<b>Net cash flow from operating activities</b>	<b>(152 852)</b>	<b>715 354</b>	<b>103 950</b>	<b>464 306</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Proceeds from sale of property, plant and equipment and intangible assets	-	(14)	2 939	106
Purchases of PPE and intangible assets	(566)	(1 082)	(2 500)	(3 087)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed	-	-	507	-
Purchases of businesses and subsidiaries, net of cash acquired	-	(10 944)	-	(15 359)
Purchases of associated companies and joint ventures	(10 000)	-	(43 305)	(15)
Proceeds from sale of other investments and repayment of loans	1 000	-	42 961	3 124
Purchases of other investments and accounts receivable	-	-	(10 008)	(11 132)
Dividends and disbursements from associated companies and joint ventures	7 009	18 162	58 193	44 352
<b>Net cash flow from investment activities</b>	<b>(2 557)</b>	<b>6 122</b>	<b>48 787</b>	<b>17 989</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	425 444	265 928	1 642 843	1 223 906
Repayments of borrowings	(226 908)	(880 472)	(1 480 042)	(2 115 982)
Net change in bank overdrafts (group account)	-	25 349	(213 384)	132 446
Proceeds from share issues	-	-	-	440 117
Payment of profit sharing and dividends	(9 000)	-	(73 101)	-
<b>Net cash flow from financing activities</b>	<b>189 536</b>	<b>(589 195)</b>	<b>(123 684)</b>	<b>(319 513)</b>
Net change in cash and cash equivalents	34 127	132 282	29 053	162 782
<b>Cash and cash equivalents at start of period</b>	<b>552 915</b>	<b>425 707</b>	<b>557 989</b>	<b>395 207</b>
<b>Cash and cash equivalents at end of period</b>	<b>587 042</b>	<b>557 989</b>	<b>587 042</b>	<b>557 989</b>

*The consolidated financial information has not been audited*

# Selected notes to the quarterly financial statements

## 1. General information and accounting policies

Selvaag Bolig ASA (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 consolidated financial information 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 2012.

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 2012.

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 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 2012.

## 3. Transactions with related parties

See note 23 in the Group's Consolidated Financial Statements for 2012 for detailed information on related party transactions in previous years.

## 4. Segment information

The main segment is defined as Property development divided according to the regions Greater-Oslo, The rest of Norway and Other Countries. In addition the Other segment consists of Services and Estate Agent, as well as unallocated revenues and costs.

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 and sales rate. 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

Segments fourth quarter 2013 (figures in NOK 1 000)	Property development				
	Greater Oslo	Rest of Norway	Other countries	Other	Total
Operating revenues	571 042	179 838	366	3 914	755 160
Project expenses	(460 455)	(153 180)	-	(574)	(614 209)
Other operating expenses	(14 008)	(5 046)	(673)	(38 021)	(57 748)
<b>EBITDA (percentage of completion)</b>	<b>96 579</b>	<b>21 612</b>	<b>(307)</b>	<b>(34 681)</b>	<b>83 203</b>
<b>Reconciliation EBITDA to operating profit (loss):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EBITDA (percentage of completion)	96 579	21 612	(307)	(34 681)	83 203
Sales revenues (adjustment effect of percentage of completion)	(509 762)	(135 717)	-	-	(645 479)
Sales revenues (completed contract)	196 959	66 854	-	-	263 813
Project expenses (adjustment effect of percentage of completion)	407 330	110 681	-	-	518 011
Project expenses (completed contract)	(169 818)	(48 049)	-	-	(217 867)
Depreciation and amortisation	-	-	-	(5 348)	(5 348)
Share of income (losses) from associated companies and joint ventures	368	259	(178)	-	449
Other gain (loss), net	-	-	-	(523)	(523)
<b>Operating profit (loss)</b>	<b>21 656</b>	<b>15 640</b>	<b>(485)</b>	<b>(40 552)</b>	<b>(3 741)</b>
Units in production	1 156	279	39	I/A	1 474
Units delivered	106	12	-	I/A	118
Segments fourth quarter 2012 (figures in NOK 1 000)	Property development				
	Greater Oslo	Rest of Norway	Other countries	Other	Total
Operating revenues	850 317	185 017	428	10 864	1 046 626
Project expenses	(626 912)	(168 012)	-	(1 387)	(796 311)
Other operating expenses	(21 398)	(6 751)	(461)	(39 694)	(68 304)
<b>EBITDA (percentage of completion)</b>	<b>202 007</b>	<b>10 254</b>	<b>(33)</b>	<b>(30 217)</b>	<b>182 011</b>
<b>Reconciliation EBITDA to operating profit (loss):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EBITDA (percentage of completion)	202 007	10 254	(33)	(30 217)	182 011
Sales revenues (adjustment effect of percentage of completion)	(570 769)	(171 615)	-	-	(742 384)
Sales revenues (completed contract)	709 275	238 555	-	-	947 830
Project expenses (adjustment effect of percentage of completion)	393 533	134 921	-	-	528 454
Project expenses (completed contract)	(523 598)	(176 295)	-	-	(699 893)
Depreciation and amortisation	-	-	-	(6 951)	(6 951)
Share of income (losses) from associated companies and joint ventures	977	12 394	(190)	-	13 181
Other gain (loss), net	-	-	-	(47)	(47)
<b>Operating profit (loss)</b>	<b>211 425</b>	<b>48 214</b>	<b>(223)</b>	<b>(37 215)</b>	<b>222 201</b>
Units in production	834	194	39	I/A	1 067
Units delivered	217	92	-	I/A	309

## For Jan-Dec

(figures in NOK 1 000)	Property development				
	Greater Oslo	The rest of Norway	Other countries	Other	Total
Operating revenues	1 920 785	652 775	1 990	24 293	2 599 843
Project expenses	(1 462 078)	(501 982)	-	(4 354)	(1 968 414)
Other operating expenses	(48 648)	(17 164)	(2 085)	(140 875)	(208 772)
<b>EBITDA (percentage of completion)</b>	<b>410 059</b>	<b>133 629</b>	<b>(95)</b>	<b>(120 936)</b>	<b>422 657</b>
<b>Reconciliation EBITDA to Operating profit (loss):</b>					
EBITDA (percentage of completion)	410 059	133 629	(95)	(120 936)	422 657
Sales revenues (adjustment effect of percentage of completion)	(1 764 821)	(604 488)	-	-	(2 369 309)
Sales revenues (completed contract)	1 245 620	718 734	-	-	1 964 354
Project expenses (adjustment effect of percentage of completion)	1 353 884	465 524	-	-	1 819 408
Project expenses (completed contract)	(974 091)	(584 473)	-	-	(1 558 564)
Depreciation and amortisation	-	-	-	(22 089)	(22 089)
Share of income (losses) from associated companies and joint ventures	2 651	9 009	(727)	-	10 933
Other gain (loss), net	-	-	-	(419)	(419)
<b>Operating profit (loss)</b>	<b>273 302</b>	<b>137 935</b>	<b>(822)</b>	<b>(143 444)</b>	<b>266 971</b>
Units in production	1 156	279	39	I/A	1 474
Units delivered	496	191	-	I/A	687
(figures in NOK 1 000)	Property development				
	Greater Oslo	The rest of Norway	Other countries	Other	Total
Operating revenues	2 330 926	878 524	1 390	44 327	3 255 167
Project expenses	(1 681 291)	(727 755)	-	(6 264)	(2 415 310)
Other operating expenses	(76 449)	(15 340)	(1 774)	(119 146)	(212 709)
<b>EBITDA (percentage of completion)</b>	<b>573 186</b>	<b>135 429</b>	<b>(384)</b>	<b>(81 083)</b>	<b>627 148</b>
<b>Reconciliation EBITDA to operating profit (loss):</b>					
EBITDA (percentage of completion)	573 186	135 429	(384)	(81 083)	627 148
Sales revenues (adjustment effect of percentage of completion)	(1 875 529)	(860 471)	-	-	(2 736 000)
Sales revenues (completed contract)	1 631 705	661 147	-	-	2 292 852
Project expenses (adjustment effect of percentage of completion)	1 369 158	686 366	-	-	2 055 524
Project expenses (completed contract)	(1 241 820)	(539 745)	-	-	(1 781 565)
Depreciation and amortisation	-	-	-	(21 861)	(21 861)
Share of income (losses) from associated companies and joint ventures	36 350	13 798	(793)	-	49 355
Other gain (loss), net	-	4 067	-	73	4 140
<b>Operating profit (loss)</b>	<b>493 051</b>	<b>100 591</b>	<b>(1 177)</b>	<b>(102 871)</b>	<b>489 594</b>
Units in production	834	194	39	I/A	1 067
Units delivered	580	196	-	I/A	776

**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)	2013	2012
Land (undeveloped)	1 753 368	1 960 974
Work in progress	2 398 847	1 831 718
Finished projects	131 635	117 992
<b>Carrying amount</b>	<b>4 283 850</b>	<b>3 910 684</b>

# SELVAAG BOLIG



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**About Selvaag Bolig**

Selvaag Bolig ASA is a residential property developer controlling the entire value chain from acquisition of land to sale of homes. The company has several thousand homes under development at any given time, and focuses on the growth areas in and around Greater Oslo, Bergen, Stavanger and Trondheim. Selvaag Bolig represents a continuation of Selvaag's 60-year history and experience, and offers a broad variety of property types marketed under the brand names Start, Hjem and Pluss. The company is headquartered at Løren in Oslo.

[www.selvaagbolig.no/investor](http://www.selvaagbolig.no/investor)